

Business Intelligence | Batch 13
15 March 2025



Leveraging RFM & CLV for a Data-Driven Marketing Strategy at **All-U-Need Mart**

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<https://www.hijirdata.com>



Essential Links



Dataset	https://www.kaggle.com/datasets/ahmedmohamed2003/retail-store-sales-dirty-for-data-cleaning/data
Tableau	https://public.tableau.com/app/profile/hijir.della.wirasti5486/viz/OptimizingRetailGrowthRFMANalysisCLVPredictionMarketingStrategy/Dashboard1
GitHub	https://github.com/hijirdella/All-U-Need-Mart_RFM-CLV-Marketing-Strategy
Portfolio	https://www.hijirdata.com/
LinkedIn	https://www.linkedin.com/in/hijirdella/
Email	hijirdw@gmail.com
Drive	https://drive.google.com/drive/folders/1kd8P2A_9RJrKmZeOWTdunVPFcJv3yOx9?usp=sharing



Hijir Della Wirasti
Business Intelligence



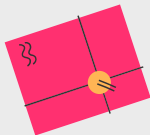


Table of contents



01

**Background
& Data Processing**

02

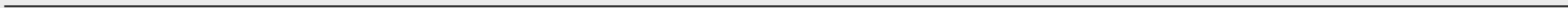
**Quick
Analysis**

03

**Data
Visualization**

04

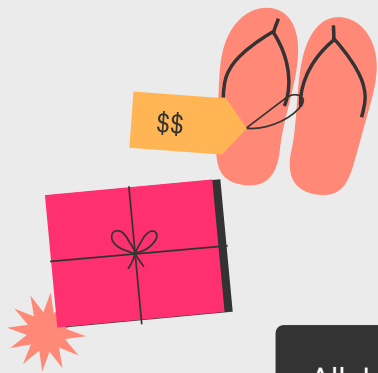
**Business Insight
&
Recommendation**



01

Background





Problem Statement



All-U-Need Mart struggles to optimize its marketing strategy due to a lack of insights **into customer behavior, discount effectiveness, and long-term profitability**. Without data-driven decisions, marketing efforts risk inefficiency, high customer churn, and poor personalization.



Goal:

How can Sales Analysis, RFM Segmentation, and CLV enhance **customer retention, profitability, and marketing effectiveness**?



Literature Review

The implementation of data-driven strategies such as **RFM Analysis (Recency, Frequency, Monetary)**, and **Customer Lifetime Value (CLV)** can significantly impact **sales and customer loyalty** at **All-U-Need Mart**. Below are some data and figures supporting the effectiveness of this approach:

Increase in Customer Loyalty and Revenue

- **Eastwood**: Achieved a **21% increase in email marketing profits** after implementing RFM analysis.
- **L'Occitane**: Experienced a **25-fold increase in revenue per email** through customer segmentation using the RFM model.
- **Frederick's of Hollywood**: Recorded a **6-9% conversion rate** in their campaigns after adopting RFM analysis. ([Desai et al. 2021](#))

Reduction in Churn Rate

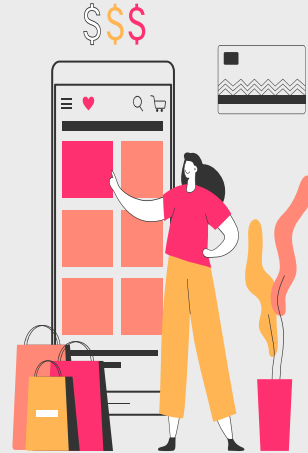
- Companies utilizing churn prediction can **reduce churn rates by up to 30%** with more targeted strategies.
- By **identifying at-risk customers early**, businesses can implement retention strategies such as **loyalty programs and exclusive discounts** ([Yulianti. 2018](#)).

Marketing Cost Efficiency

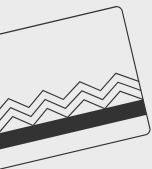
- With **better customer segmentation**, businesses can allocate marketing budgets more efficiently, focusing on high-value customers.
- Using **RFM and CLV analysis** can **reduce Customer Acquisition Cost (CAC) by up to 25%**, as companies can concentrate on **more profitable customers** ([Feaseo. 2022](#))

Optimized Customer Lifetime Value (CLV)

- RFM-based CLV calculations and clustering techniques like K-Means can improve **marketing efficiency by 30%** and **long-term profitability by 20%** ([Laksono et al. 2023](#)).



Data Preprocessing



	Column	Missing Values	Missing Percentage (%)
0	transaction_id	0	0.000000
1	customer_id	0	0.000000
2	category	0	0.000000
3	item	1213	9.646123
4	price_per_unit	609	4.842942
5	quantity	604	4.803181
6	total_spent	604	4.803181
7	payment_method	0	0.000000
8	location	0	0.000000
9	date	0	0.000000
10	discount	4199	33.391650

Missing Value Handling

- **Columns with <5% missing**
 - "price_per_unit", "quantity", "total_spent" → **Imputed with median** (no major data loss, maintains revenue accuracy).
- **Columns with 5–20% missing**
 - "item" (9.65%) → **Imputed using mode (most frequent item)** instead of median because it's categorical.
 - This ensures consistency, but we should check whether imputed values make sense for product categories.
- **Columns with >20% missing**
 - "discount" (33.39%) → **Imputed with "False"** assuming missing values mean no discount was applied.
 - **Key Benefit:** Allows discount impact analysis to remain valid.

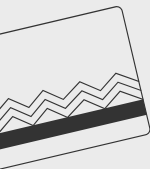


02

Quick Analysis



1. Customer Retention vs. One-Time Buyers



total_customers bigint	one_time_buyers bigint	repeat_customers bigint
25	0	12575

- ✓ **Strong Retention** → Focus on increasing CLV.
- ✓ **High Spenders** → VIP perks & exclusive deals.
- ✓ **Medium Spenders** → Targeted discounts & upselling.
- ✓ **Low Spenders** → Loyalty points & free shipping.
- ✓ **AI Recommendations & Cashback** → Boost engagement & spending.

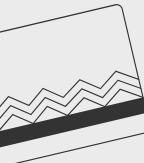


2. Customer Segmentation by Spending Behavior

	customer_id character varying (50)	total_spending numeric	customer_segment text
1	CUST_24	71056.00	High Spender
2	CUST_08	70172.50	High Spender
3	CUST_05	70012.50	High Spender
4	CUST_23	67979.00	High Spender
5	CUST_13	67858.00	High Spender
6	CUST_16	67849.00	High Spender
7	CUST_10	65325.50	High Spender
8	CUST_21	65320.00	Medium Spender
9	CUST_15	65070.50	Medium Spender
10	CUST_22	64662.00	Medium Spender
11	CUST_20	64462.50	Medium Spender
12	CUST_02	64325.00	Medium Spender
13	CUST_19	64052.00	Medium Spender

	customer_id character varying (50)	total_spending numeric	customer_segment text
14	CUST_07	63949.50	Low Spender
15	CUST_04	63829.00	Low Spender
16	CUST_09	63702.00	Low Spender
17	CUST_12	63530.00	Low Spender
18	CUST_11	63120.00	Low Spender
19	CUST_03	62872.50	Low Spender
20	CUST_18	62722.50	Low Spender
21	CUST_14	62481.00	Low Spender
22	CUST_17	61248.00	Low Spender
23	CUST_01	61118.50	Low Spender
24	CUST_06	60911.00	Low Spender
25	CUST_25	59976.50	Low Spender
Total rows: 25 of 25		Query complete 00:00:00.318	

3. Highest Revenue-Generating Items



	item character varying (100) 🔒	total_revenue numeric 🔒	total_quantity_sold numeric 🔒
1	Item_2_BEV	149000.50	7687.00
2	Item_25_FUR	25256.00	616.00
3	Item_25_EHE	23083.00	563.00
4	Item_25_BUT	21894.00	534.00
5	Item_24_FUR	21172.00	536.00

- **Item_2_BEV dominates sales** → Prioritize stock & promotions.
- Other high-revenue items have lower sales volume → Consider **bundling or upselling strategies**.

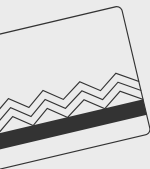


4. Weekend vs. Weekday Sales Performance

	day_of_week numeric 🔒	total_revenue numeric 🔒
1	5	241357.50
2	0	234128.50
3	6	233088.00
4	2	229632.00
5	4	229471.00
6	3	228049.00
7	1	221879.00

- **Highest revenue on Day 5 (likely Friday)** → Ideal for flash sales & promotions.
- **Consistent revenue on other days** → Maintain steady marketing efforts but boost weekend campaigns.

5. Customer Purchase Recency & Loyalty Analysis



	customer_id character varying (50)	last_purchase_date date	days_since_last_purchase integer	total_purchases bigint
1	CUST_17	2025-01-12	60	487
2	CUST_05	2025-01-14	58	544
3	CUST_23	2025-01-15	57	513
4	CUST_21	2025-01-15	57	498
5	CUST_22	2025-01-15	57	501
6	CUST_16	2025-01-16	56	515
7	CUST_20	2025-01-16	56	507
8	CUST_02	2025-01-16	56	488
9	CUST_03	2025-01-16	56	465
10	CUST_06	2025-01-16	56	481
11	CUST_18	2025-01-17	55	507
12	CUST_19	2025-01-17	55	487
13	CUST_09	2025-01-17	55	519

	customer_id character varying (50)	last_purchase_date date	days_since_last_purchase integer	total_purchases bigint
14	CUST_08	2025-01-17	55	533
15	CUST_14	2025-01-17	55	484
16	CUST_15	2025-01-17	55	519
17	CUST_07	2025-01-18	54	491
18	CUST_13	2025-01-18	54	534
19	CUST_01	2025-01-18	54	507
20	CUST_24	2025-01-18	54	543
21	CUST_04	2025-01-18	54	474
22	CUST_12	2025-01-18	54	498
23	CUST_11	2025-01-18	54	503
24	CUST_25	2025-01-18	54	476
25	CUST_10	2025-01-18	54	501
Total rows: 25 of 25		Query complete 00:00:00.354		

- Most customers made purchases **54-60 days ago**, indicating **strong retention** but a need for re-engagement.
- High total purchases suggest **loyal customer behavior**.

Marketing Strategies

- **Reactivation Campaigns** → Send reminders & special offers to customers inactive for 50+ days.
- **Loyalty Incentives** → Reward frequent buyers with exclusive discounts or VIP perks.
- **Subscription Model** → Offer auto-replenishment or membership benefits to ensure regular purchases.

6. Customer Lifetime Value (CLV) Segmentation



	customer_id character varying (50) 🔒	lifetime_value numeric 🔒	total_transactions bigint 🔒	clv_segment text 🔒
1	CUST_24	71056.00	543	High CLV
2	CUST_08	70172.50	533	High CLV
3	CUST_05	70012.50	544	High CLV
4	CUST_23	67979.00	513	High CLV
5	CUST_13	67858.00	534	High CLV
6	CUST_16	67849.00	515	High CLV
7	CUST_10	65325.50	501	High CLV
8	CUST_21	65320.00	498	Medium CLV
9	CUST_15	65070.50	519	Medium CLV
10	CUST_22	64662.00	501	Medium CLV
11	CUST_20	64462.50	507	Medium CLV
12	CUST_02	64325.00	488	Medium CLV
13	CUST_19	64052.00	487	Medium CLV

	customer_id character varying (50) 🔒	lifetime_value numeric 🔒	total_transactions bigint 🔒	clv_segment text 🔒
14	CUST_07	63949.50	491	Low CLV
15	CUST_04	63829.00	474	Low CLV
16	CUST_09	63702.00	519	Low CLV
17	CUST_12	63530.00	498	Low CLV
18	CUST_11	63120.00	503	Low CLV
19	CUST_03	62872.50	465	Low CLV
20	CUST_18	62722.50	507	Low CLV
21	CUST_14	62481.00	484	Low CLV
22	CUST_17	61248.00	487	Low CLV
23	CUST_01	61118.50	507	Low CLV
24	CUST_06	60911.00	481	Low CLV
25	CUST_25	59976.50	476	Low CLV
Total rows: 25 of 25		Query complete 00:00:00.280		

High CLV Customers → Major revenue drivers, frequent & high-value transactions.

Medium CLV Customers → Potential to be converted into High CLV with the right incentives.

Low CLV Customers → Need engagement & retention strategies.

Marketing Strategies

- **High CLV** → VIP programs, early access to new products, premium offers.
- **Medium CLV** → Personalized discounts, loyalty points, targeted upselling.
- **Low CLV** → First-time purchase incentives, referral rewards, exclusive bundle deals.

7. Identifying Customers Who Were More Active Before but Have Slowed Down



	customer_id character varying (50) 🔒	past_purchases bigint 🔒	recent_purchases bigint 🔒	last_active_date date 🔒
1	CUST_22	113	40	2024-09-07
2	CUST_19	101	50	2024-09-13
3	CUST_08	99	71	2024-09-05
4	CUST_13	98	61	2024-09-12
5	CUST_24	98	62	2024-09-10
6	CUST_11	96	57	2024-09-11
7	CUST_10	93	62	2024-09-13
8	CUST_05	93	62	2024-09-13
9	CUST_16	93	55	2024-09-11
10	CUST_09	92	64	2024-09-13

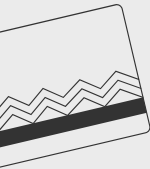
Total rows: 10 of 10 Query complete 00:00:00.294

Marketing Strategies

- **Win-Back Campaigns** → Personalized emails with discounts or exclusive offers.
- **Reactivation Discounts** → Limited-time deals to encourage repeat purchases.
- **Loyalty Perks** → Reward them for coming back with points or VIP access.



8. Discount Dependency Analysis



	customer_id character varying (50)	total_purchases bigint	discounted_purchases bigint	discount_dependency_percentage numeric
1	CUST_05	544	211	38.79
2	CUST_12	498	186	37.35
3	CUST_17	487	174	35.73
4	CUST_07	491	171	34.83
5	CUST_16	515	179	34.76
6	CUST_15	519	180	34.68
7	CUST_19	487	168	34.50
8	CUST_20	507	174	34.32
9	CUST_08	533	182	34.15
10	CUST_21	498	170	34.14
11	CUST_10	501	170	33.93
12	CUST_13	534	181	33.90
13	CUST_23	513	172	33.53

Marketing Strategies

- **Reduce discount reliance** → Gradually **decrease discounts** while increasing value-based offers (bundles, exclusives).
- **Personalized pricing** → Offer discounts **only to high-dependency customers** to retain them while maximizing full-price sales from others.
- **Loyalty Rewards** → Encourage purchases **without discounts** through cashback, reward points, and exclusive perks.

Discount Dependency Trends

- Some customers rely on discounts for **over 38% of their purchases**, indicating a **strong price sensitivity**.
- Lower dependency customers (~28-30%) may still buy at full price.

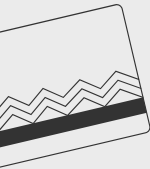


	customer_id character varying (50)	total_purchases bigint	discounted_purchases bigint	discount_dependency_percentage numeric
14	CUST_11	503	168	33.40
15	CUST_01	507	169	33.33
16	CUST_18	507	167	32.94
17	CUST_02	488	160	32.79
18	CUST_09	519	170	32.76
19	CUST_22	501	163	32.53
20	CUST_04	474	154	32.49
21	CUST_06	481	154	32.02
22	CUST_25	476	151	31.72
23	CUST_24	543	168	30.94
24	CUST_14	484	144	29.75
25	CUST_03	465	133	28.60

Total rows: 25 of 25

Query complete 00:00:00.165

9. Purchase Frequency Patterns (Time Between Purchases)



	customer_id character varying (50) 🔒	avg_days_between_purchases numeric 🔒	purchase_count bigint 🔒
1	CUST_05	2.04	543
2	CUST_24	2.05	542
3	CUST_13	2.08	533
4	CUST_08	2.09	532
5	CUST_09	2.14	518
6	CUST_15	2.15	518
7	CUST_16	2.16	514
8	CUST_23	2.17	512
9	CUST_20	2.19	506
10	CUST_01	2.20	506
11	CUST_18	2.20	506
12	CUST_10	2.22	500
13	CUST_11	2.22	502

Subscription Model → Offer auto-replenishment or subscription discounts for frequent buyers.

Timed Promotions → Send targeted deals **right before their usual purchase cycle** to maintain engagement.

Loyalty Program → Reward frequent purchases with exclusive perks or bonus points.

- Most customers purchase every **2.0 - 2.4 days**, indicating a **high purchase rate**.
- Customers with **lower average days between purchases** are more engaged and ideal for retention efforts.



	customer_id character varying (50) 🔒	avg_days_between_purchases numeric 🔒	purchase_count bigint 🔒
14	CUST_22	2.22	500
15	CUST_21	2.23	497
16	CUST_12	2.24	497
17	CUST_02	2.25	487
18	CUST_07	2.27	490
19	CUST_17	2.28	486
20	CUST_14	2.29	483
21	CUST_19	2.29	486
22	CUST_06	2.31	480
23	CUST_25	2.34	475
24	CUST_04	2.35	473
25	CUST_03	2.38	464

Total rows: 25 of 25

Query complete 00:00:00.182

10. High-Value Customers at Risk of Churning



	customer_id character varying (50) 🔒	total_spent numeric 🔒	last_purchase_date date 🔒	days_since_last_purchase integer 🔒
1	CUST_05	70012.50	2025-01-14	58
2	CUST_23	67979.00	2025-01-15	57
3	CUST_16	67849.00	2025-01-16	56
4	CUST_08	70172.50	2025-01-17	55
5	CUST_10	65325.50	2025-01-18	54
6	CUST_24	71056.00	2025-01-18	54
7	CUST_13	67858.00	2025-01-18	54
Total rows: 7 of 7 Query complete 00:00:00.182				

Marketing Strategies

These customers have **spent significantly** but have not purchased recently (**54-58 days since last purchase**). Losing them would **impact revenue** substantially.

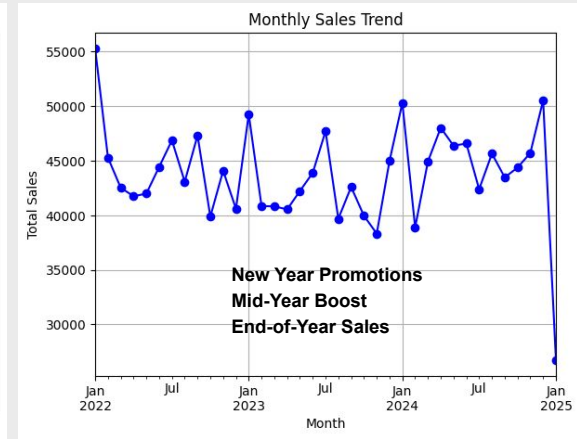
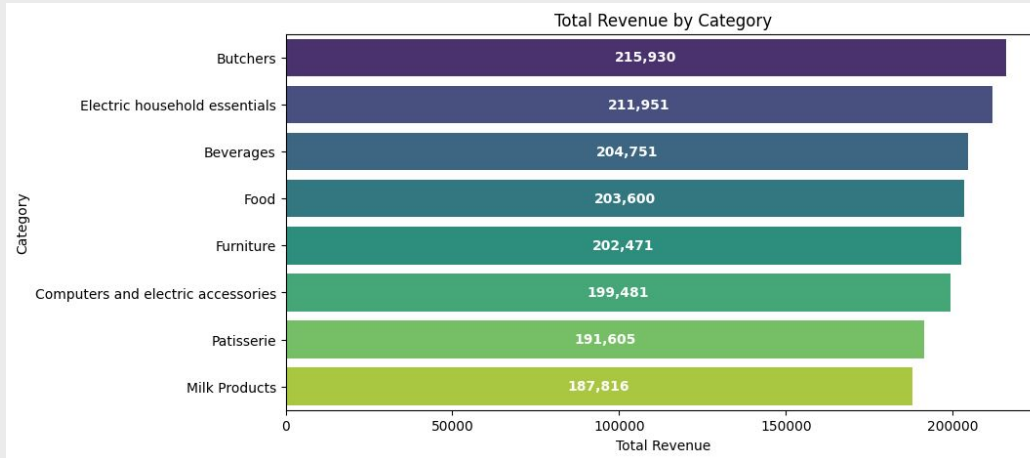
- **Exclusive Win-Back Offers** → Personalized discounts or VIP deals to re-engage.
- **Premium Loyalty Perks** → Special incentives (early access, exclusive bundles).
- **Personalized Outreach** → Email, SMS, or calls with tailored product recommendations.

03

Data Visualization

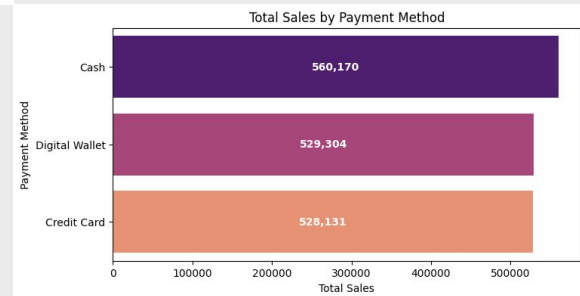


Trends, Categories, and Payment Insights



Key Insights & Marketing Strategy

- Sales Trend:** Sales fluctuate with seasonal peaks.
 - 📌 **Strategy:** Boost peak months with promotions, stabilize low months with targeted discounts.
- Top Revenue Categories:** Butchers, Electronics, and Beverages lead sales.
 - 📌 **Strategy:** Expand top categories & bundle low-performers with best-sellers.
- Payment Methods:** Cash dominates, but Digital Wallet & Credit Card are close.
 - 📌 **Strategy:** Offer **cashback & discounts** for digital payments to increase usage.

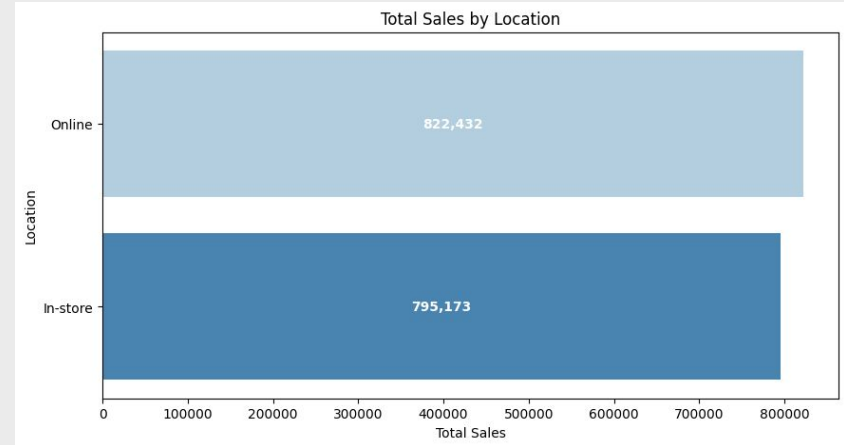


Location & Discount Impact Analysis



Discounts Have Minimal Impact (546K vs. 535K).

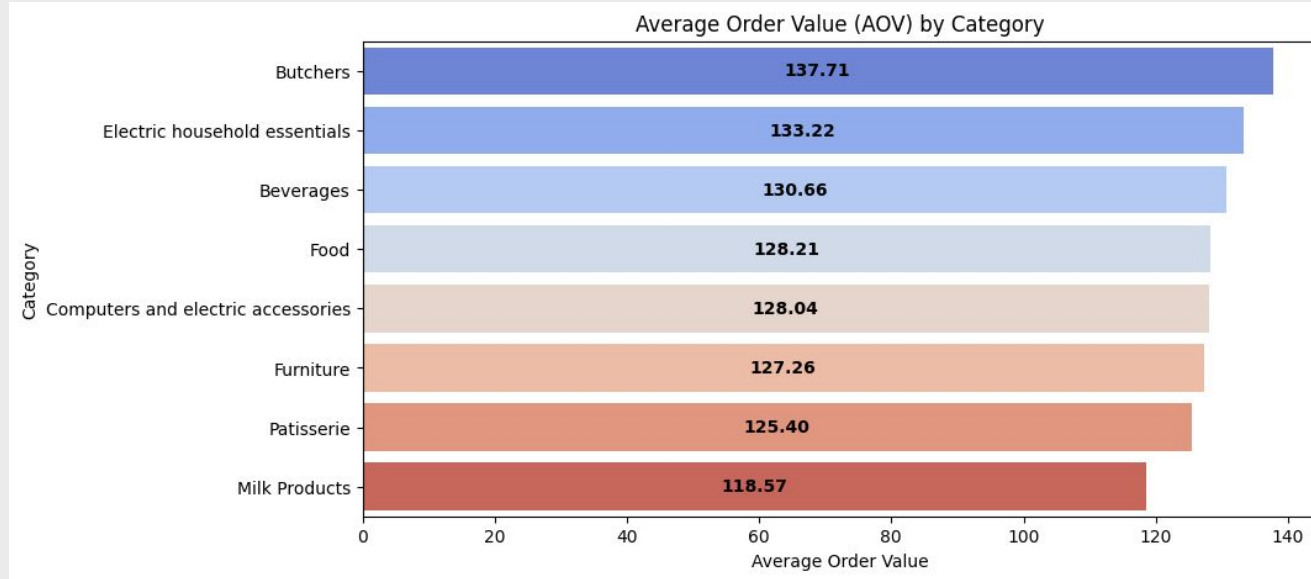
- 📌 Optimize promotions & focus on value-based incentives.



Online Sales Lead (822K vs. 795K in-store).

- 📌 Boost online marketing & improve in-store experience.

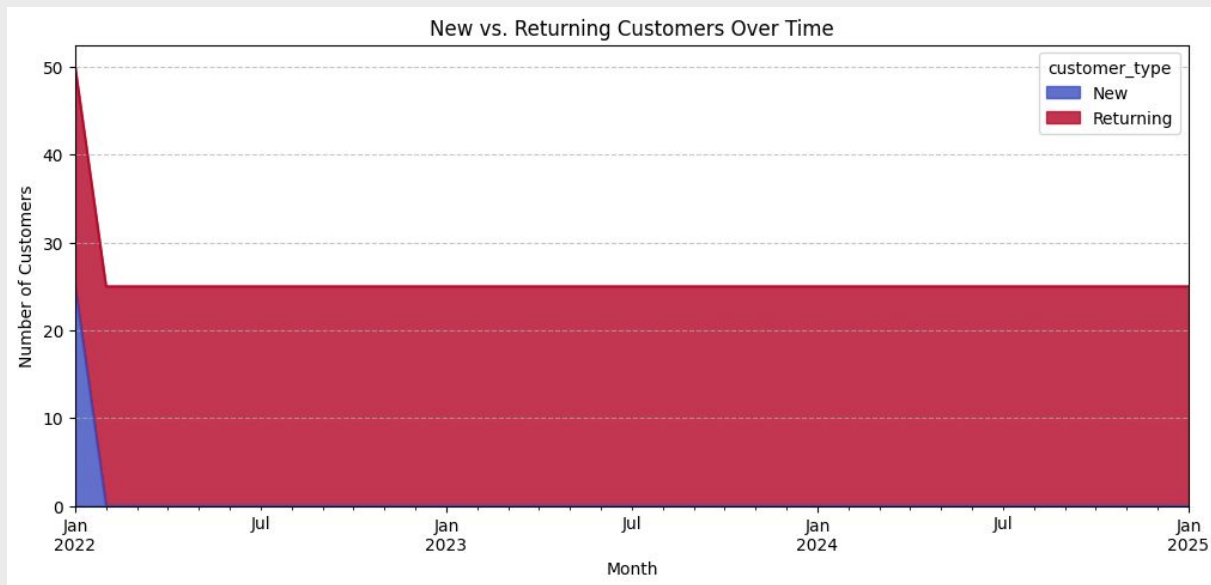
Average Order Value (AOV) by Category



Key Insights:

- 1 Highest AOV → Butchers (\$137.71), Electronics (\$133.22), and Beverages (\$130.66).
 - 📌 Focus on premium pricing & upselling for these categories.
 - 2 Lowest AOV → Milk Products (\$118.57).
 - 📌 Encourage bulk purchases & bundling to increase order value.
-

New vs. Returning Customers Over Time



Key Insights:

1 Returning Customers Dominate

- Strong customer retention, but fewer new customers over time.

2 New Customer Decline

- Need to attract more first-time buyers.

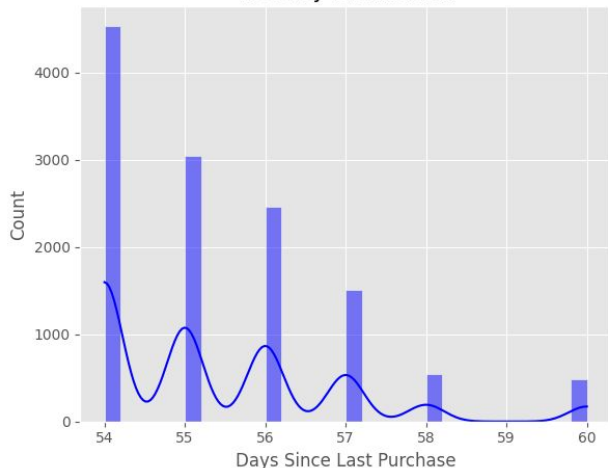
Marketing Strategy:

✓ Targeted acquisition campaigns (ads, referrals, welcome discounts).

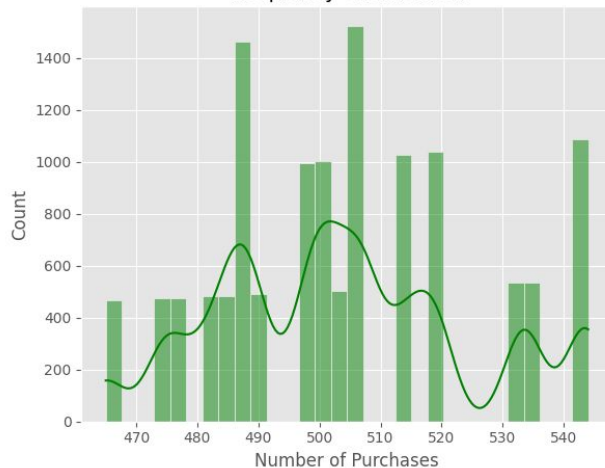
✓ Loyalty perks & exclusive deals to maintain returning customers.

Distribution of Recency, Frequency, and Monetary Values

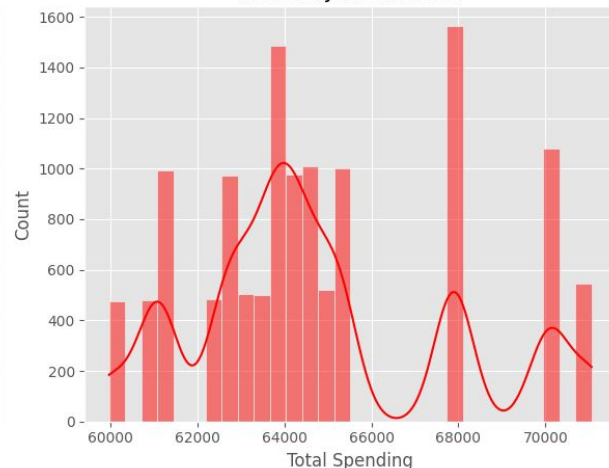
Recency Distribution



Frequency Distribution



Monetary Distribution



1 Recency (Days Since Last Purchase):

- Most customers made purchases **54-60 days ago**, indicating strong **repeat buying behavior**.
- 📌 **Strategy:** Use reminders & special deals to maintain engagement.

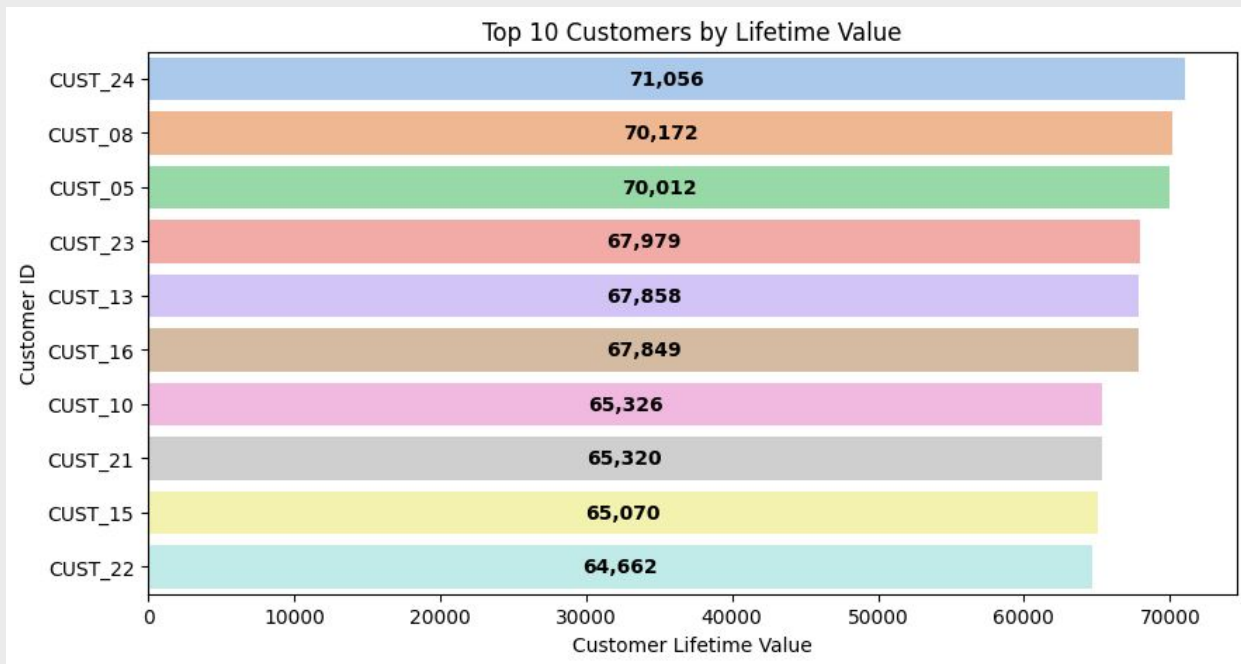
2 Frequency (Number of Purchases):

- Customers **frequently buy 470-545 times**, showing **high engagement**.
- 📌 **Strategy:** Reward frequent buyers with loyalty perks & bulk purchase incentives.

3 Monetary (Total Spending):

- Spending clusters around **\$62,000 - \$70,000**, highlighting high-value customers.
- 📌 **Strategy:** Upsell premium products & introduce VIP loyalty programs.

Top 10 CLV



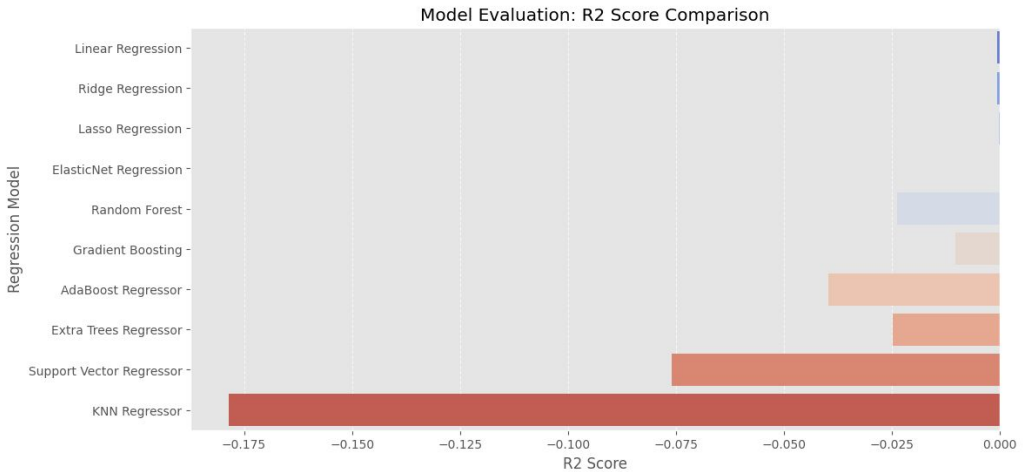
1 CLV is Based on Total Spending

- The CLV calculation **directly reflects total spent** rather than predictive modeling.

2 Low Variability in CLV

- Customers' CLV values **do not differ significantly**, making segmentation harder.

Machine Learning for 3-Month CLV Prediction



Model Evaluation Results:

	Model	MAE	MSE	RMSE	R2 Score
3	ElasticNet Regression	75.675945	8781.279591	93.708482	-0.000127
2	Lasso Regression	75.677738	8781.538598	93.709864	-0.000157
1	Ridge Regression	75.686408	8786.344102	93.735501	-0.000704
0	Linear Regression	75.686934	8786.510836	93.736390	-0.000723
5	Gradient Boosting	76.030122	8869.922072	94.180264	-0.010223
4	Random Forest	76.417563	8988.720612	94.808864	-0.023753
7	Extra Trees Regressor	76.447660	8997.637359	94.855877	-0.024769
6	AdaBoost Regressor	80.574862	9129.730664	95.549624	-0.039813
8	Support Vector Regressor	74.245381	9447.094423	97.196165	-0.075959
9	KNN Regressor	81.695905	10346.948286	101.719950	-0.178446

Key Insights:

- ElasticNet Regression Performed Best**
 - Achieved **lowest MAE & MSE**, showing potential for CLV prediction.
- Data Quality Impacts Accuracy**
 - CLV values show **limited variation**



Dashboard



All-U-Need Mart: Sales Dashboard

Year
(All)

Month
January 2022

Quarter
(All)

Weekday
(All)

Category
(All)

Discount
(All)

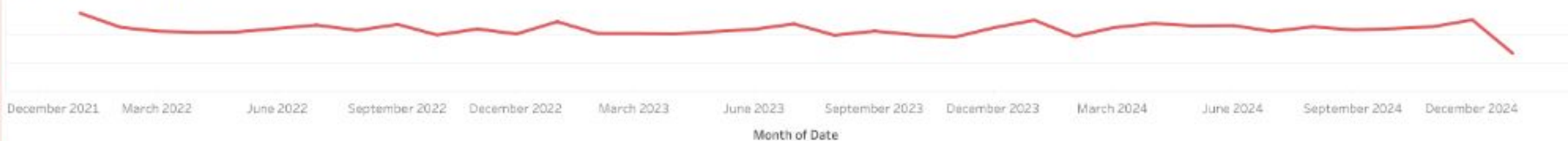
Item
(All)

RFM Score
(All)

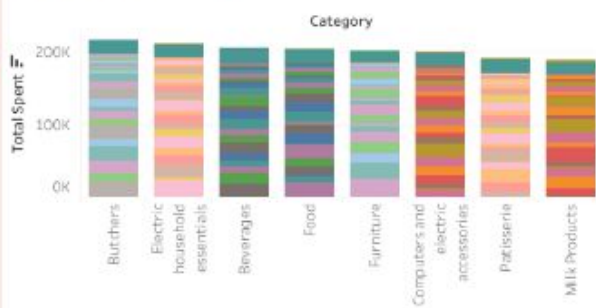
Segment
(All)

TOTAL SALES	QUANTITY	CUSTOMERS	AOV	CLV	RETENTION RATE
1,617,605	69,900	25	128.6	1,610,647	100

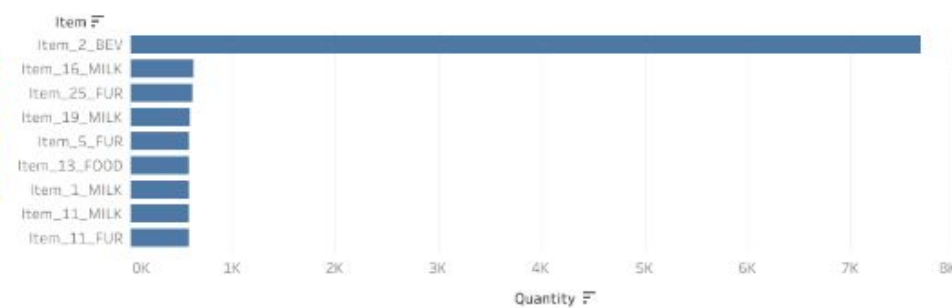
Sales Performance Over Time



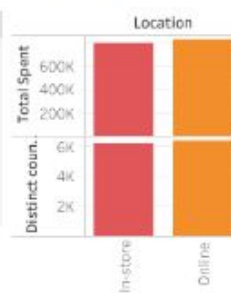
Category-wise Sales Contribution



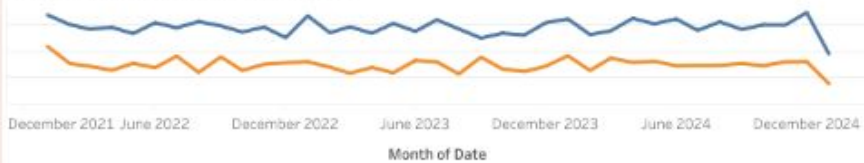
Top 10 Best-Selling Products



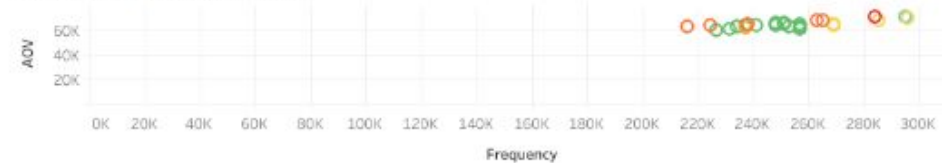
Online vs Offline Sales Performance



Average Order Value (AOV) by Discount Status



Average Order Value (AOV) vs Frequency

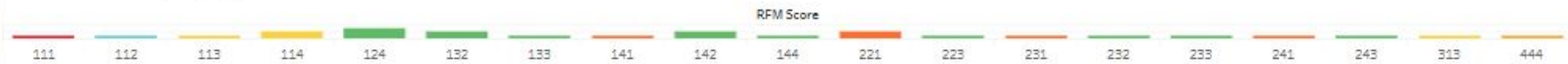


All-U-Need Mart: RFM Dashboard

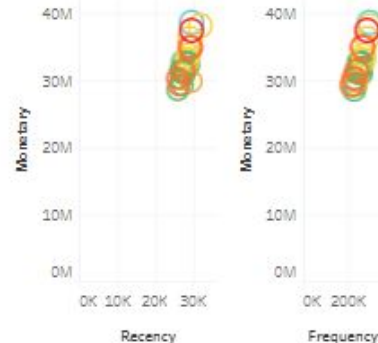
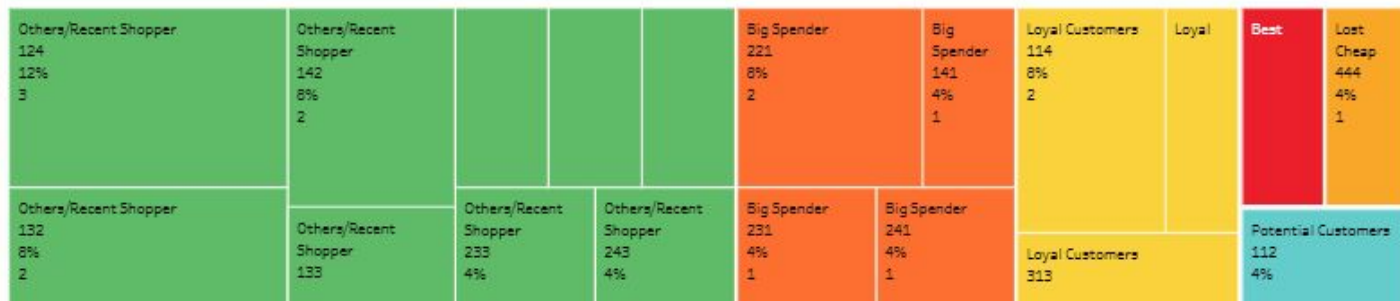
Year of Date: (All) | Month of Date: January 2022 | Quarter of Date: January 2025 | Weekday of Date: (All)

Category: (All) | Discount: (All) | Item: (All) | RFM Score: (All) | Segment: (All)

RFM Score Distribution (Histogram)



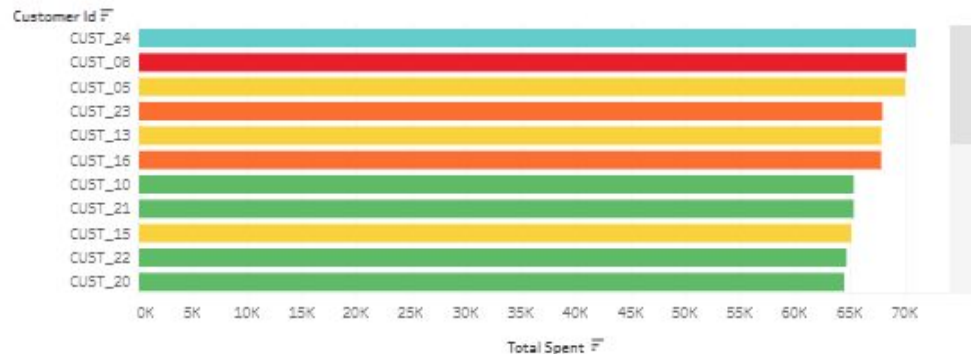
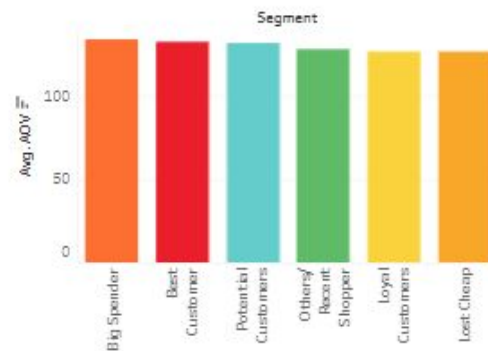
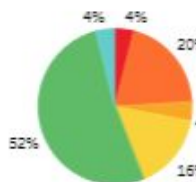
RFM Percentage



Customer Segmentation Breakdown

AOV per Segment

Customer Segmentation



All-U-Need Mart: CLV Dashboard

Year of Date

(All)

Month of Date

January 2022

January 2025

Quarter of Date

(All)

Weekday of Date

(All)

Category

(All)

Discount

(All)

Item

(All)

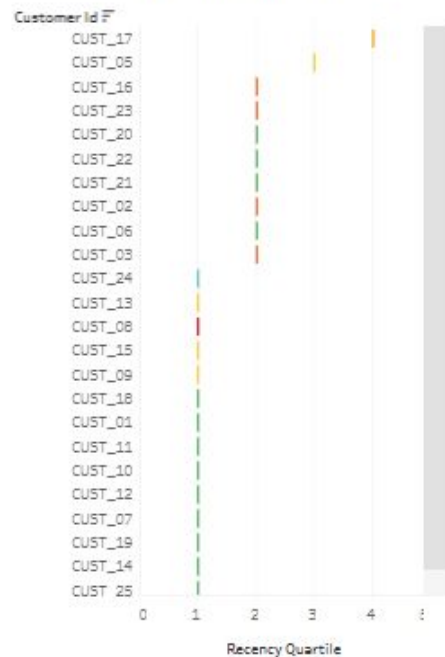
RFM Score

(All)

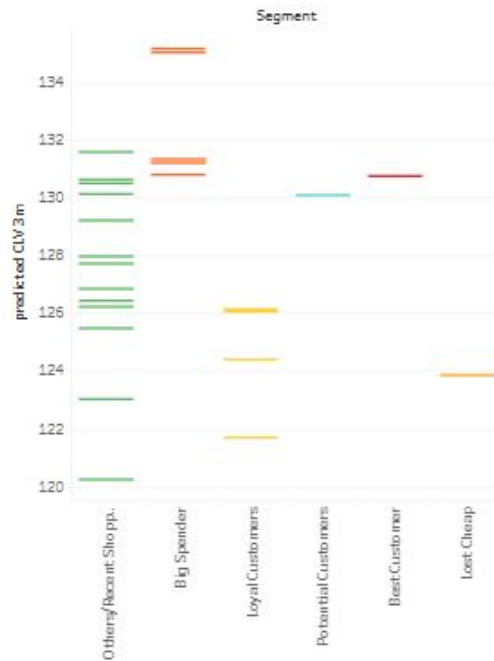
Segment

(All)

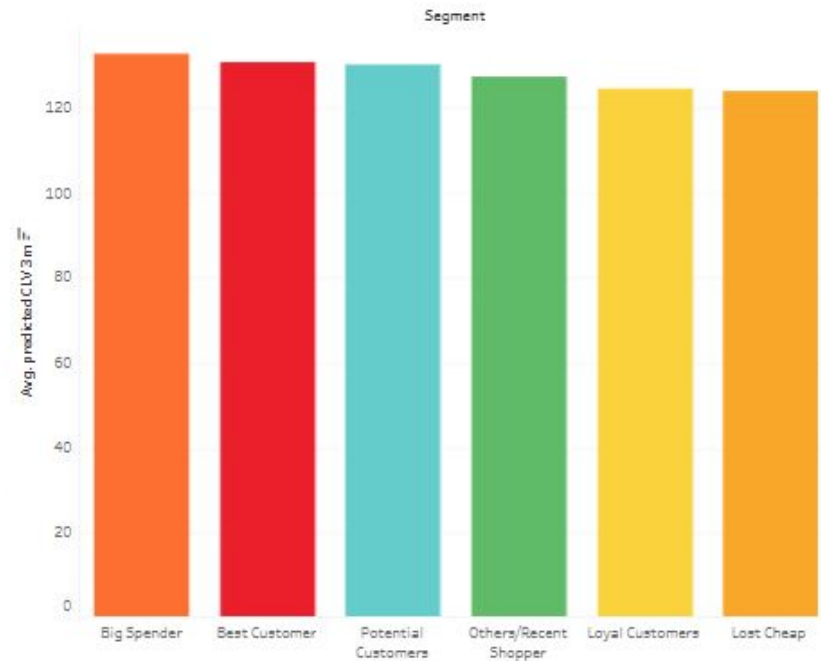
Churn Risk Analysis



CLV Segmentation



CLV Distribution by Segment



Cart Dashboard



RFM Dashboard



CLV Dashboard

04

Business Insight & Recommendation





Business Recommendation



Recomm.	Insights	Actionable Items
Online sales outperform in-store.	Online sales outperform in-store.	<ol style="list-style-type: none">1. Strengthen digital marketing efforts.2. Optimize logistics for online deliveries.
Improve Customer Retention	Retention rate is high (100%), but churn risk needs monitoring.	<ol style="list-style-type: none">1. Implement personalized promotions for repeat buyers.2. Strengthen customer engagement.
Enhance RFM-Based Customer Segmentation	Big Spenders & Loyal Customers contribute most to sales.	<ol style="list-style-type: none">1. Offer exclusive discounts & perks.2. Re-engage at-risk customers with targeted campaigns.
Optimize Product Pricing & Promotions	High AOV (128.6), but discount impact is minimal on total sales.	<ol style="list-style-type: none">1. Optimize discount strategy to avoid over-reliance.2. Focus on high-value product bundles.
Leverage Best-Selling Categories	Butchers, Household Essentials, and Beverages lead revenue.	<ol style="list-style-type: none">1. Highlight these categories in marketing.2. Introduce loyalty points for frequent buyers.
Boost Low-Performing Products	Some products have lower sales contributions.	<ol style="list-style-type: none">1. Bundle low-sellers with best-sellers.2. Offer limited-time promotions to drive demand.
Maximize Peak Month Sales	Sales peak in January and July.	<ol style="list-style-type: none">1. Launch seasonal campaigns.2. Plan exclusive promotions during high-sales periods.

Business Intelligence | Batch 13
15 March 2025

Thanks!

Do you have any questions?

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Resources



- Desai, S. K., & Kalyandurgmath, K. (2021). Strategy to increase lifetime value of a customer using RFM. International Journal of Creative Research Thoughts (IJCRT), 9(7), ISSN: 2320-2882.
- Yulianti, Yulianti. (2018). Metode Data mining Untuk prediksi Churn Pelanggan. Jurnal ICT Akademi Telkom Jakarta. 9. 46-52.
- Laksono, B. C., & Wulansari, I. Y. (n.d.).(2023). Pemodelan dan penerapan metode RFM pada estimasi nilai konsumen (Customer Lifetime Value) menggunakan K-Means Clustering Machine Learning. Politeknik Statistika STIS.



Customer Segmentation

1. **Best Customer** (R=1, F=1, M=1)
Highly engaged, frequent buyers with high spending. Prioritize loyalty programs and exclusive rewards.
2. **Potential Customers** (R=1, F=1, M=2) or (R=1, F=2, M=2) or (R=2, F=1, M=1) or (R=2, F=2, M=2)
Emerging valuable customers. Encourage repeat purchases with personalized offers.
3. **Lost Cheap** (R=4, F=4, M=4 or 3)
Inactive, low-value buyers. Low priority for retention, but could be re-engaged with discounts.
4. **Big Spender** (M=1)
High-value customers regardless of frequency. Offer premium deals and upsell opportunities.
5. **Loyal Customers** (F=1)
Frequent buyers with consistent purchases. Strengthen relationships through VIP programs.
6. **Others/Recent Shopper** (R=1 or R=2)
New or occasional buyers. Encourage further engagement through follow-ups and promotions.
7. **Almost Lost** (R=3)
Customers showing decreased engagement. Use retention strategies like personalized reactivation campaigns.
8. **Lost Customers** (R=4)
Inactive buyers. Re-engage with strong incentives like exclusive discounts or special deals.