

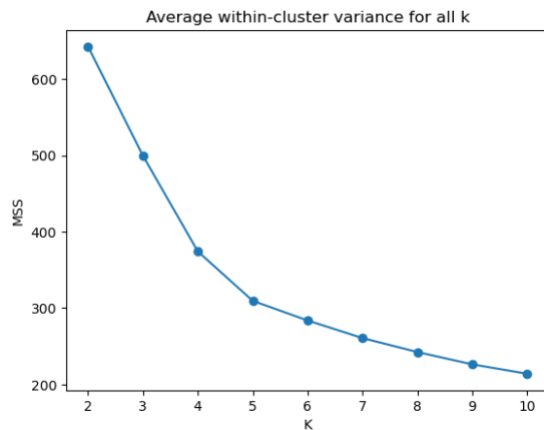
Customer Personas using Product affinity-based segmentation

Segment 1 Persona: This segment is characterized by a strong preference for Brand A (even though brand is not very important attribute overall), a higher interest sports leading to higher sports activity, and a balanced income level. Most customers are middle to old aged with a moderate number who have a masters degree. They are least concerned about prices and place less importance on cleanability. Even though they place some importance on time insulation and capacity, they may not have a strong preference for a specific size. However, type of containment matters to them. Thus, the marketing strategies should highlight the durability, reliability, and sporty image associated with Brand A, emphasizing the spill-resistant and leak-resistant features.

Segment 2 Persona: This segment prioritizes price the most but has a negative inclination towards sports and owning a master's degree. They favor Brands B and C over Brand A but place less importance on brand attribute overall. Time insulation, capacity, cleanability and containment are not critical for them in choosing a product. They seem to be slightly younger population with low income and are extremely budget conscious. Marketing should highlight the affordability associated with Brand B preferably aiming at those who prefer a more straightforward and budget-friendly option.

Segment 3 Persona: This segment is highly active in sports as well as has a large number of people with masters degree or beyond. For them, price is the least important with time insulation, capacity, containment and brand not holding a lot of importance as well but cleanability holding the most importance. Despite low importance for brands, they prefer Brand C the most and have relatively lower income and are young to middle aged. Marketing efforts should leverage their interest in sports and education by associating the product with an active and intelligent lifestyle that offer quality and easy cleanability.

Customer Personas using Classic Segmentation



Best Value of k = 5

Rationale:

If we were to follow the ML viewpoint, then the best value of k (optimal number of segments) should be k= 5 since adding an additional segment from k=4 to k= 5 does reduce the average within cluster variance considerably but adding an additional segment from k=5 to k= 6 does not reduce variance by a large amount. Thus, choosing k= 5 will provide us with the best possible segments.

From the marketing viewpoint, we must deep dive further to assess the optimal number of segments to choose from through our qualitative assessment:

Here, we will assess whether the optimal number of segments to be launched should be 4 or 5. Taking values of k= 4 and k=5, I build out 4 and 5 segments each respectively and found that considering an additional segment/ product (k=5) could lead to large differences with the product created for people when k= 4 and isn't likely to capture their market share, given people are not price sensitive in those segments and have relatively high income as well. Particularly, the segments (Segments 3 and 5) appear to capture unique customer characteristics and potentially represent new market opportunities without significantly cannibalizing the existing segments. Thus, the overall impact of the new segment would be high and therefore it is best that we consider this additional segment and choose our optimal number of segments to be 5.

Segment 1 Persona: This segment prioritizes and values price more than anything else and has the highest preference for Brand C (even though brand loyalty is not a significant driver) but has a negative inclination towards sports. They are younger individuals with lower incomes and education levels. For them, time insulation, capacity, cleanability and containment do not hold a lot of importance. A feasible marketing strategy for this segment could be to position the

product as an affordable, no-frills option focused on basic functionality rather than premium insulation capabilities. Emphasizing competitive pricing, ease of use, and minimalist designs rather than extensive features may appeal more to this cost-conscious, relatively inactive persona.

Segment 2 Persona: This segment values time insulation a lot and sports/active lifestyle to a moderate extent while price is least important. Capacity, cleanability, containment and brand do not matter much to this segment. This segment appears to be younger to middle-aged with middle income levels and a moderate number of people owning a masters degree. They are likely more focused on functionality and performance than price alone. A marketing strategy for this segment should emphasize the product's insulation capabilities and its suitability for active, sports-oriented lifestyles. Targeting this segment through channels that reach younger, more affluent, and athletically-inclined consumers would be crucial for effectively reaching and engaging them.

Segment 3 Persona: For this segment, the most important attribute is capacity while price, time insulation, cleanability, containment, and brand are relatively less important. This segment also appears to have higher incomes, but lower interest in sports and a negative inclination towards holding a masters degree. .A marketing strategy for this segment should emphasize the product's capacity. Targeting this segment through channels that reach affluent consumers with a practical, value-oriented mindset would be crucial for effectively engaging them.

Segment 4 Persona: This segment appears to be less price-sensitive but values containment attribute to a significant degree, indicating a focus on functionality and safety. However, time insulation, capacity , and cleanability are relatively less important considerations for this group while brand does hold some importance. Demographically, this segment seems to have average income and age, with moderate interest in sports and being educated with a masters degree. A marketing strategy for this segment should emphasize the product's containment features. Targeting this segment through channels that reach middle income level consumers with a practical, value-oriented mindset would be crucial for effectively engaging them.

Segment 5 Persona: For this segment, the most important attributes are cleanability and being active in sports while price is least important. Time insulation, containment, capacity and brand are less crucial factors. Demographically, this segment appears to be middle aged, with higher incomes and a greater number of people with graduate degrees. They are likely more focused on functionality and performance than price alone and may be drawn to products that cater to their active lifestyles. A marketing strategy for this segment should emphasize the product's cleaning capabilities and suitability for sports-oriented activities.