

# Business Report: Customer Segmentation and Marketing Strategy for Kiddocare

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## 1. Introduction

To improve our marketing efforts and better serve our customers, I have analyzed our customer data to identify different groups (segments) based on their behavior and spending patterns. This report presents the findings and suggests specific strategies for each customer group to increase engagement and conversion rates.

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## 2. Customer Segments Overview

After analyzing the data, I identified five distinct customer groups. Each group has different characteristics, such as age, income, and spending habits. Below is a summary of each group:

- **Cluster 0:** Older, rich, and careful spenders.
  - **Cluster 1:** Young, middle-income, and high spenders.
  - **Cluster 2:** Older, low-income, but high spenders.
  - **Cluster 3:** Young, low-income, and careful spenders.
  - **Cluster 4:** Young, rich, and balanced spenders.
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## 3. Detailed Analysis and Recommendations

### Cluster 0: Older, Rich, and Careful Spenders

- **Characteristics:**
  - Average age: 58 years
  - High income (RM 124,529)
  - Low spending score (27)
  - Equal gender distribution
- **Strategy:**
  - Focus on trust and reliability.
  - Offer long-term babysitting packages with discounts.
  - Use direct mail or email to communicate, emphasizing safety and quality.

### Cluster 1: Young, Middle-Income, High Spenders

- **Characteristics:**
  - Average age: 34 years

- Moderate income (RM 70,801)
- High spending score (79)
- More females than males
- **Strategy:**
  - Highlight convenience and ease of booking.
  - Offer flexible, short-term packages.
  - Use social media and mobile ads to reach them, focusing on lifestyle fit.

#### **Cluster 2: Older, Low Income, High Spenders**

- **Characteristics:**
  - Average age: 60 years
  - Low income (RM 64,299)
  - High spending score (74)
  - Slightly more males
- **Strategy:**
  - Promote affordable, quality services.
  - Offer loyalty programs and budget-friendly options.
  - Use targeted email campaigns to emphasize value.

#### **Cluster 3: Young, Low Income, Careful Spenders**

- **Characteristics:**
  - Average age: 36 years
  - Low income (RM 61,032)
  - Low spending score (22)
  - Slightly more females than males
- **Strategy:**
  - Focus on cost-effectiveness and essential services.
  - Provide budget-friendly babysitting packages.
  - Use simple and clear messaging via SMS or email.

#### **Cluster 4: Young, Rich, Balanced Spenders**

- **Characteristics:**
  - Average age: 33 years
  - High income (RM 127,546)

- Moderate spending score (53)
  - Equal gender distribution
  - **Strategy:**
    - Promote premium services with added benefits.
    - Offer exclusive deals and premium packages.
    - Use a mix of social media, app notifications, and personalized emails.
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#### 4. Conclusion

By understanding the different customer groups at Kiddocare, we can create targeted marketing strategies that better meet the needs of each group. This approach will help us improve customer engagement and increase conversion rates, making Kiddocare the go-to platform for all parents in Malaysia.

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#### 5. Next Steps

- Implement the recommended strategies for each customer group.
  - Monitor the performance of these strategies and adjust as needed.
  - Continue analyzing customer data to refine our marketing approach over time.
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