

Agenda

1. Business Problem
2. Methodology
3. Result
4. Conclusion &
Recommendation

Customer Segmentation

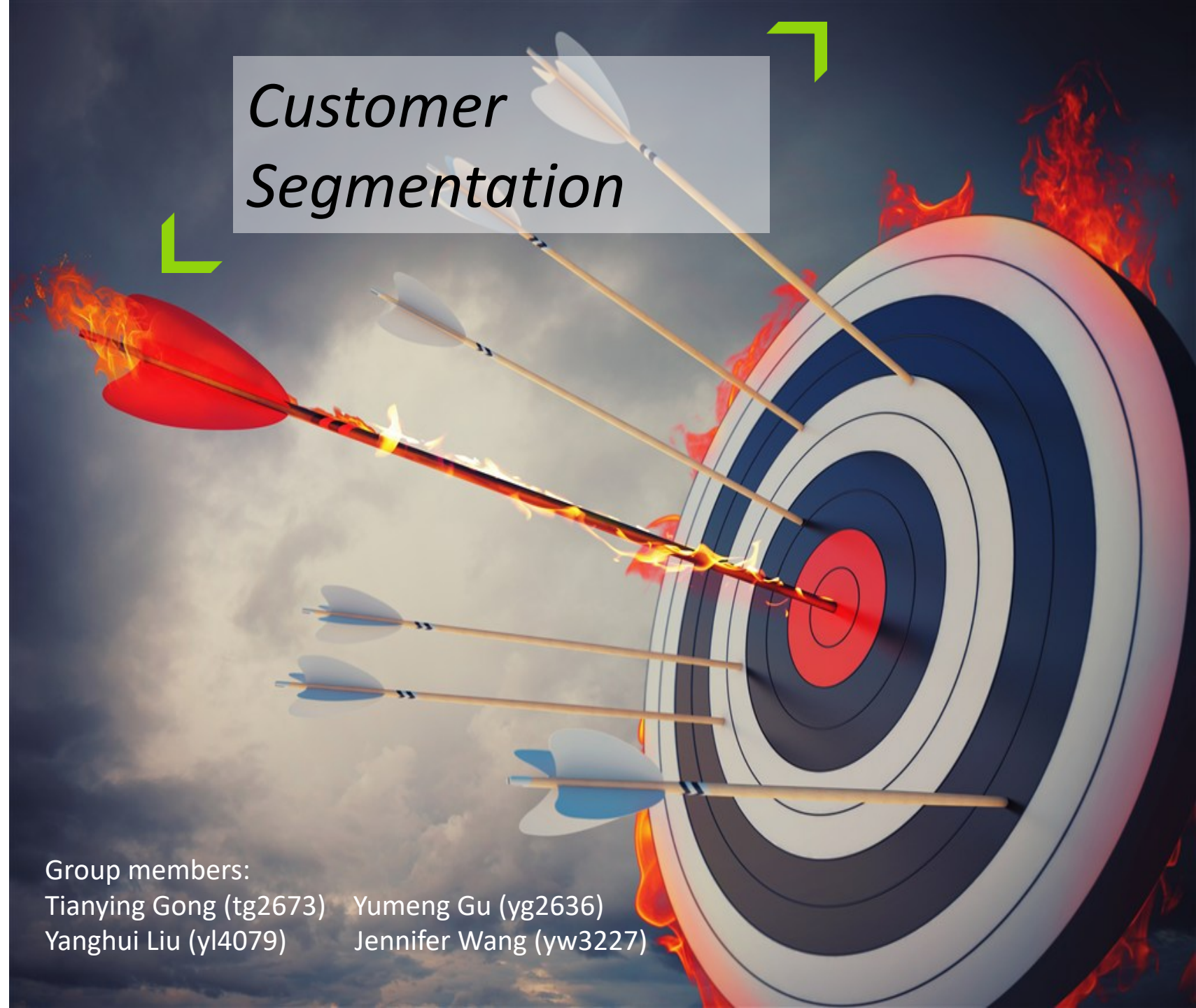
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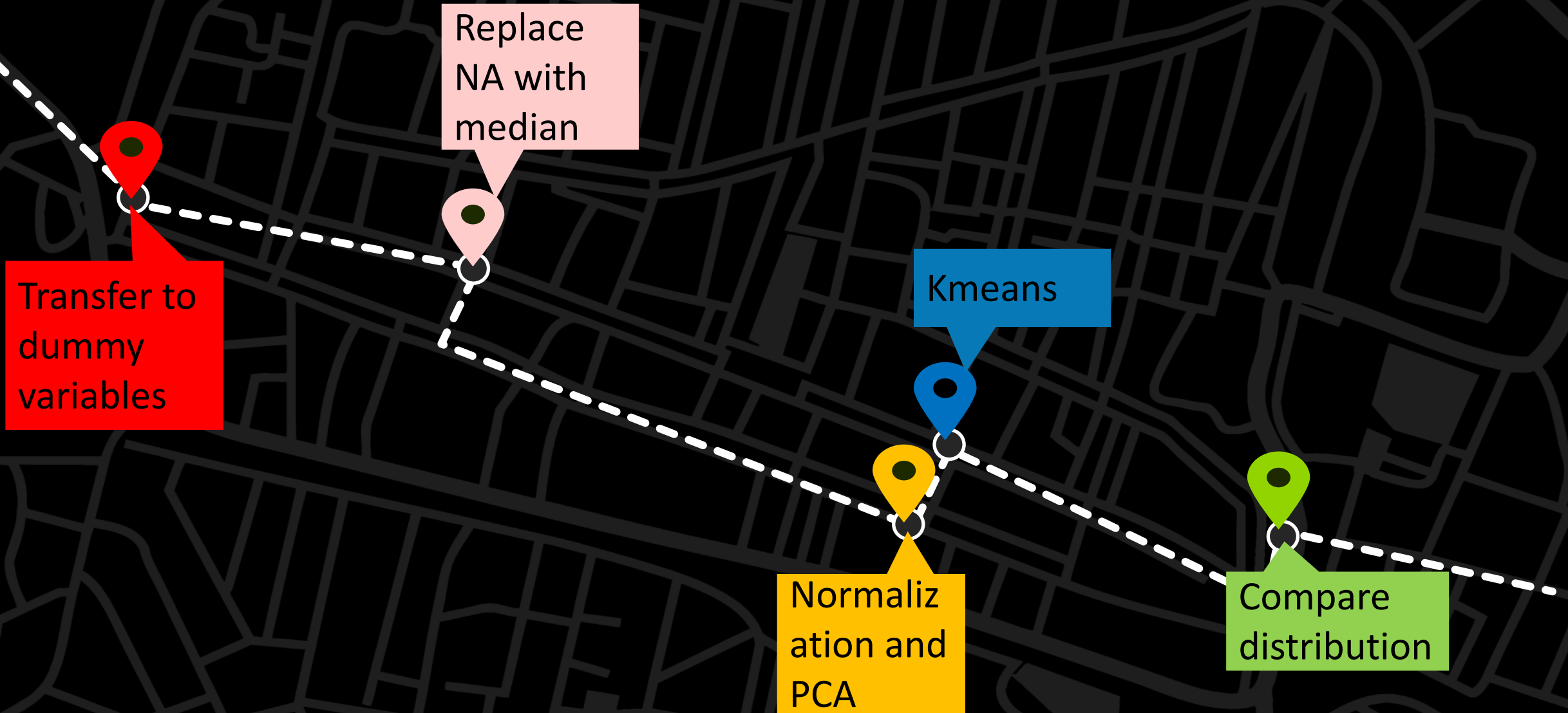


1. Business problem

- Mail-order sales company in Germany
- Identify segments of the population that form the target customer group
- **WHAT** - different segmentations?
- **HOW** - customer data maps into population clusters?
- **WHO** - target group?
- **WHETHER** - room for recruiting new customers?



2. Methodology



3. Result-customer segmentation

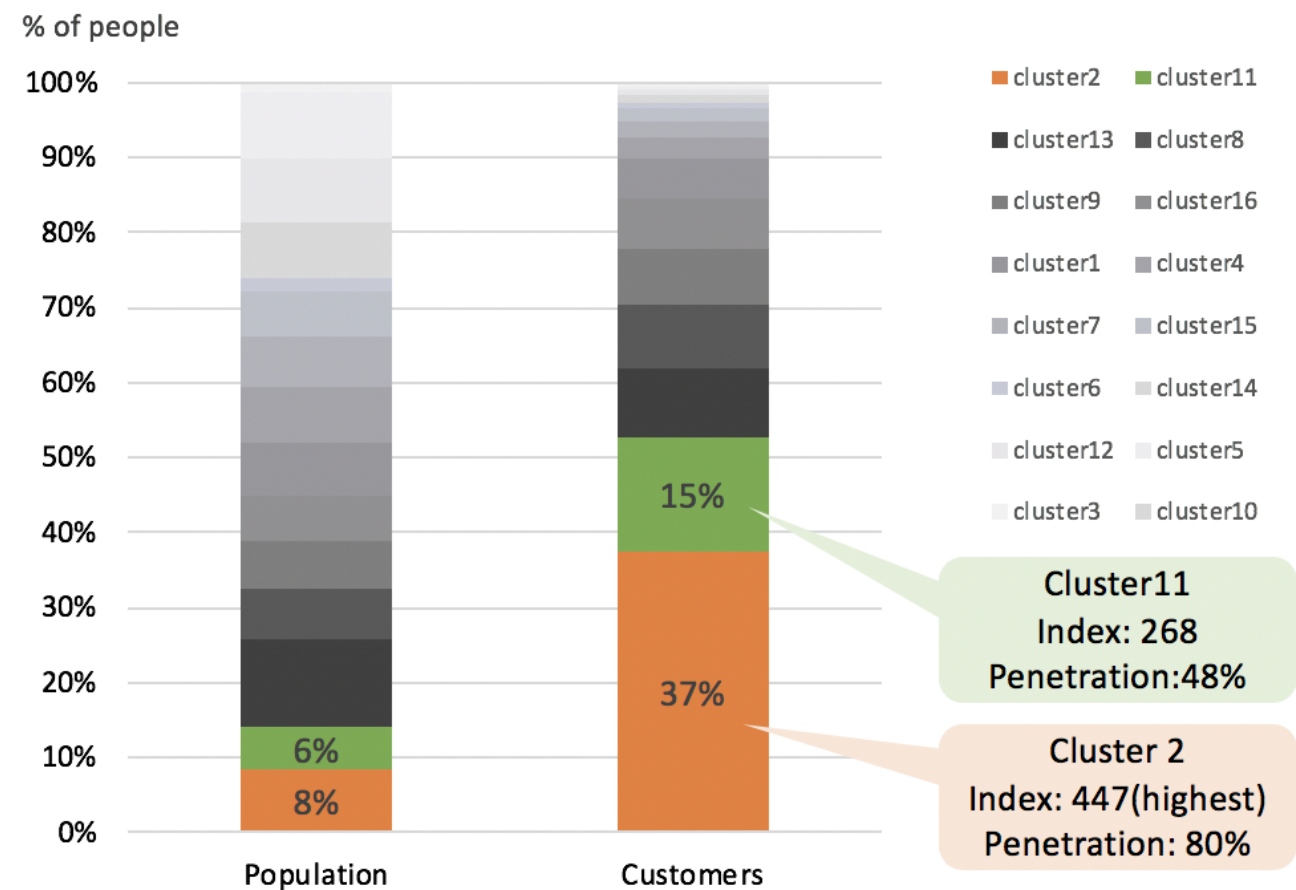


Cluster 2&11 are **overrepresented** groups.



Cluster 11 has **higher potential** for acquiring new customers.

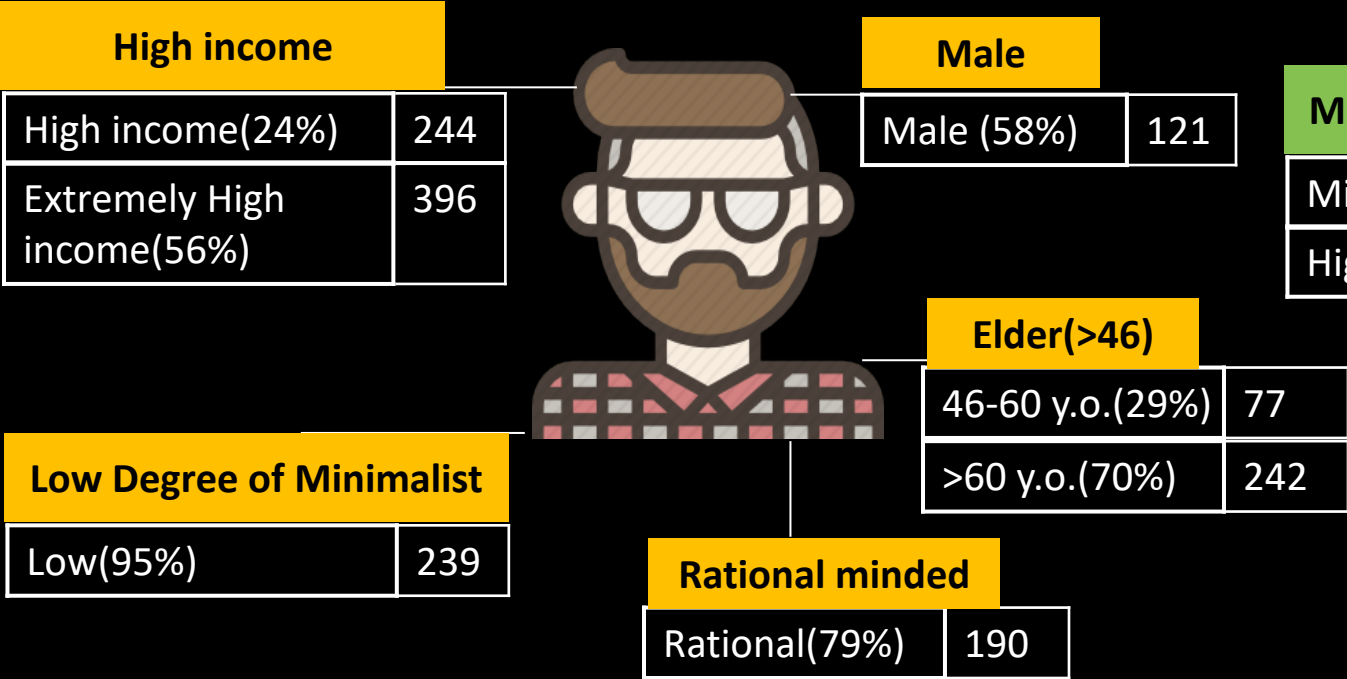
Cluster composition comparison



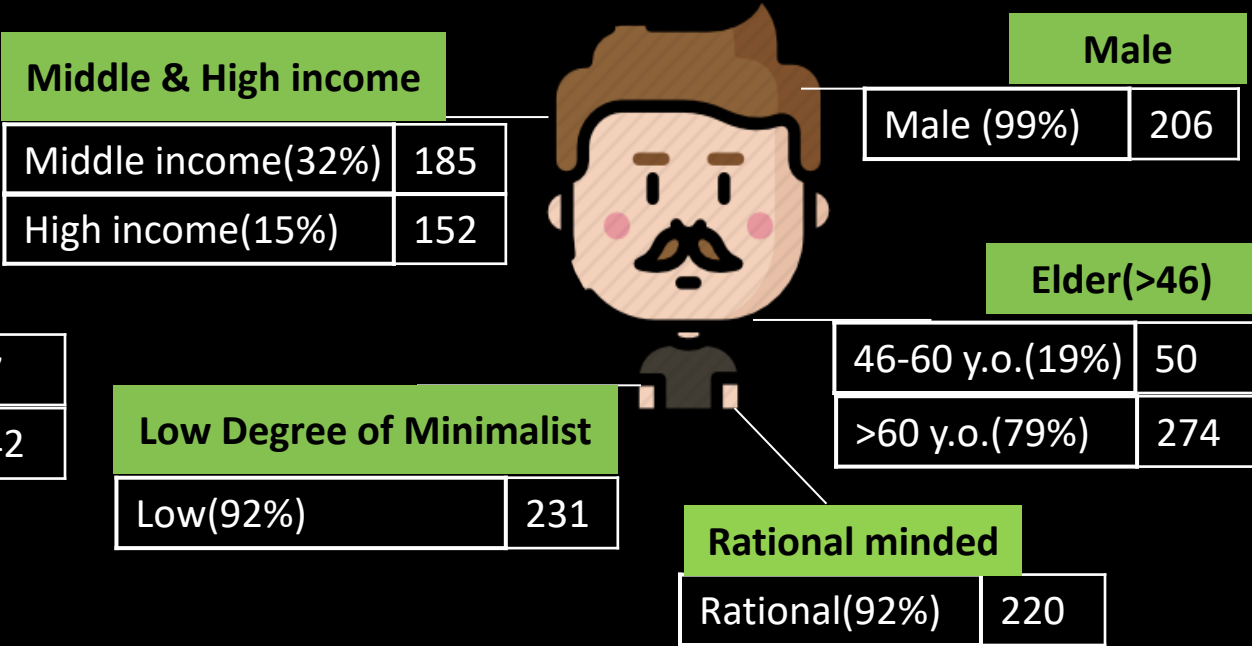
Note: Index= people% of cluster n in customers/ people% of cluster n in population *100
penetration= # of customer in cluster/ # of population in cluster

3. Result-features investigation

Cluster 2 index against total population



Cluster 11 index against total population



The target groups are elder male with middle & high income, rational minded, who are also willing to spend money on daily expenditures.

4. Recommendation



'High life quality' concept

The market campaign should be conducted on people with honorable jobs and stress the concept of 'high life quality'



Traditional ads

- 1) The market campaign would be better conducted in a traditional way like TV ads.
- 2) Characters in the ad can be set as elder male for more emotional attachment for potential customers.
- 3) Content of ad should be neat and more focus on functionality.



Male commodity

- 1) Put more campaign resources on male-used commodity.
- 2) Become partners with companies who produce male commodities.