

Undressing the Customer Mind: Deep Dive into Spending Behavior and Campaign Response

Why Understanding Our Customers Matters Now??

73% of consumers say a good experience is key to their brand loyalty -PWC

“5 pcs chicken breasts, right?”

“Hi Naufal,
another day
another bread
huh?”



Background and Objective

In today's competitive retail market, understanding customer behavior is essential for effective marketing strategies. Since not all customers respond the same way to campaigns, segmentation and response analysis are critical.

This analysis focuses on two priorities:

1.High-Value Customers (HVC): Customers who generate **significant revenue** and demonstrate **strong loyalty**. Identifying their profiles enables tailored retention strategies.

2.Campaign Responsiveness: Analyzing how different customer segments **respond to campaigns** provides insights into engagement levels, helping optimize targeting, improve **conversion rates**, and allocate resources more **effectively**.

Problem Statements:

1. What are the characteristics of **High value customer** and what strategies can be implemented to **retain** them?
2. What are the characteristics of customer **reponses to campaign** and what strategies can be implemented to **improve** them?

High-Value Customers (HVC)

- Adults (30–45), high income, educated
- Multichannel users
- Need VIP experience & personalized campaigns

Growth Potential Segments

- Big Spenders: high spend, not loyal → convert with luxury bundles
- Potential Loyalists: medium income → nurture with bundles + starter loyalty program

Campaign Response

- Overall acceptance low (6–7%)
- HVCs respond 25–37%
- 70%+ never engaged → mass campaigns ineffective

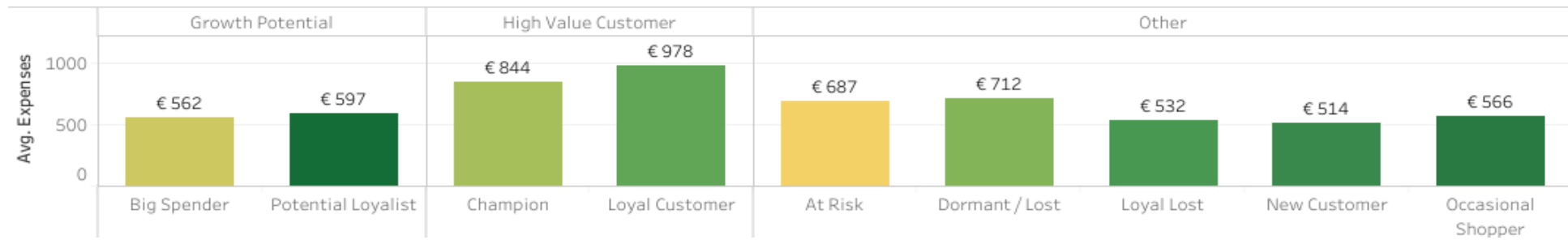
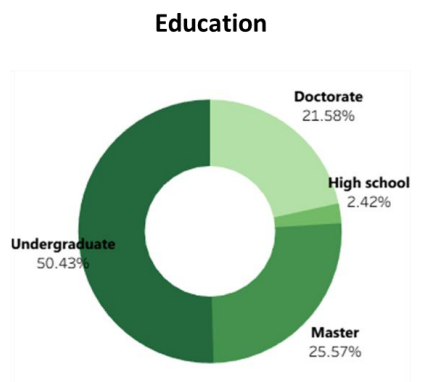
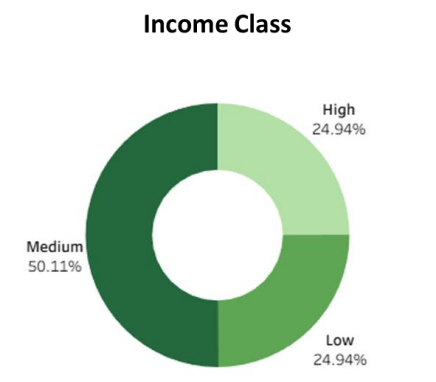
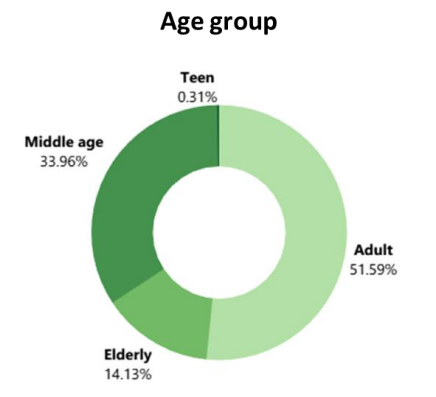
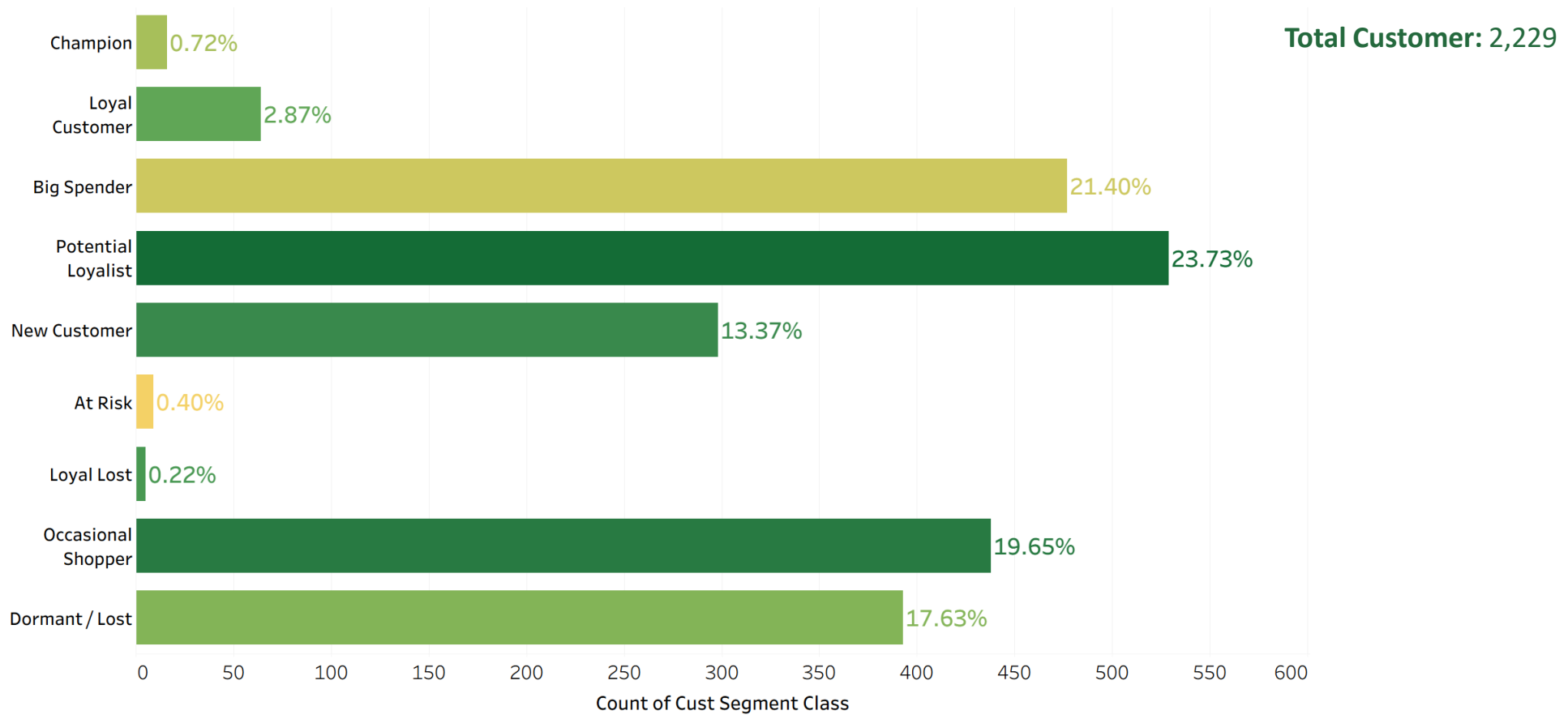
Strategic Priorities

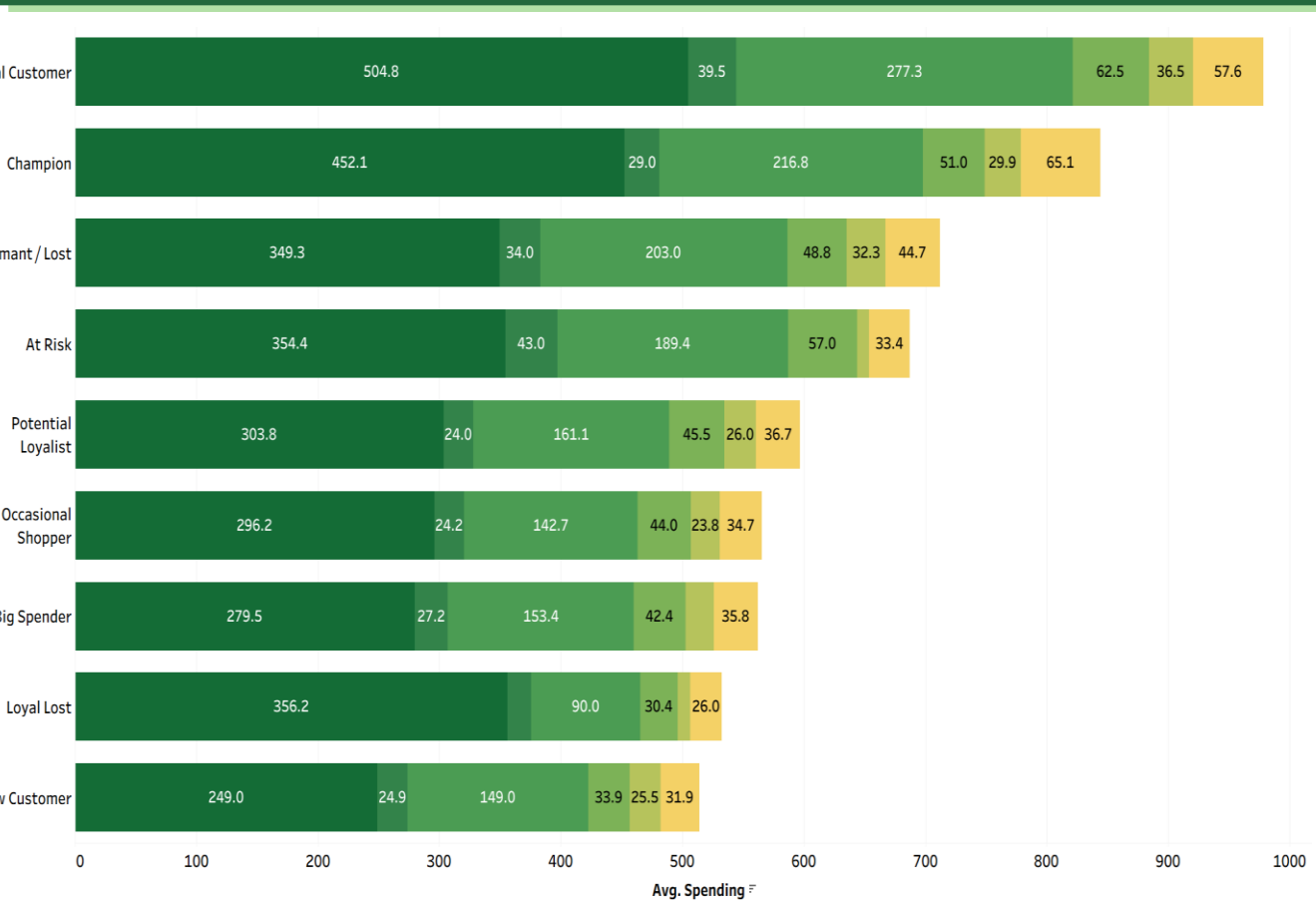
1. Segmented campaigns per customer group
2. Channel optimization (omnichannel for HVCs, store-heavy for Big Spenders)
3. Replicate best practices from last Response campaign (15% acceptance)

Key Message: 'Loyalty and revenue are driven by a small core of high-value customers. Targeted, personalized, channel-specific campaigns are critical for growth.'

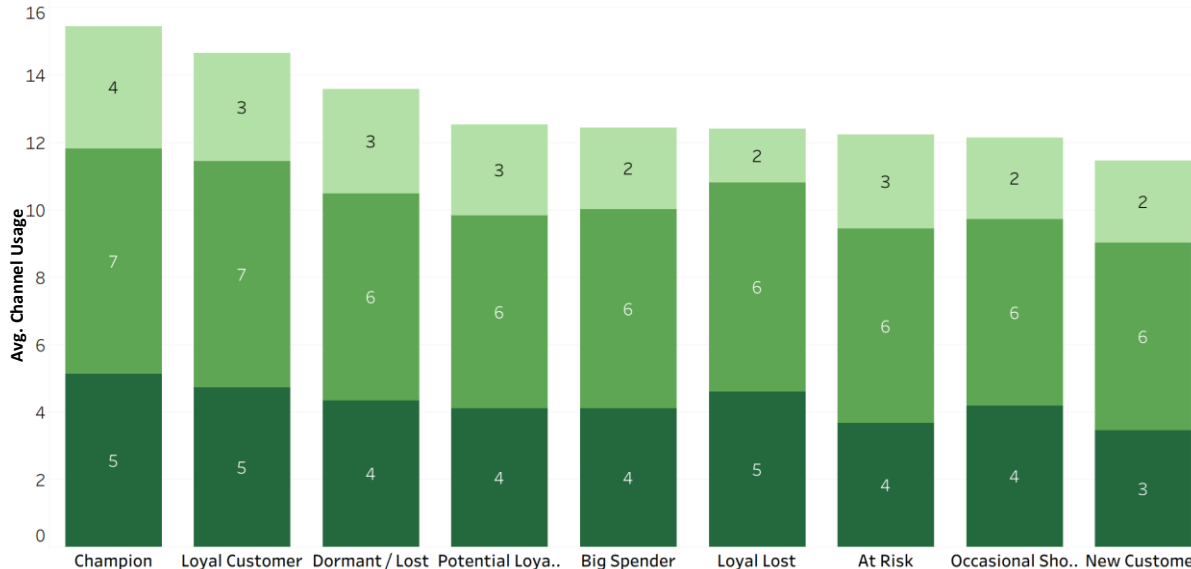
Let's get closer to our customer (2012 – 2014)

Most Customers Are Potential Loyalists & Big Spenders, Dominated by Adults with Medium Income



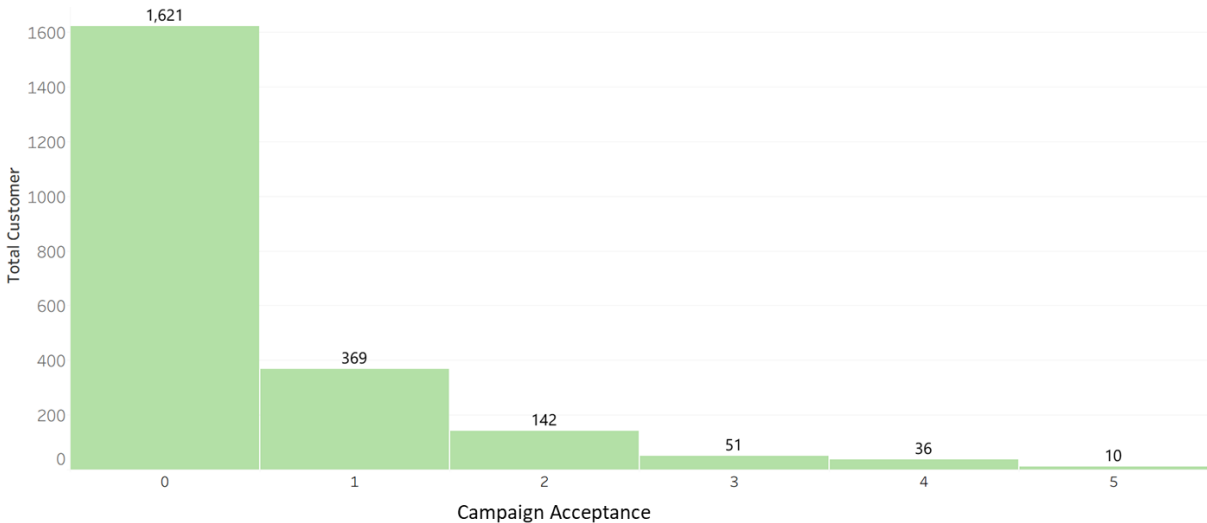
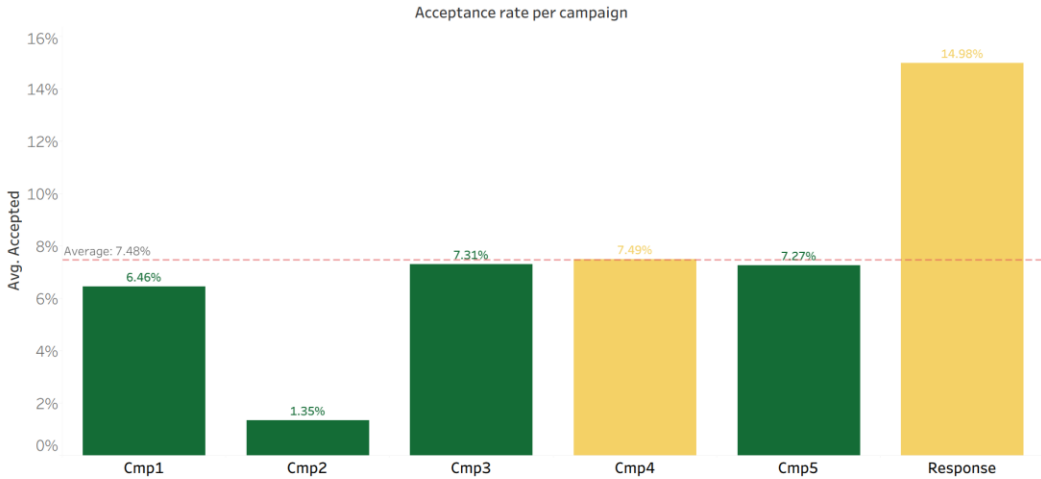


- Mnt Fish Products
- Mnt Fruits
- Mnt Gold Prods
- Mnt Meat Products
- Mnt Sweet Products
- Mnt Wines



Not Every Campaign Wins the Heart

While most campaigns struggled. The last campaign stood out – proving that relevance drives engagement!





Acceptance Rate per Segment

		Campaign					
Cust Segment Class		Cmp1	Cmp2	Cmp3	Cmp4	Cmp5	Response
Champion		18.75%	0.00%	0.00%	12.50%	18.75%	62.50%
Loyal Customer		6.25%	3.13%	15.63%	15.63%	10.94%	26.56%
Big Spender		5.03%	1.05%	8.39%	5.24%	5.03%	11.95%
Potential Loyalist		6.24%	0.76%	6.43%	9.26%	7.94%	15.12%
New Customer		8.39%	2.01%	10.07%	5.70%	7.72%	15.44%
At Risk	ul	0.00%	0.00%	0.00%	11.11%	11.11%	11.11%
Loyal Lost		20.00%	20.00%	0.00%	20.00%	0.00%	20.00%
Occasional Shopper		5.48%	1.14%	6.39%	7.31%	6.62%	13.47%
Dormant / Lost	5	7.63%	1.78%	5.34%	7.63%	8.40%	16.03%



Conclusion & Recommendations: Retain HVC

Champions and Loyal Customer are few in number, but their values is unmatched – retaining them means sustaining growth

	Characteristics	Strategies
 Champion	<ul style="list-style-type: none"> • Very few in number (16 cust) • Highly Income and well educated • Strong spenders across multiple product categories (wine, meat and fish) • Prefer store and Web purchases • Selective campaign acceptance 	<ul style="list-style-type: none"> • VIP Loyalty Programs (Exclusive perks, earlyc access, premium rewards) • Personalized premium product bundles (wine + meat + gourmet packs) <ul style="list-style-type: none"> • Personalized campaign -> relevancy is priority! • Focus on premium & lifestyle positioning, not just discounts!
 Loyal Customer	<ul style="list-style-type: none"> • Relatively small (64 cust) • High frequency & consistent spending over long time • Spending is more varied • Most engaged with every campaign • Prefer store and Web purchases 	<ul style="list-style-type: none"> • Strengthen loyalty with point-based rewards • Cross-sell (encourage trying more product categories) <ul style="list-style-type: none"> • Build community engagment • Maitan regular but personalized offers

Conclusion & Recommendations: Potential Growth

How Big Spender and Potential Loyalist can Fuel Our Next Growth Story

	Characteristics	Strategies
 <p>Big Spender</p>	<ul style="list-style-type: none"> • Large group (477 cust) • High income adult • High spending across all categories • Moderate campaign engagement • Prefer store purchases • Similar to HVC but not yet loyal (almost) 	<ul style="list-style-type: none"> • Push conversion into Loyal Customer • Upselling & cross-selling (premium bundles, gourmet offers) • Experiment with luxury add-ons (gold products) <ul style="list-style-type: none"> • Mass-blasted campaigns • Encourage repeat buying with tiered loyalty tiers
 <p>Potential Loyalist</p>	<ul style="list-style-type: none"> • Biggest group (529 cust) • Medium income, adults/middle aged • Moderate spenders but consistent in multiple categories • Quite low campaign engagement • Prefer store purchases 	<ul style="list-style-type: none"> • Nurture -> guide them to become loyal customers • Offers loyalty program sign-ups with easy rewards <ul style="list-style-type: none"> • Leverage digital channels • Introduce the community event

Thank you!