



CUSTOMER 360 REPORT

Thuy Ha Phuong Dang
(Phoebe Dang)



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Our goals

Success in the ever-changing business world of today depends on having a solid understanding of your customers. As markets evolve and consumer behaviors shift, businesses face the challenge of efficiently managing and catering to diverse customer needs.

This project endeavors to create a robust customer segmentation strategy. By leveraging a data-driven approach, it aims to categorize customers into distinct segments based on their behaviors, preferences, and interactions with the business.



01 Customer360





Definition

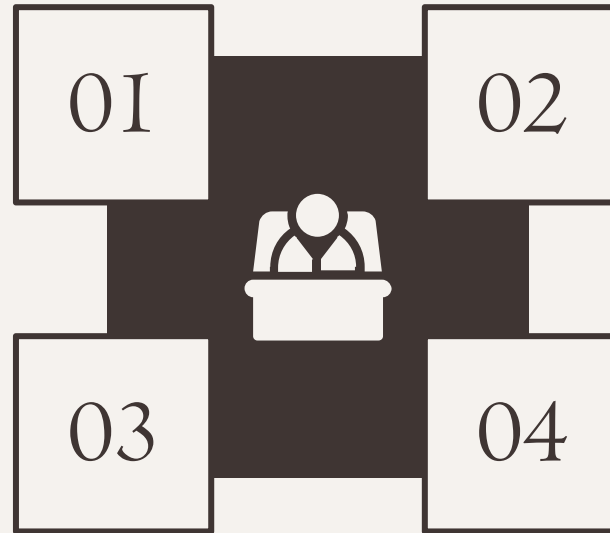
Customer360 is an enterprise customer management and analysis strategy that consolidates all pertinent customer information onto a unified platform.

The platform encompasses comprehensive data pertaining to each customer, including demographic particulars, contact details, and customer interactions with the organization.

Benefits

Enhanced
customer
intelligence

Seamless
customer
service



Superior
predictive
analysis

Improved
customer
loyalty



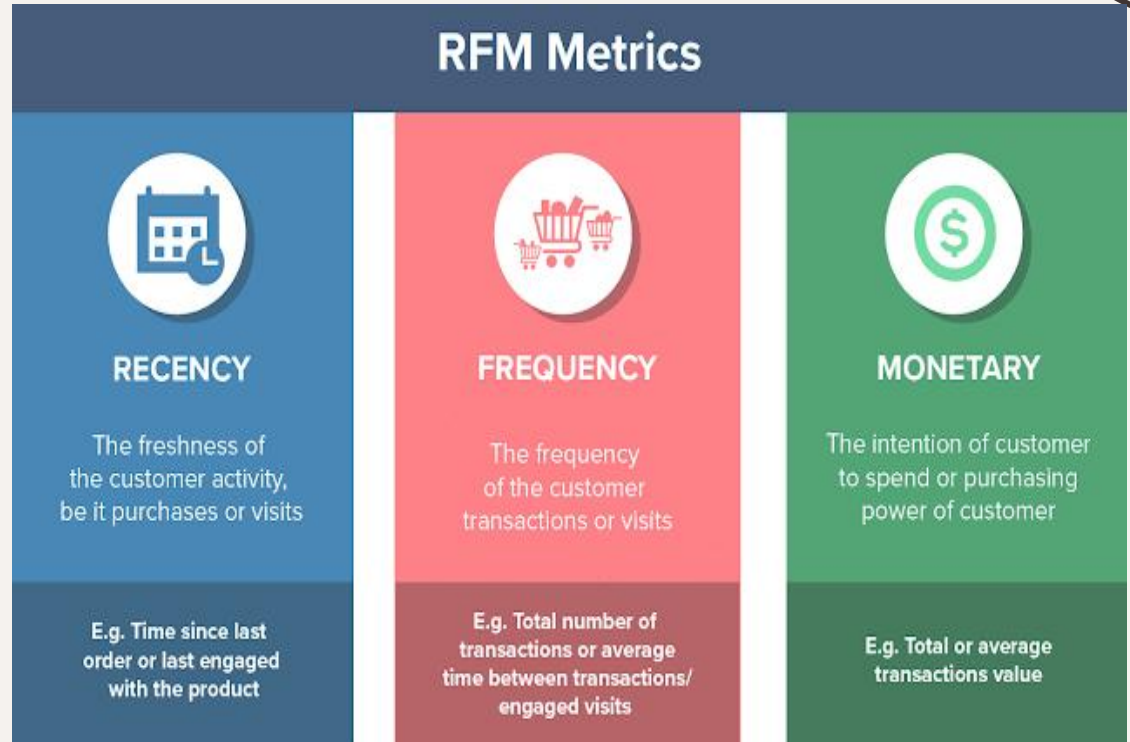
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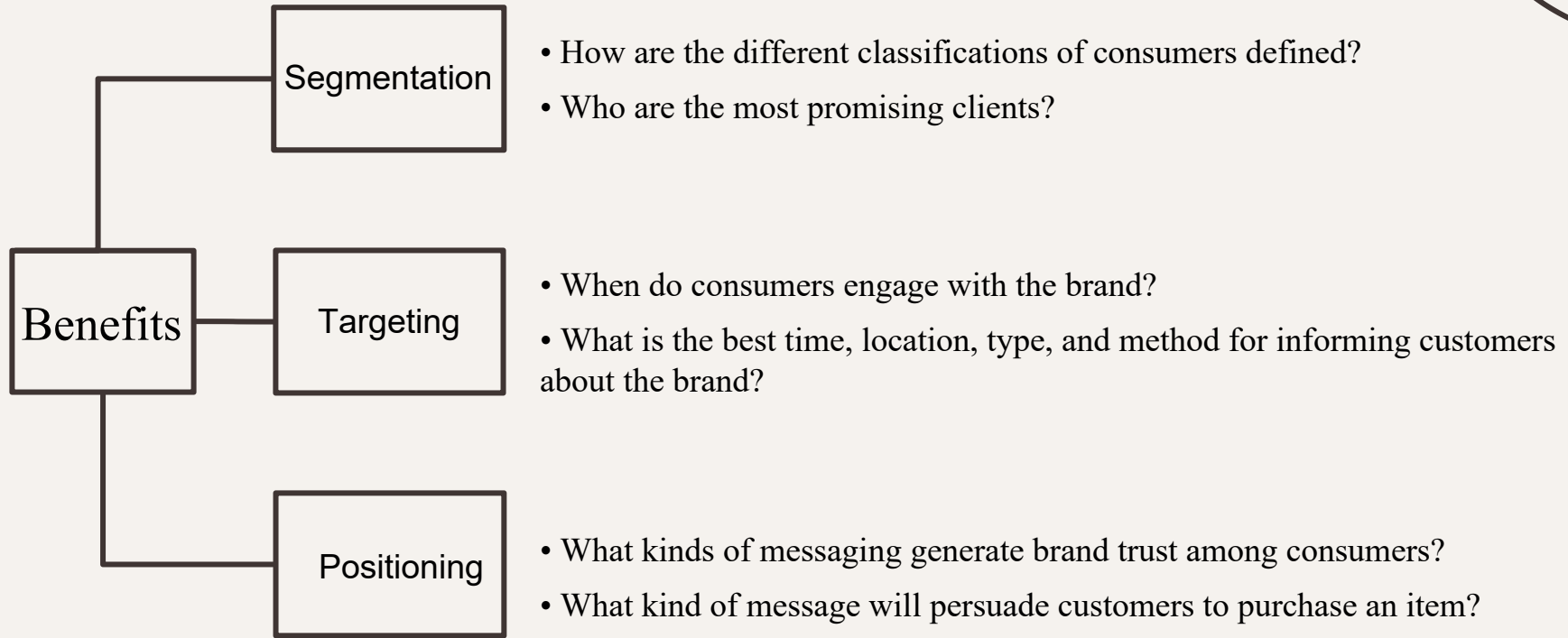
RFM Model

RFM

Recency, Frequency, and Monetary (RFM) constitute a customer classification model that is based on the *Customer360* concepts.

It analyzes three critical metrics derived from transaction data between businesses and customers: the frequency of purchases, the recentness of purchases, and the monetary value of transactions.







03

Data Analysis & RFM Application

Data Source

- The database is compiled from 1,043,849 transaction
- Involving 936,660 customers (meeting the condition of GMV per transaction > 0)
- The transaction period is from June 1, 2022, to September, 1, 2022.
- Important features: Customer ID, Purchase Date, Purchased Amount

RFM Scale

	Point 1	Point 2	Point 3	Point 4
R: Days since the last purchase	≥ 92	62 to 91	31 to 61	≤ 30 days
F: Number of purchases during the research period	≤ 2	3	4	5
M: The amount of money the customer spent in USD	≤ 90	91 to 180	181 to 270	> 270

Customer Segmentation

Segment	RFM	Description
Champion	444, 443, 434, 344	The business values recent, high-purchasing, and loyal customers.
Loyal	442, 441, 432, 431, 433, 343, 342, 341	Customers are loyal to brand due to strong affinity, satisfaction, or attachment, but have lower purchasing than Champions.
Potential	424, 423, 324, 323, 413, 414, 343, 334	Customers who engage not as much as the 2 groups above but have a high chance to become loyal consumers.
Promising	333, 332, 331, 313	Customers spend less than loyal customers, but they use the service quite frequently and fairly recently.

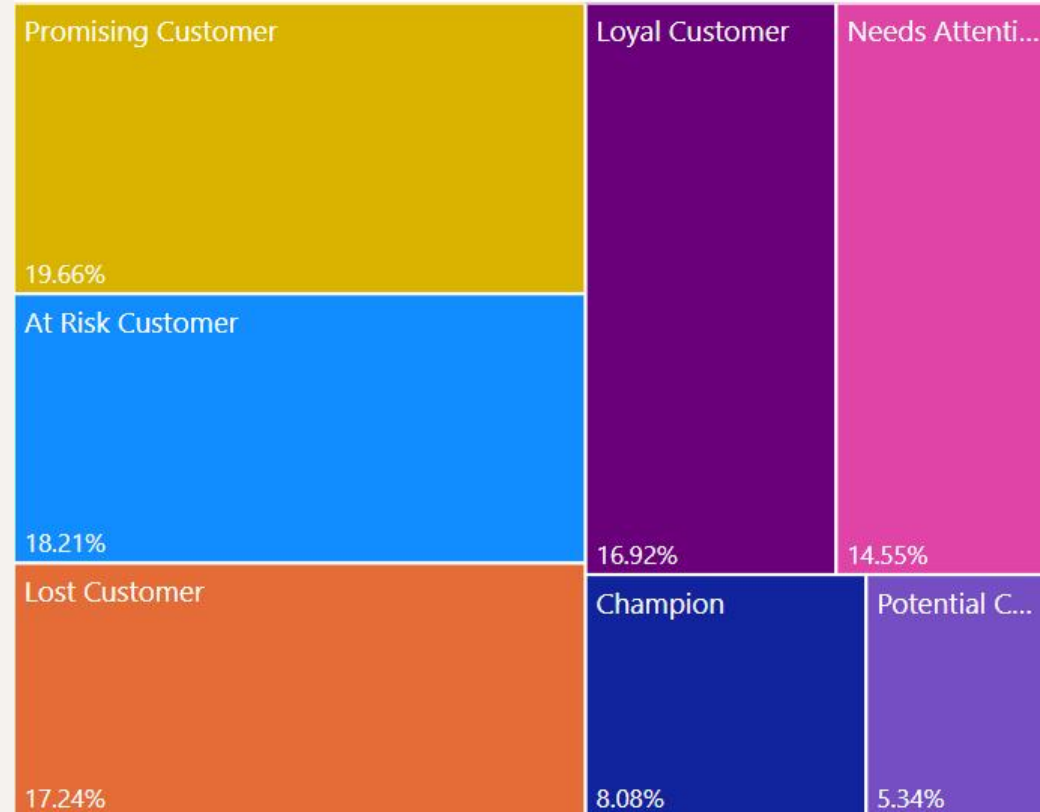
Customer Segmentation

Segment	RFM	Description
New	422, 421, 412, 411, 311, 321, 312, 314, 322	Customers have only recently used the service, they haven't had many opportunities to buy so the amount spent is not much and not often.
Attention Needed	244, 234, 243, 233, 224, 214, 213, 134, 144, 143, 133, 123, 124, 114	The customer has spent a lot of money and used the service frequently, but has not used it in a long time.
At Risk	223, 221, 222, 211, 212, 124, 131, 132, 141, 142, 122	Customers have previously utilized the service, yet their spending was minimal, their usage irregular, and their last purchase occurred quite some time ago.
Price Sensitive	231, 232, 241, 242, 131, 141	Customers make frequent purchases, but the amount spent is minimal.
Lost	111, 112, 113, 121	Customers have utilized the service but have stopped returning.

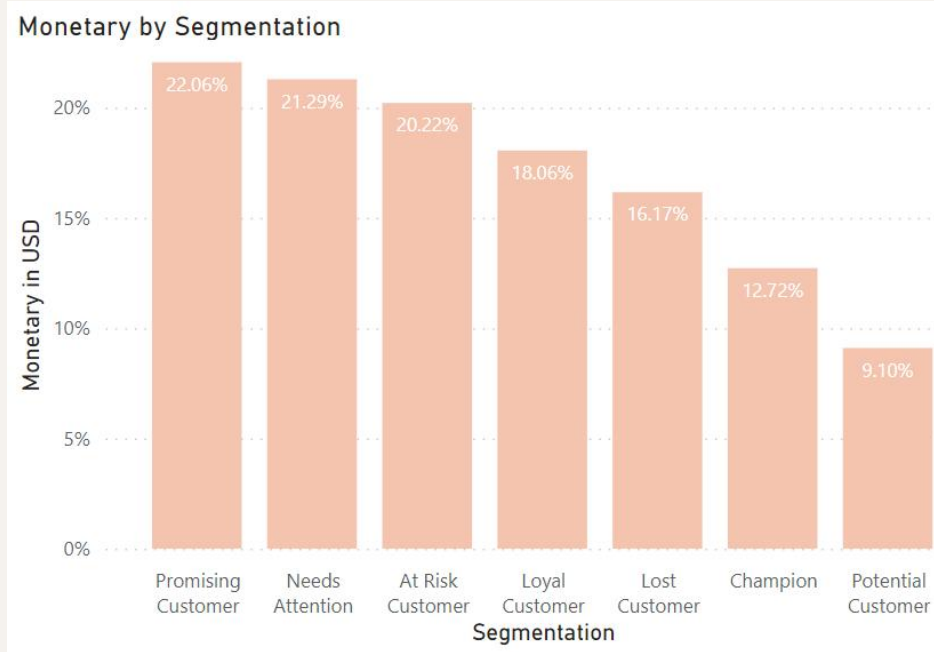
Result Interpretation

- Total customers: 1,043,849
- Sorted by number of Customer:
 - Promising Customer has the most customers: 205,220 customers (19.66%) of total customers
 - Potential Customer has the least with 55,741 customers (5.34%)
 - Champion and Loyal has 260,962 customers (25%)

Proportion of Customer by Segmentation



Revenue by Segmentation



- Sorted by monetary:
 - Promising Customers contribute the most to revenue: 0.81M USD (22.06%)
 - Attention Needed Customers come next with 0.80M USD (21.29%)
 - Champion and Loyal Customers represents 34.23%, which is 1.15M USD

Result Interpretation

- **Promising Customers** has the **most** customers and contributes the **most** to company's revenue (19.66% customers and 22.06% in sales)
- **Champion and Loyal Customers** account for 25% customers but contributes *34.23% in sales*
- Specially, **Attention Needed Customers** contribute an significant value to revenue *21.29%* with just 14.55% number of customer.

SOLUTION

- Analyzing the customer segmentation reveals a notable challenge in maintaining robust relationships, particularly evident with the Attention needed group comprising only 14.55% of the total customer base but contribute second most to the revenue.
 - To address this issue, the management team is advised to conduct a comprehensive assessment of every customer touchpoint, aiming to discern the factors influencing their decision-making process and deterring them from engaging with the business's services.
- The Champion and loyal customer segment, representing 25% of the customer base, presents an opportunity for further enhancement.
 - Given their sustained patronage and loyalty, prioritizing this cohort involves elevating customer service standards. This could include the implementation of exclusive benefits and rewards, intensified relationship-building initiatives, personalized communication strategies, and the creation of tailored customer experiences, among other enhancements.

SOLUTION

- The Promising segment holds a highest share and contributes most revenue.
 - This suggests growth potential within this segment. Strategies to enhance promotion and retention efforts may be considered to convert them into loyal customers.

❖ CONCLUSION

Shifting attention towards those customers mentioning earlier necessitates a distinct approach, pivoting from preserving established relationships to initiating and nurturing new connections. Strategies must encompass targeted marketing efforts, educational content dissemination, personalized outreach, and engagement tactics aimed at capturing and fostering relationships with prospective clientele.