**Customer Segmentation Using RFM Analysis - Project Metadata & Insights Guide**

The focus of this project is to help the business to better understand its customers and makes it easier for them to modify products according to the specific needs, behaviours and concerns of different types of customers.

Customer personality analysis helps a business to modify its product based on its target customers from different types of customer segments. For example, instead of spending money to market a new product to every customer in the company’s database, a company can analyse which customer segment is most likely to buy the product and then market the product only on that particular segment.

You are required to segmentalize the customer base of the company and then create specific profile groups to uniquely define each group based on their unique characteristics.

**1. Metadata Table**

| **Category** | **Field Name** | **Description** | **Data Type** | **Usage in Dashboard** |
| --- | --- | --- | --- | --- |
| **People** | ID | Unique customer identifier | Integer | Used to group and identify unique customers |
|  | Year\_Birth | Year of birth of the customer | Integer | Calculate age groups for demographic segmentation |
|  | Education | Education level of the customer | Categorical | Segment customers by education level |
|  | Marital\_Status | Marital status of the customer | Categorical | Segment by family structure |
|  | Income | Annual income of the customer | Float | Create income brackets; analyze spending vs income |
|  | Kidhome | Number of children in household | Integer | Household composition; target families |
|  | Teenhome | Number of teenagers in household | Integer | Household composition; useful for segment targeting |
|  | Dt\_Customer | Date the customer enrolled | Date | Analyze customer tenure and loyalty |
|  | Recency | Days since last purchase | Integer | Core RFM metric: Recency |
|  | Complain | Whether the customer has made a complaint (1 = Yes) | Binary | Identify dissatisfaction; flag at-risk customers |
| **Products** | MntWines | Amount spent on wine in last 2 years | Float | Breakdown of monetary value |
|  | MntFruits | Amount spent on fruits in last 2 years | Float | Category-wise product spending |
|  | MntMeatProducts | Amount spent on meat in last 2 years | Float |  |
|  | MntFishProducts | Amount spent on fish in last 2 years | Float |  |
|  | MntSweetProducts | Amount spent on sweets in last 2 years | Float |  |
|  | MntGoldProds | Amount spent on gold products in last 2 years | Float |  |
| **Promotion** | NumDealsPurchases | Number of purchases made using a discount | Integer | Understand price sensitivity and discount behavior |
|  | AcceptedCmp1–5 | Acceptance of first to fifth campaign offers (1 = accepted) | Binary | Analyze campaign effectiveness and responsiveness |
|  | Response | Response to the last campaign offer (1 = accepted) | Binary | Core metric for latest marketing campaign success |
| **Place/Channel** | NumWebPurchases | Number of online purchases | Integer | Digital channel preference |
|  | NumCatalogPurchases | Number of purchases made using a catalogue | Integer | Offline or remote channel usage |
|  | NumStorePurchases | Number of in-store purchases | Integer | Brick-and-mortar customer engagement |
|  | NumWebVisitsMonth | Website visit count in last month | Integer | Website engagement metric |

**2. Required KPIs**

**📊 Customer Overview Section**

* Total number of customers
* Average age, average income, average recency
* Dashboard Distribution by Marital status and education
* Total Spent

**🔄 RFM Segmentation Panel**

* **Recency, Frequency, and Monetary Scores** per customer
* Combined **RFM Score** and assigned **segment category** (e.g., Champions, At Risk)
* RFM segment distribution (bar/pie chart)

**💰 Spending Behaviour**

* Average age versus average spending and average frequency distribution

**🛍️ Product and Channel Preference Analysis**

* Highlight Age groups versus their total spends and their most predominant products, campaign and channel