

# Customer 360 Report

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# Overview

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# Problem and Concept



In today's data-driven business landscape, analyzing large amounts of information is essential for crafting successful strategies. Major companies are hungry for a more profound understanding of their customers. This includes details like what they buy, what they like, how they behave, and how much they spend,...

**Customer360** acts as a powerful hub, gathering and uniting customer data from various sources. This gives businesses a complete picture, allowing them to improve service, reach the perfect audience, and ultimately increase profits.



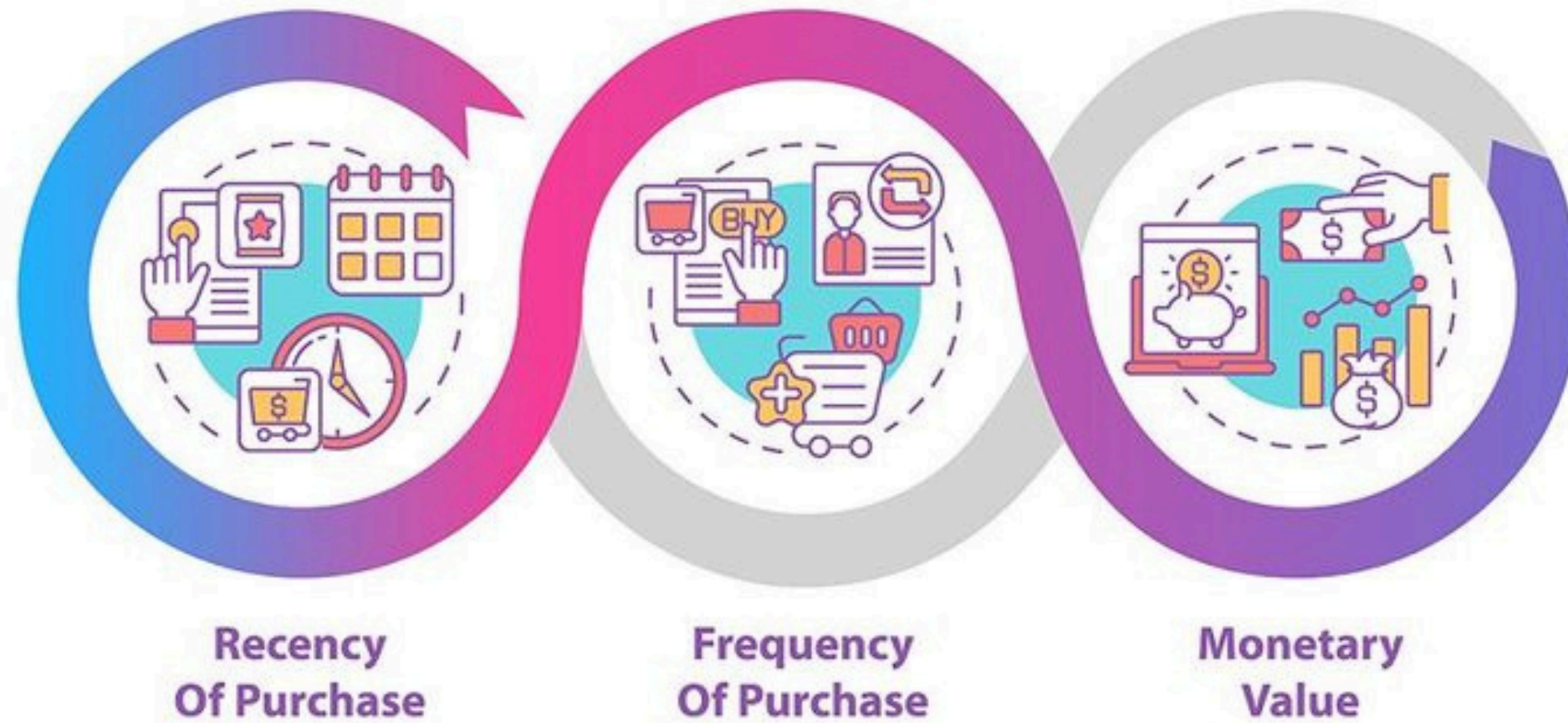
# Problem and Concept



**Customer 360** is an approach to customer information analysis that involves creating a comprehensive customer profile by consolidating data from various platforms. It includes data such as:

- **Transaction Data:** Information on transaction history
- **Interaction Data:** How customers interact with the app/website
- **Behavioral Data:** Hobbies, habits and opinions of customers
- **Demographic Data:** Data related to demographics

# RFM Model



**Definition:** **RFM** is a model for analyzing and segmenting customers based on their consuming behavior, relying on transactional data from their history. Transactional data comprises **Recency**, **Frequency** and **Monetary** aspects.

## Recency

**R - Recency:** Last time a customer made a purchase.

## Frequency

**F - Frequency:** How often a customer makes purchases

## Monetary

**M - Monetary:** Revenue generated by the customer

# DIVISION OF VALUES IN RFM



The database is compiled from 1,043,849 transaction involving 936,660 customers (meeting the condition of GMV per transaction > 0) within the transaction period from June 1, 2022, to September, 1, 2022. The RFM scoring scale can be divided as follows:

## Recency:

- Segment 1: Last purchase occurred between 69 to 92 days ago
- Segment 2: Last purchase occurred between 46 to 68 days ago
- Segment 3: Last purchase occurred between 23 to 45 days ago
- Segment 4: Last purchase occurred between 1 to 22 days ago

## Frequency:

- Segment 1: Number of purchases is 1 time
- Segment 2: Number of purchases is 2 times
- Segment 3: Number of purchases is 3 times
- Segment 4: Number of purchases is 4 times or more

## Monetary:

- Segment 1: Total shopping expenditure < 2,099,999
- Segment 2: Total shopping expenditure between 2,100,000 and 4,200,000
- Segment 3: Total shopping expenditure between 4,099,999 and 6,300,000
- Segment 4: Total shopping expenditure > 6,299,999



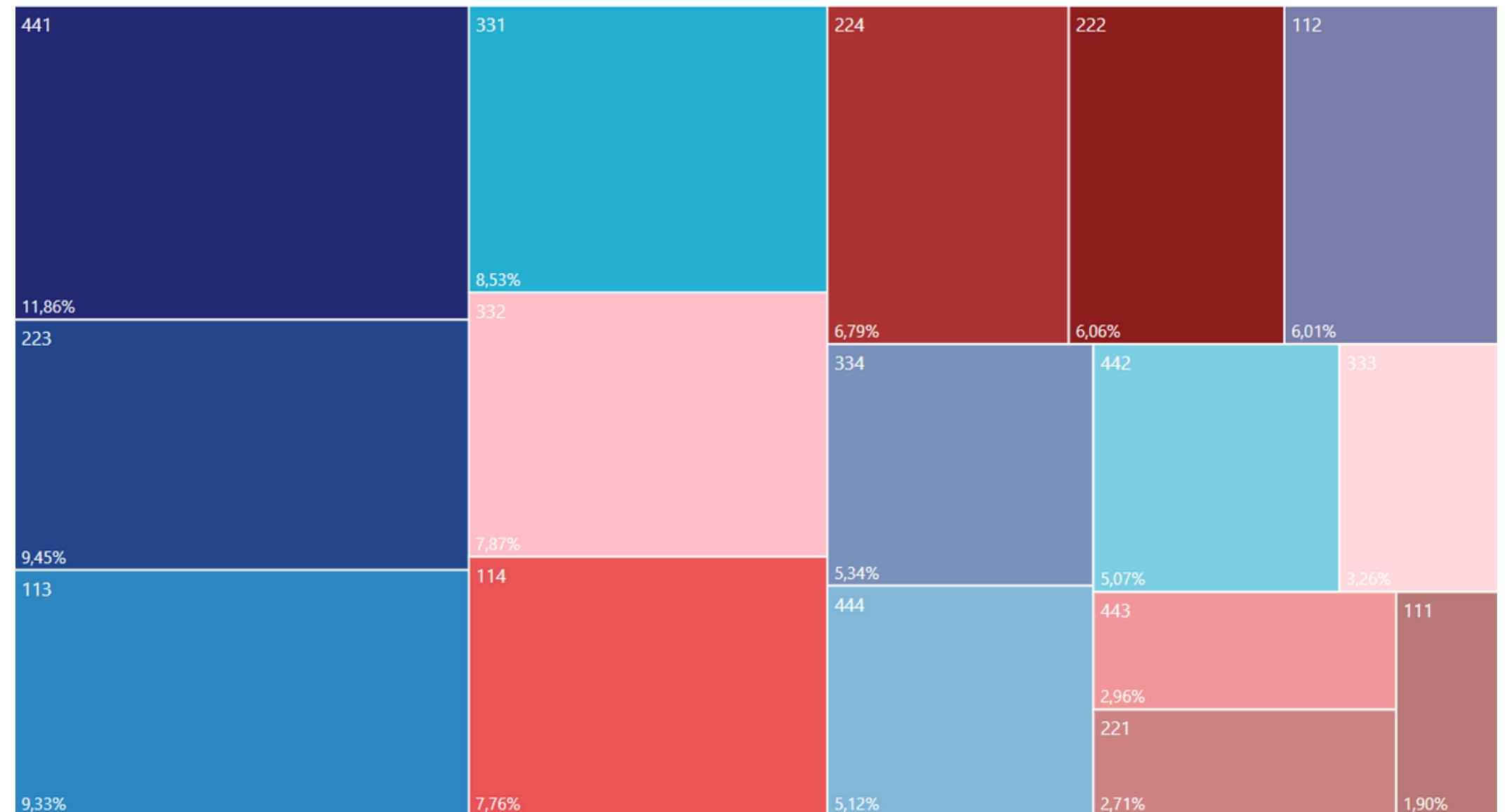


# DIVISION OF VALUES IN RFM

After using the functions to calculate the corresponding data points, the results are shown in Table 1. Next, the data are divided into group of RFM model with corresponding values, then matching to get complete RFM values such as: 111(R=1, F=1, M=1) or 441(R=4, F=4, M=1), which are visualized and shown in Graph 1.

	Recency	Frequency	Monetary
Min	1	1	0
25%	23	2	2.100.000
50%	46	3	4.200.000
75%	69	4	6.300.000
Max	92	6	8.400.000

Table 1



Graph 1

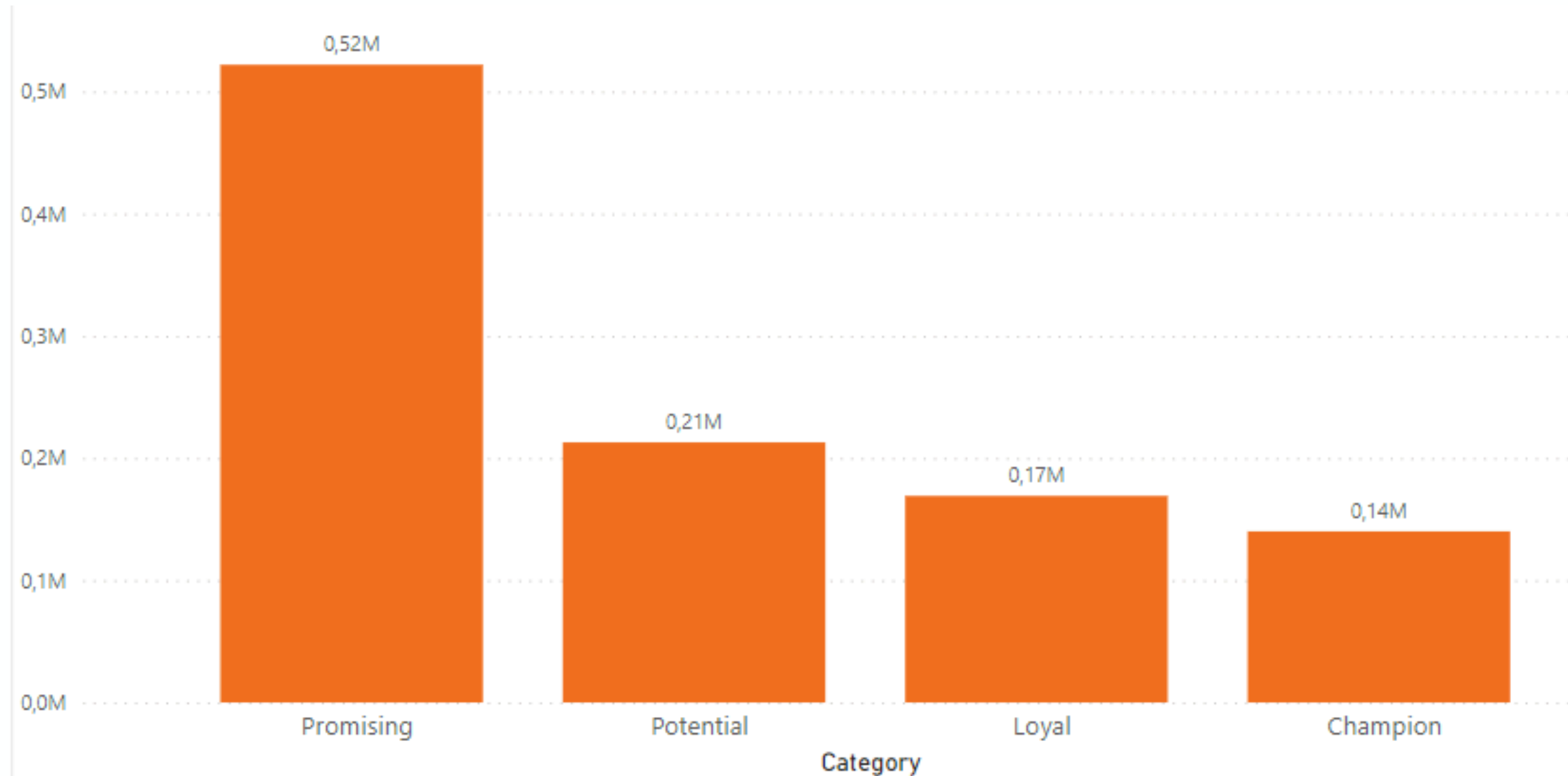
# SEGMENTATION

SEGMENT	RFM	Characteristic
Potential	322, 331, 341, 421, 422, 431, 441	Recently aquired customers with moderate spending who have made more than 1 purchase
Champion	334, 344, 433, 434, 443, 444	Newly aquired customers who make frequent and high-value purchases.
Loyal	343, 323, 333, 332, 342, 423, 424, 432, 442	Customers with average to high spending who make frequent purchases
Promising	others	Cases that do not fall into the above group



# ANALYSIS

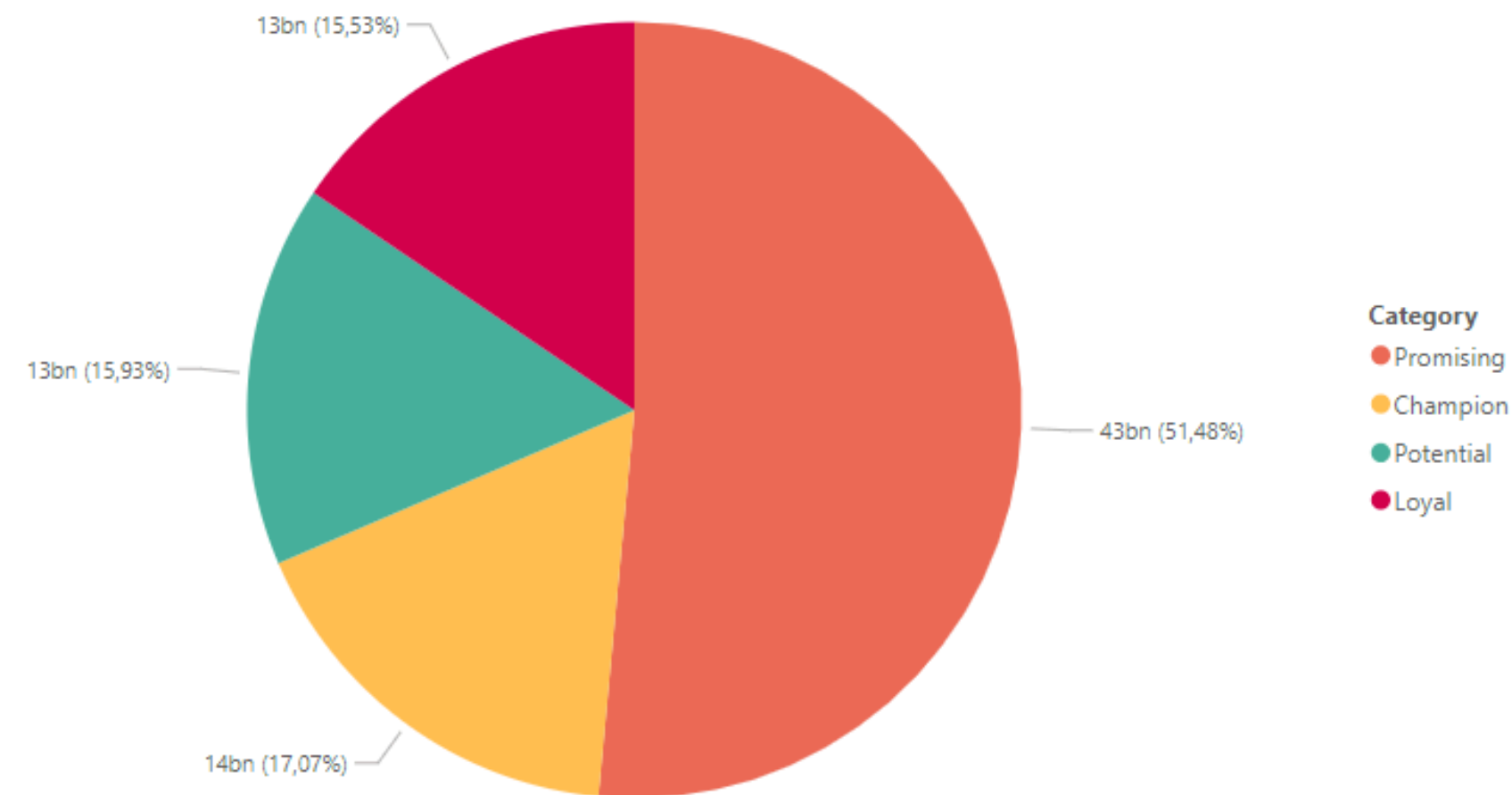
- **The Champion segment** accounts for 13.41% with 140,011 customers.
- **The Loyal segment** accounts for 16.20% with 169,066 customers.
- **The Potential segment** accounts for 20.39% with 212,847 customers.
- **The Promising segment** accounts for 50% with 521,925 customers.



# ANALYSIS

Revenue from Loyal Customer, Champion, and the Potential segments shows relatively stable proportions, with **Promising** contributing the most. Strategies for retention and value optimization from the Promising segment may be considered to maximize revenue

Sum of Monetary by Category



# SOLUTIONS

## 1. Focus on **Promising** Customers:

- Since this category is large and highly valuable, strategies to convert these customers into more loyal segments should be prioritized.
- Implement loyalty programs, personalized marketing, and engagement strategies to retain and further monetize this group.

## 2. Nurture **Potential** Customers:

- Although the Potential category is smaller, it represents a significant monetary value.
- Tailored marketing efforts to increase their loyalty and spending can yield high returns.
- Engage with personalized offers and identify barriers preventing them from becoming loyal or champion customers.

## 3. Reward **Loyal** Customers:

- The Loyal category, while smaller in number, is nearly as valuable as the Potential category.
- Strengthen relationships through exclusive rewards, recognition programs, and maintaining high satisfaction levels to ensure continued loyalty.

## 4. Leverage **Champion** Customers:

- The Champion category, although the smallest, is highly valuable.
- Offer them exclusive benefits to maintain their loyalty and leverage their influence to attract new customers.