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| **Title** | **:** | Customer Behaviour Analytics using RFM |
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**Abstract**

The main objective of this project is to extract semantic customers behavioural information through data collected from a food delivery company, Running Man. The project aims to explore customer behaviour by analysing transaction data. One of the methods applied in this project is RFM. RFM (Recency, Frequency, Monetary) is a method to profile customer into groups. RFM score calculated will be then clustered to gain more insights into the pattern. In this project, K-means clustering will be used to analyse customer purchasing behaviour, and to cluster customers’ RFM score. Visuals such as RFM heat map, RFM score binning, RFM scatterplot can be used to visualize customers purchasing behaviour. RFM scoring is a simple and efficient model that can be used to analyse customers purchasing behaviour. Clustering RFM score can also show majority of the customers belong to one big group. The final model is able to cluster customer’s RFM score into 4 groups of customers, with each group having their unique characteristics and show insights related to the business. However, we cannot validate the accuracy of unsupervised learning algorithm. In future, more unsupervised methods can be evaluated to cluster RFM scoring. There are more unsupervised methods than k-means clustering such as mixture models, hierarchical clustering can be tested out. Binning of customer into 5 bins for every score might not produce the best accuracy thus optimization is required.