

Project Design Phase-I
Proposed Solution Template

Date	10 November 2023
Team ID	Team - 592211
Project Name	Understanding Audience: A Machine Learning Approach To Customer Segmentation
Maximum Marks	2 Marks

Proposed Solution Template:

S.No.	Parameter	Description
1.	Problem Statement (Problem to be solved)	Ineffective marketing strategies due to a lack of understanding of customer behavior and preferences. The challenge is to enhance targeting precision and personalized approaches by utilizing machine learning for customer segmentation, specifically employing RFM (Recency, Frequency, Monetary) analysis.
2.	Idea / Solution description	Implementing a machine learning-driven customer segmentation model using RFM analysis to categorize customers based on their transaction recency, frequency, and monetary value. This enables businesses to tailor marketing efforts, improving efficiency and maximizing customer engagement.
3.	Novelty / Uniqueness	The novelty lies in integrating RFM analysis with machine learning techniques, enhancing traditional segmentation methods. This approach provides a dynamic and adaptive system, continuously evolving to capture shifting customer behaviors, ensuring a more accurate and responsive segmentation model.
4.	Social Impact / Customer Satisfaction	This solution fosters improved customer satisfaction by delivering more relevant and personalized experiences. Socially, it reduces marketing noise and enhances the overall online experience, as customers receive offers and content aligned with their preferences, leading to a more positive interaction with brands

5.	Business Model (Revenue Model)	The revenue model involves offering the machine learning-powered customer segmentation solution as a subscription-based service to businesses. Additionally, consulting services for implementing and optimizing the segmentation model could contribute to the revenue stream.
6.	Scalability of the Solution	The solution is highly scalable, capable of accommodating diverse industries and business sizes. Its adaptability allows seamless integration with existing systems, making it feasible for both small enterprises and large corporations to enhance their marketing strategies through effective customer segmentation.