Insight

RFM Segments of Customers (%NumCust)

Cannot Lose Them 2.1%	Loyal 9.8%	Potential Loyalist 9.5%	Promising 3.1%
At Risk 9.8%	Lost customers 11.2%	Need Attention 6.6%	New Customers 6.2%
About To Sleep 6.6%	Champions 19.2%	Hibernating customers 16.0%	

RFM Segments of Customers (%TotalSales)

Cannot Lose Them 2.3%	Lost customers 1.1%	Loyal 11.4%	Need Attention 5.3%	Promising 1.3%
	Hibernating customers 3.2%			Potential Loyalist 2.5%
At Risk 8.4%				New Customers 0.7%
	Champions 62.9%			
About To Sleep 0.9%				

Overrall

- We see that group of Champions are the most profitable customers (19.2% of all customers generating over 60% of all sales), followed by Loyal accounting for 11% of Sales (9.8% of customers). Both groups use a high percentage of quantity and generate revenue, so these will be the top concern.
- At the same time it should worry that group of Hibernating is so big (16%). There is an opportunity that part of this group could be reactivated with a reach out campaign. But, we can decide not to spend too much as these customers generate smaller revenue (3.2%) for the company.
- Moreover, the company should focus on the group At risk to increase customer retention (9.8% of customers and they generate 8.4% of total sales).

The most important index of the 3 indicators that the SuperStore company needs to pay attention to is Recency because Recency is a more reliable metric as it best predicts the likelihood of future purchases.

The reasoning is simple: if the transaction was recent, customers have that specific brand in mind and will likely return for new purchases. Clients who haven't purchased anything for months are less likely to buy again unless targeted by costly marketing campaigns.

Segment Characteristics and Recommendation

Segment	Characteristics	Recommendation
Champions	Represents the most valuable customers, who shop frequently and spend the most money.	Encourage them to continue their shopping habits: give rewards, promote new products and loyalty program
Loyal	Spend good money with us often. Responsive to promotions.	Take feedback and surveys, upsell higher value products, engage them.
Potential Loyalist	Recent customers, but spent a good amount and bought more than once.	Offer membership / loyalty program, recommend other products, run contests
New Customers	Bought most recently, but not often.	Provide on-boarding support, give them discounts, building relationship.
Promising	Recent shoppers, but haven't spent much.	Create brand awareness, offer credit
Needing Attention	Above average recency, frequency and monetary values. May not have bought very recently though.	Make limited time offers, recommend based on past purchases.
About To Sleep	Below average recency, frequency and monetary values. Will lose them if not reactivated.	Share valuable resources, recommend popular products / renewals at discount
At Risk	Spent big money and purchased often. But long time ago. Need to bring them back!	Send personalized emails to reconnect, offer renewals, provide helpful resources.
Cannot Lose Them	Made biggest purchases, and often. But haven't returned for a long time.	Win them back via renewals or newer products, tailor services
Hibernating customers	Last purchase was long back, low spenders and low number of orders.	Offer other relevant products and special discounts. Recreate brand value.
Lost customers	Lowest recency, frequency and monetary scores.	Revive interest with reach out campaign, ignore otherwise.