

CRM Data Analysis Case – Recommendations for Marketing Strategy

1. Income-Based Campaign Customization

- **Premium Offerings for High-Income Clusters (Clusters 1 & 2):** Our analysis highlighted that **Clusters 1 & 2** consist of high-income customers who show strong engagement with high-value items like wines, meats, and gourmet products. Campaigns targeting these customers should focus on premium and exclusive offerings, with messaging that emphasizes **quality, limited editions, and luxury experiences**.

Specific Actions:

- Introduce “Members-Only” product lines or “First Access” offers to build exclusivity.
 - Use targeted digital ads on platforms popular among affluent demographics, emphasizing high-quality imagery and content that reflects premium values.
 - Run a loyalty program offering exclusive rewards, such as wine tastings, chef-cooked meal deliveries, or early access to new gourmet products, to further appeal to this segment.
- **Value-Oriented Options for Lower-Income Segments (Cluster 0):** Cluster 0 represents a more price-sensitive, lower-income group with limited spending across categories. For this segment, promotions should be structured around **value bundles, discounts, and entry-level products**.

Specific Actions:

- Bundle essentials like meats, fish, and fruits into affordable packs or family bundles to increase perceived value.
- Consider introducing a “Smart Savings” campaign, where products are discounted dynamically based on previous purchase patterns to encourage more frequent engagement.
- Highlight practical and budget-friendly product benefits in email marketing, such as “Family Essentials Under \$20.”

2. Family-Focused Campaigns Based on Household Composition

- **Campaigns for Households with Children:** Households with children or teenagers tend to spend on products that cater to family needs, such as **meat, fish, and other essentials**. Campaigns targeting these families should emphasize convenience, value, and nutrition.

Specific Actions:

- Create targeted campaigns around “Back-to-School” or “Family Weekend Packs”, featuring nutritious, family-sized portions and multi-item bundles.
- Use personalized messaging that resonates with parents, focusing on saving time and ensuring quality for their families.
- Send digital coupons that apply automatically to frequently purchased family items, making the shopping experience easier for busy parents.

- **Engagement with Child-Free Households:** Households without children, as seen in our analysis, have higher disposable income and tend to spend on premium categories. Marketing efforts can introduce premium products and unique experiences that align with their lifestyle preferences.

Specific Actions:

- Introduce personalized offers like wine-and-dine packages or weekend luxury bundles.
- Run limited-time campaigns promoting “Gourmet Weekend Indulgences” with curated selections of wines, meats, and seafood, positioning these as experiences rather than just products.

3. Channel-Specific Promotions for In-Store vs. Online

- **In-Store Promotions for Established Shoppers:** In-store purchases remain a key preference, slightly leading over web purchases, particularly among less tech-engaged segments. Enhancing the in-store experience through loyalty programs or exclusive deals can help retain and grow this segment.

Segment Actions:

- Implement in-store only offers, such as “Flash Sales” on weekend, to drive food traffic and foster a sense of urgency.
 - Use geotargeted mobile notifications to alert nearby customers of exclusive in-store promotions or discounts.
 - Expand loyalty points or cashback rewards for in-store purchases, encouraging habitual in-store shoppers to become brand ambassadors through word-of-mouth.
- **Digital-First Offers for Web-Engaged Customers:** The high conversion rate from web visits to purchases (95.2%) suggests significant engagement with online shopping. Enhancing this channel through **exclusive online promotions and seamless web experience** can drive even higher conversions.

Specific Actions:

- Launch a “Web-Exclusive Wednesdays” campaign, where customers get additional discounts or loyalty points on online orders.
- Improve user experience by offering personalized recommendations based on past online purchases, increasing the likelihood of repeat purchases.
- Enhance the mobile website and app experience, as mobile accessibility is crucial for digital-first shoppers who prefer the convenience of online shopping.

4. Recency-Driven Retargeting Strategy

- **Engage Recent Shoppers with Timely Offers:** Responders in our predictive analysis were more likely to have made recent purchases, highlighting the potential of recency-driven campaigns. By retargeting recent shoppers, iFood can maximize engagement by keeping the brand top-of-mind.

Specific Actions:

- Send personalized thank-you messages or exclusive follow-up offers to customers within two weeks of their last purchase, increasing retention and brand loyalty.
- Implement “Come Back Soon” campaigns for customers who haven’t purchased in the past 1-3 months, using personalized email or SMS offers.
- Utilize AI-driven recommendations that remind recent shoppers of products they purchased previously, potentially upselling or cross-selling complementary products.

5. Leverage Discount Sensitivity for Targeted Promotions

- **Discount-Driven Campaigns for Deal-Sensitive Segments:** A considerable percentage of purchases are made with discounts (21%), indicating sensitivity to deals among both web and in-store shoppers. Utilizing limited-time discounts and seasonal sales can incentivize purchases among price-sensitive customers.

Specific Actions:

- Run exclusive flash sales during peak shopping hours, both online and in-store, to target deal-sensitive customers.
- Use “Last Chance” campaigns with countdowns on popular discounted products to create a sense of urgency.
- Segment digital ads to display targeted discounts based on the customer’s purchase history, increasing relevance and engagement.

6. Insights-Driven Product Bundling and Upselling

- **Promote Complementary Product Bundles:** The spending patterns show high interest in specific categories like wines and meats. By bundling these items with complementary products, iFood can increase the average order value and introduce customers to new products.

Specific Actions:

- Design product bundles like “Wine & Cheese Night” or “Grill Master Pack” for customers who frequently buy wines or meats, creating opportunities for upselling.
- Offer discounts on bundles that include a high-interest item and a lower-selling item, helping introduce less popular products while boosting overall sales.

- **Loyalty-Based Upselling for High-Value Segments:** High-income clusters (Clusters 1 and 2) exhibit loyalty and a preference for premium goods. Using a loyalty program with points that can be redeemed on high-value items would be attractive to this segment.

Specific Actions:

- Implement a tiered loyalty program, where frequent, high-spending customers receive points redeemable on premium products, thus encouraging continued high-value engagement.
- Create special events or early-access promotions for loyalty members, especially those who've demonstrated loyalty through high spending.