



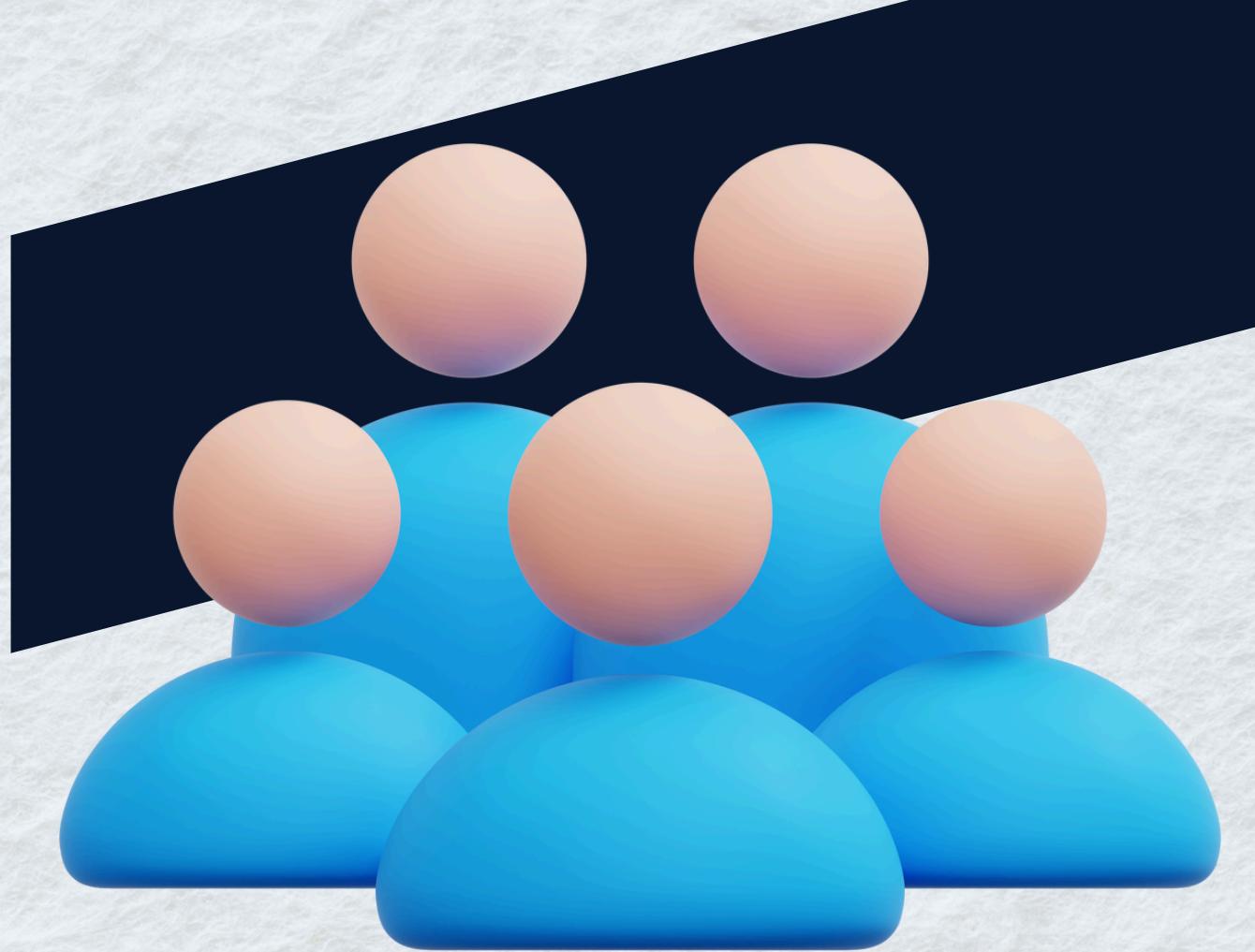
MEGAMART CUSTOMER SEGMENTATION PROJECT

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MEGAMART NEEDS SMARTER, TARGETED MARKETING

- Current challenge: No customer segmentation → generic campaigns + inefficient spending
- Goal: Discover actionable customer segments to improve retention, conversions, and marketing ROI
- Scope: 3,000 customers × 9 behavioral variables



OUR ANALYTICAL APPROACH

HOW WE IDENTIFIED MEANINGFUL CUSTOMER SEGMENTS

- Analyzed 3,000 customers across 9 behavioral metrics
- Used advanced clustering (Hierarchical + K-Means)
- Selected $k = 5$ based on dendograms, elbow method, and silhouette score
- Validated clusters through PCA visualization

**Data → Preprocessing → Clustering →
Evaluation → Segments → Strategy**

SEGMENTS

Segment 0 – High-Value Loyalists (17%)

- Very high spend & frequent purchases
- Large baskets + high product exploration
- Long tenure, low returns
- Highest-value and most reliable customer base
- Icons: Crown, star, trophy



Segment 1 – Deal-Driven Inactive Shoppers (31%)

- Lowest spend + lowest engagement
- High recency (haven't purchased recently)
- Price-sensitive; respond mainly to discounts
- Infrequent and hesitant buyers
- Icons: Discount tag, dollar sign, sale badge



SEGMENTS

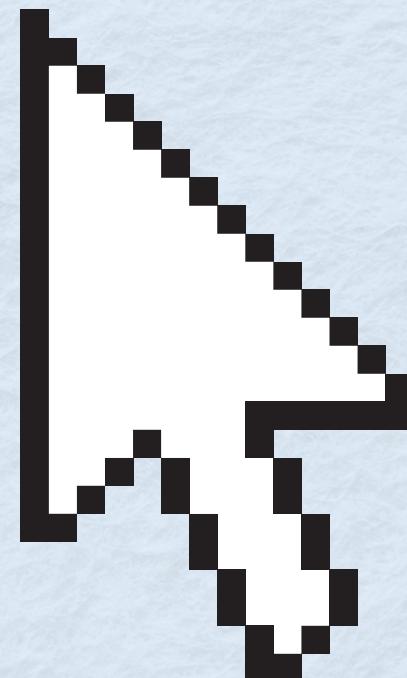
Segment 2 – Mid-Value Occasional Buyers (14%)

- Occasional but high-value purchases
- Large baskets; moderate browsing
- Stable tenure but higher recency
- Clear upgrade potential
- Icons: Shopping basket, upward arrow, gift box



Segment 3 – Engaged Browsers, Moderate Spend (38%)

- High browsing + long session durations
- Moderate conversion rates
- Good recency; responsive to nudges
- Engaged but not high-volume purchasers
- Icons: Eye, mouse pointer, search icon



SEGMENTS

Segment 4 – Newly Engaged High-Exploration

- Very low spend + minimal transactions
- Very high browsing activity; long sessions
- High recency (irregular or early-stage activity)
- High return rate; inconsistent behavior
- Ideal for onboarding and first-purchase incentives
- Icons: Compass, spark, lightbulb, first-step ico



TAILORED STRATEGIES FOR EACH SEGMENT



Segment	Primary Goal	Key Strategies
High-Value Loyalists	Retain & grow value	VIP program, early access, personalized cross-sells, premium benefits
Deal-Driven Inactive Shoppers	Reactivate	Weekly deals, coupons, free-shipping incentives, price-optimized communication
Mid-Value Occasional Buyers	Increase frequency	Bundle offers, seasonal triggers, spend-more-save-more promotions
Engaged Browsers with Moderate Spend	Boost conversion	Personalized recommendations, limited-time offers, category-based targeting
Newly Engaged High-Exploration Users	Convert exploration into purchases	Onboarding campaigns, first-purchase incentives, curated product suggestions

WHAT MEGAMART GAINS FROM SEGMENTATION

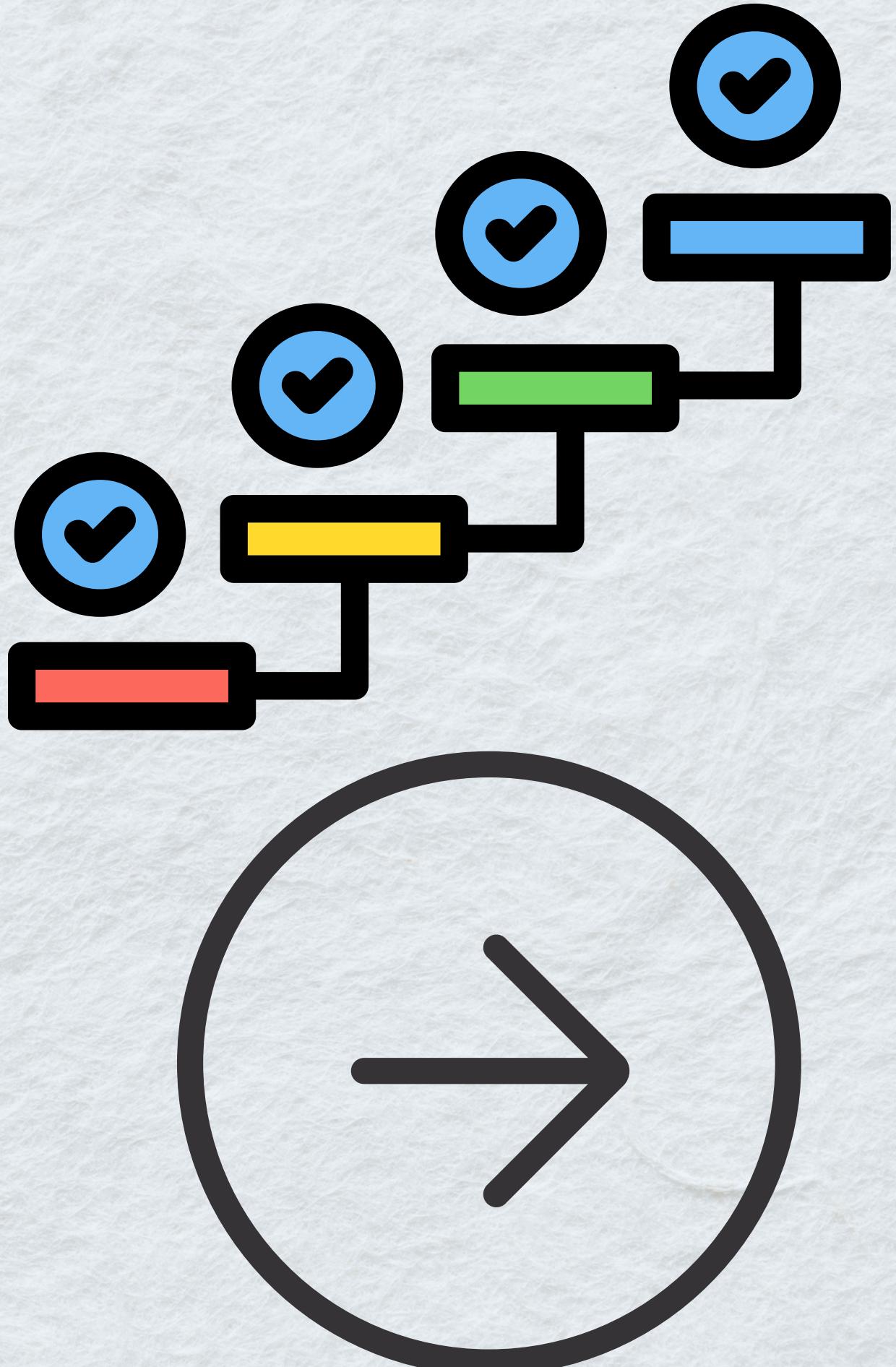
- 25% reduction in churn among High-Value Loyalists
- 40% increase in email open rates with personalization
- 15-20% higher conversion rates in targeted segments
- Higher marketing ROI through efficient spend allocation



NEXT STEPS

IMPLEMENT, TEST, AND SCALE

- Deploy segmentation model to MegaMart's CRM
- Tag each customer with a persistent segment label
- Launch A/B tests comparing segmented vs. generic campaigns
- Track KPIs: retention, conversions, engagement, revenue lift
- Future enhancements:
 - Add category preferences
 - Monitor segment migration
 - Integrate real-time browsing behavior for dynamic segmentation





THANK YOU