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Customer 360 Analysis

Personal Project

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Overview of Customer360



Customer360 is an analytical trend that involves creating a customer profile by aggregating all data about the customer from various data sources.

It provides insights about the customer through four distinct data groups:

- **Demographic Data**
- **Transaction Data**
- **Behavioral Data**
- **Interaction Data**

Benefits of Customer360

Customer360 helps us:

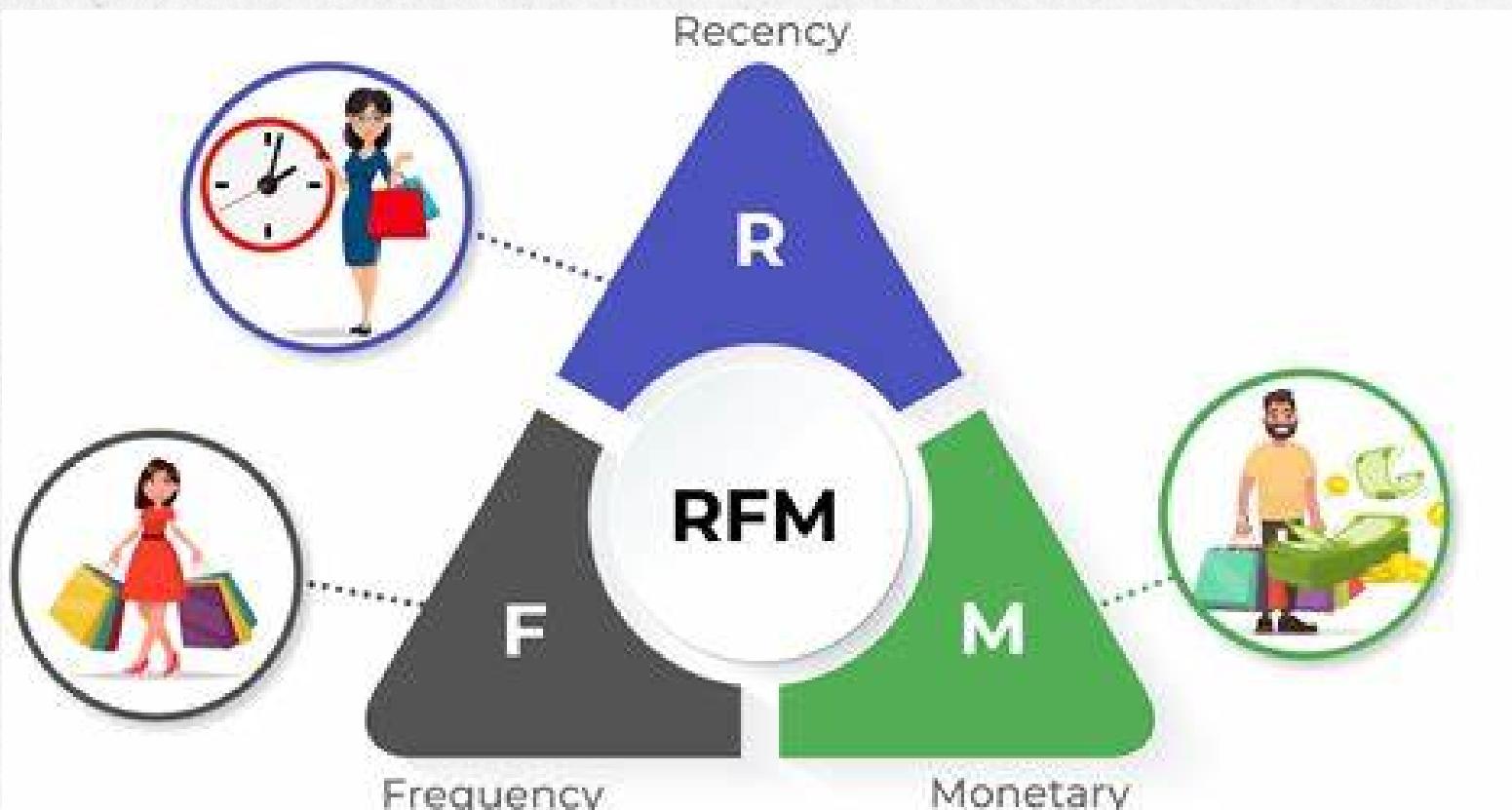
Understand Customers and Their Behaviors

Create Strategic Sales and Marketing Campaigns

Deliver Personalized Shopping Experiences

Introduction to RFM Analysis

RFM Analysis is a customer analysis method based on three key metrics: **Recency**, **Frequency**, and **Monetary**.



Recency (R):

Measure the time since the customer's last transaction.

Frequency (F):

Measure customer order frequency over a certain period of time.

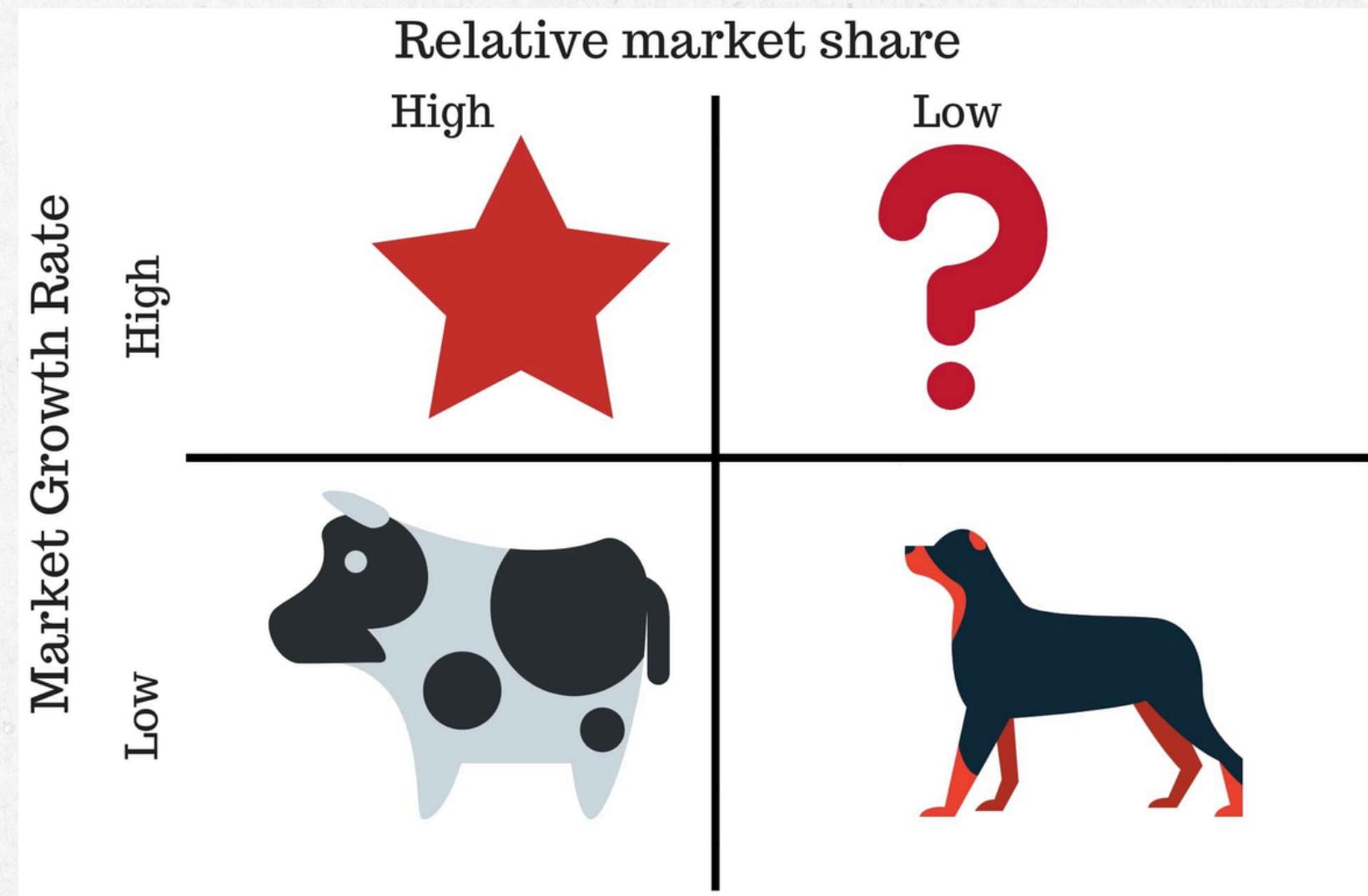
Monetary (M):

Measure the total value of transactions that customers have made.

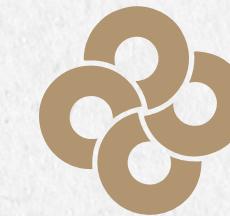


Analysis with BCG Matrix

After calculating the RFM metrics, we will perform **customer segmentation** based on the **BCG Matrix**:



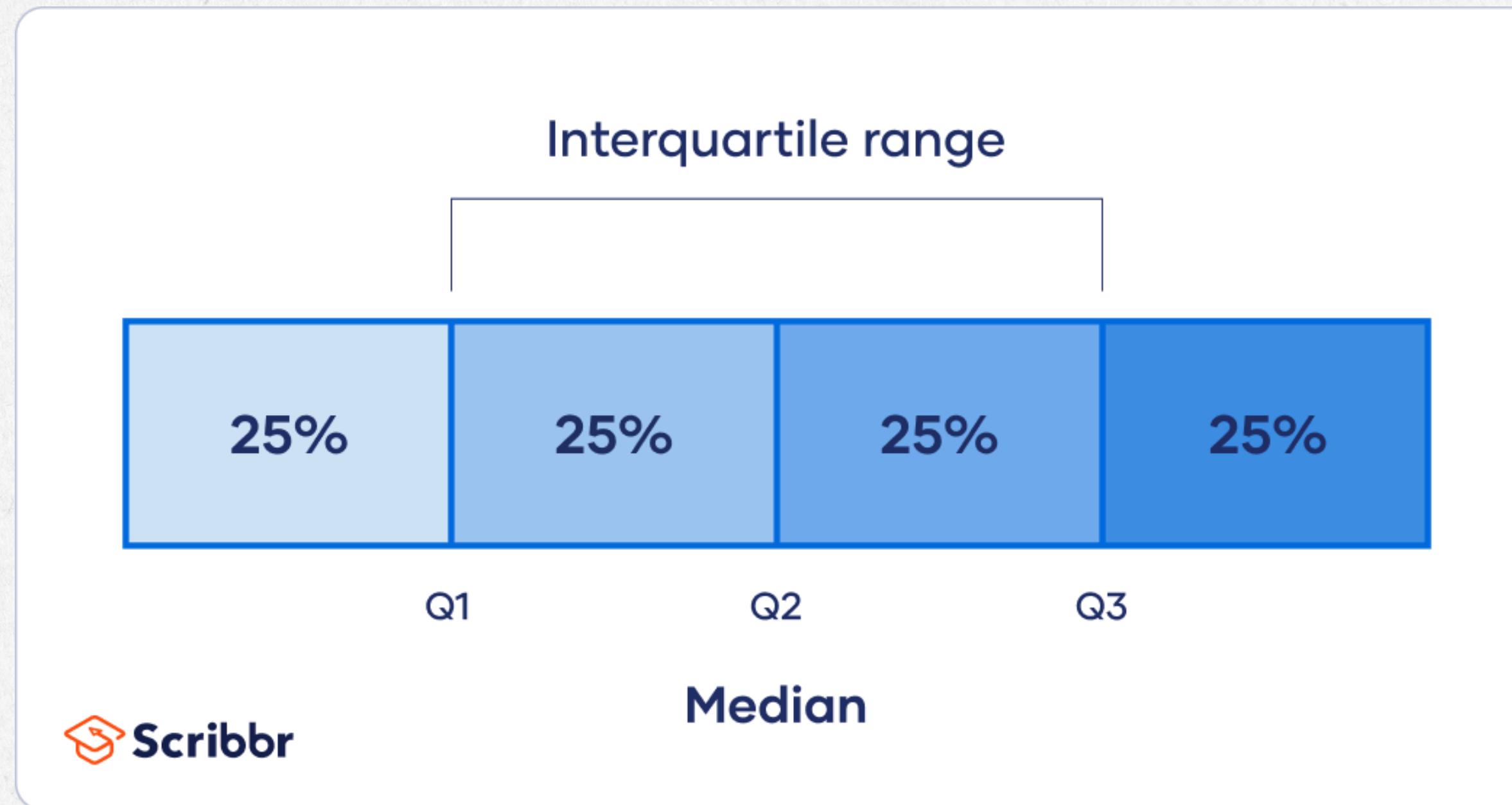
- **Star:** Represents the VIP Customers.
- **Cow:** Represents the loyal and potential Customers.
- **Question Mark:** Represents new customers.
- **Dog:** Represents the Lost Customers.



Customer Segmentation

What should we will do after calculating RFM metrics?

We will divide these **RFM metrics** into four groups using a statistical method, specifically based on the **IQR range**.



After calculating the RFM metrics for each customer, we will label the Recency, Frequency, and Monetary metrics for each customer based on the assigned groups.

There are 4 levels for each metric, ranging from 1 to 4. Lower levels (e.g., 1 or 2) indicate that the customer is better compared to others. Finally, we will perform segmentation for each customer based on the BCG Matrix.

Segmentation	RFM Score Groups	Characteristics
VIP Customers	111, 112, 121, 122, 211, 212, 221	Customers who make frequent purchases and spend large amounts
Loyal Customers	113, 114, 123, 124, 213, 214, 222, 223, 224, 311, 312, 313, 314	Customers who do not spend too much, but purchase frequently.
Potential Customers	131, 132, 133, 134, 141, 142, 231, 321, 322, 323, 324, 411, 412, 421, 422	Customers with a moderately high purchase frequency or large spending
New Customers	143, 144, 232, 233, 234, 241, 242, 243, 244	Recent customers who have an average purchase frequency.
Lost Customers	331, 332, 333, 334, 341, 342, 343, 344, 423, 424, 431, 432, 433, 434, 441, 442, 443, 444	Customers who haven't purchased in a long time and have a low purchase frequency.

← **Star**

{ ← **Cow**

← **Question Mark**

← **Dog**

Analysis

The store's total revenue reached 2.46 billion VND with a customer base of 111,76 (thousand) people.

Lost Customers make up the largest proportion, account for 35.08% of the total customer base, serving as a warning for the store to implement campaigns aimed at bringing customers back.

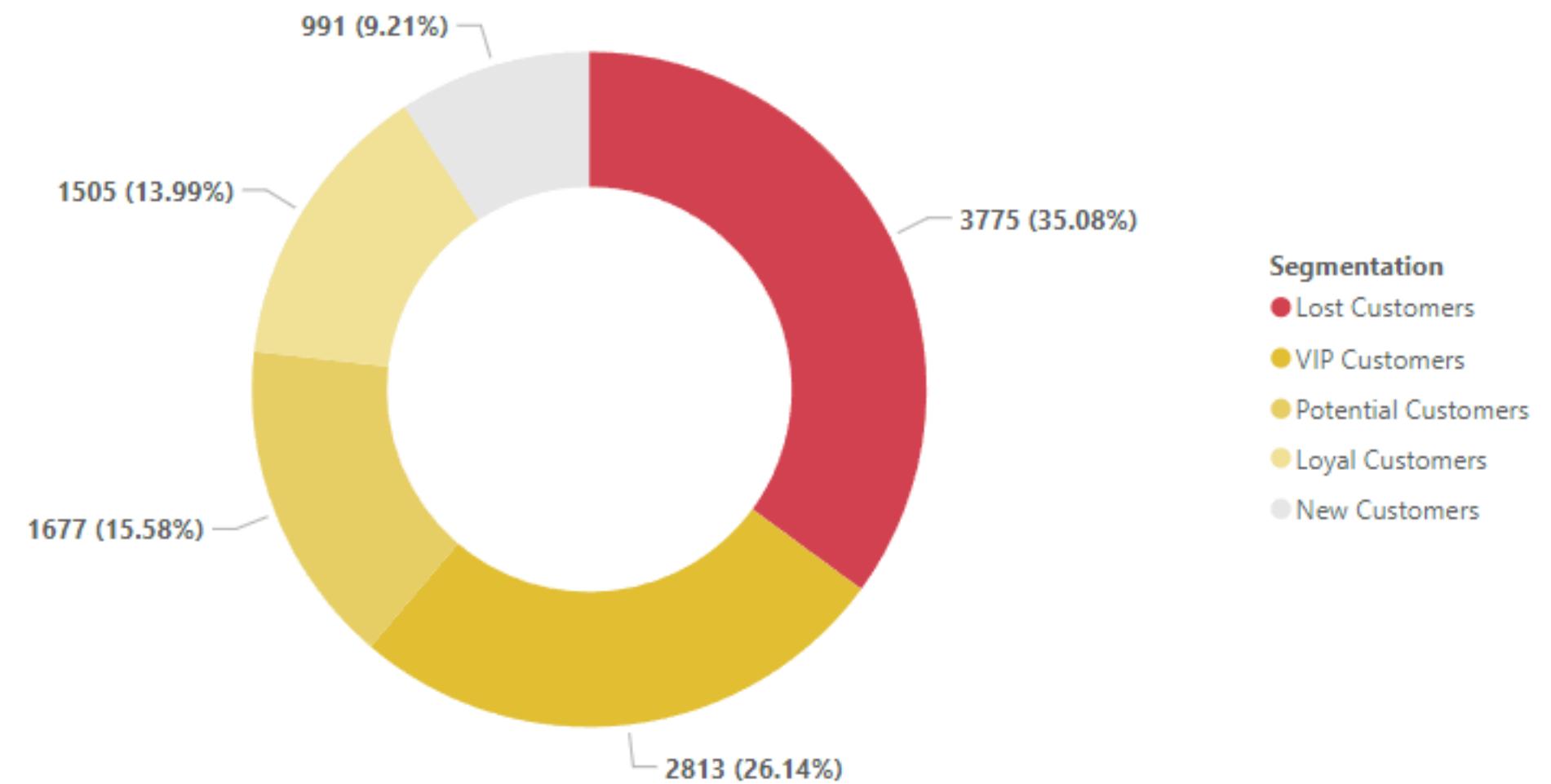
Number of Customers

10.76K

Total amount of money

265bn

Number of Customer by Segmentation



Segmentation	Sum of Monetary	Mean of Frequency	Median of Recency
VIP Customers	232,129M	85.55	5
Loyal Customers	19,537M	24.73	21
Potential Customers	10,652M	13.32	113
Lost Customers	2,067M	2.43	338
New Customers	286M	2.52	20

- **VIP Customers:** The most important group, highest revenue (232,129M), high purchase frequency (85.55), fastest return time (5 days).
- **Loyal Customers:** Significant revenue (19,537M), relatively high frequency (24.73), potential for long-term retention.
- **Potential Customers:** Moderate revenue (10,652M), low frequency (13.32), long return time (113 days), need engagement to boost purchases.
- **Lost Customers:** Low revenue (2,067M), infrequent purchases (2.43), long return time (338 days), require re-engagement strategies.
- **New Customers:** Small revenue (286M), few purchases (2.52), need nurturing for growth.

THANK YOU

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