



Customer Segmentation Report

Reporting Period: Yearly Analysis

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1. Executive Summary

This customer segmentation analysis groups customers based on behavior, demographics, and purchasing patterns.

The goal is to help the business:

- Improve marketing targeting
- Personalize customer communication
- Increase repeat purchases
- Reduce churn

Four major customer segments emerged from the analysis, each with unique needs and growth potential.

2. Segmentation Summary Table

Segment Name	% of Customers	Characteristics	Business Value
High-Value Loyalists	25%	High spend, repeat purchases, engaged	Critical revenue drivers

Segment Name	% of Customers	Characteristics	Business Value
Bargain Seekers	30%	Low spend, respond to discounts	⚠️ Needs strong promotions
New/Occasional Buyers	20%	Low frequency, inconsistent	⚡️ Upsell potential
At-Risk Customers	25%	Declining activity, low engagement	🔥 High churn risk

3. Key Insights

1. High-Value Customers Drive Most Revenue

Although only 25% of customers fall in this group, they contribute 50–60% of total revenue.

2. Promotions Influence Bargain Seekers

This segment only responds strongly to price reductions and seasonal sales.

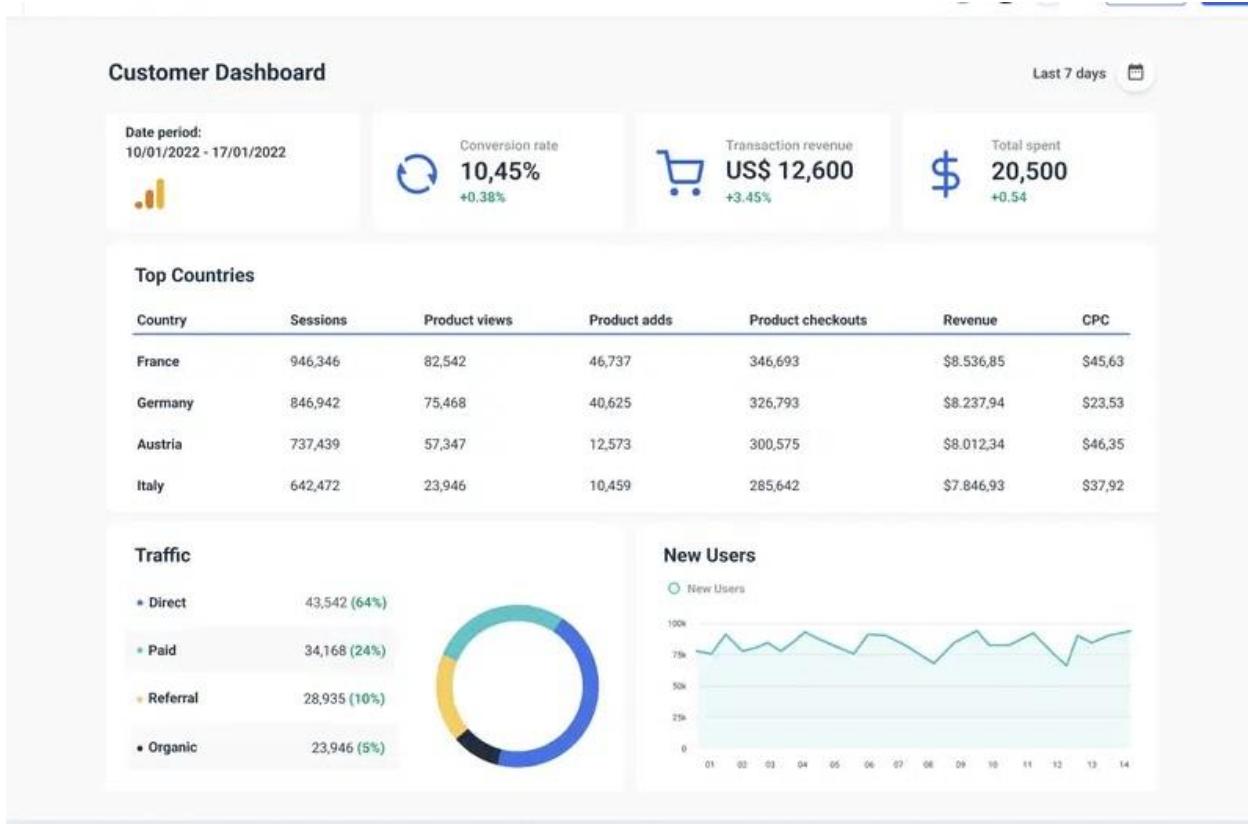
3. At-Risk Customers Need Immediate Attention

Churn indicators:

- Reduced visit frequency
- Declining purchase amount
- Low response to campaigns

4. New Customers Need Nurturing

Conversion strategies can increase their likelihood of becoming loyalists.



4. Visual Summary

📌 segmentation_dashboard.png

5. Behavior Breakdown by Segment

High-Value Loyalists

- Average order value: High
- Purchase frequency: Weekly / Monthly
- Lifetime value: Strong

- Engagement: High

Strategy: Premium offers, loyalty programs, early access.

Bargain Seekers

- Highly price sensitive
- Only buy during promotions
- High social media engagement

Strategy: Flash sales, bundles, referral bonuses.

New/Occasional Buyers

- Not familiar with full product range
- Easily influenced by onboarding campaigns

Strategy: Email nurture sequence, product education.

At-Risk Customers

- Haven't purchased in 30–90 days
- Website visits dropping
- Abandoned carts increase

Strategy: Win-back campaigns, discounts, personalized messages.

6. Recommendations

✓ **Strengthen Loyalty Program**

Reward repeat customers with points, vouchers, and early access.

✓ **Personalized Email Journeys**

Send tailored messages based on customer behavior.

✓ **Promotional Targeting**

Target bargain seekers with SMS and social media during sales.

✓ **Churn Reduction**

Trigger alerts for at-risk customers and run win-back campaigns.

7. Business Impact

Implementing segmentation improves:

- Marketing ROI
- Customer satisfaction
- Revenue growth
- Retention rates

- Budget allocation efficiency
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8. Conclusion

Customer segmentation reveals actionable insights that enable personalized marketing and better resource allocation. Focusing on high-value and at-risk customers will significantly increase revenue and reduce churn.