RFM
DATA ANALYSIS
REPORT

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INTRODUCTION

RFM Analysis is performed especially in the marketing domain for understanding and segmenting customers based on their buying behaviour.

Using RFM Analysis, a business can assess customers':

- Recency (the date they made their last purchase)
- Frequency (how often they make purchases)
- Monetary value (the amount spent on purchases)

Recency, Frequency, and Monetary value of a customer are three key metrics that provide information about customer engagement, loyalty, and value to a business.

DATA COLLECTION

DATA SOURCES:

A dataset that includes customer IDs, purchase dates, and transaction amounts from Kaggle.

DATA CLEANING:

Data cleaning involved handling missing values, removing outliers, removing duplicates and standardizing data formats.

METHODOLOGY

The analysis employed descriptive statistics, data visualization, and regression analysis to understand the relationships between variables.

RESULTS

MAIN FINDINGS:

- Most of the customers in the provided data set are of low-value in terms of RFM score
- Business contains at risk of losing Hundreds of customers who have RFM score lesser
- Business has more than four times the Hundreds of customers are potential loyalists with RFM score mid-value.
- Business has only Hundreds of customers who are consistent and Happier.

DATA VISUALIZATIONS:
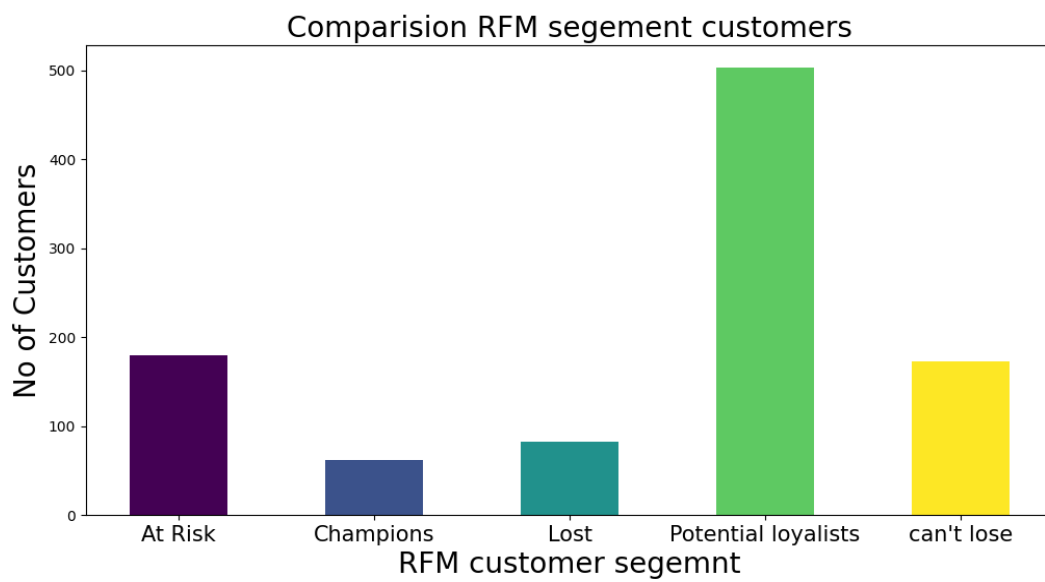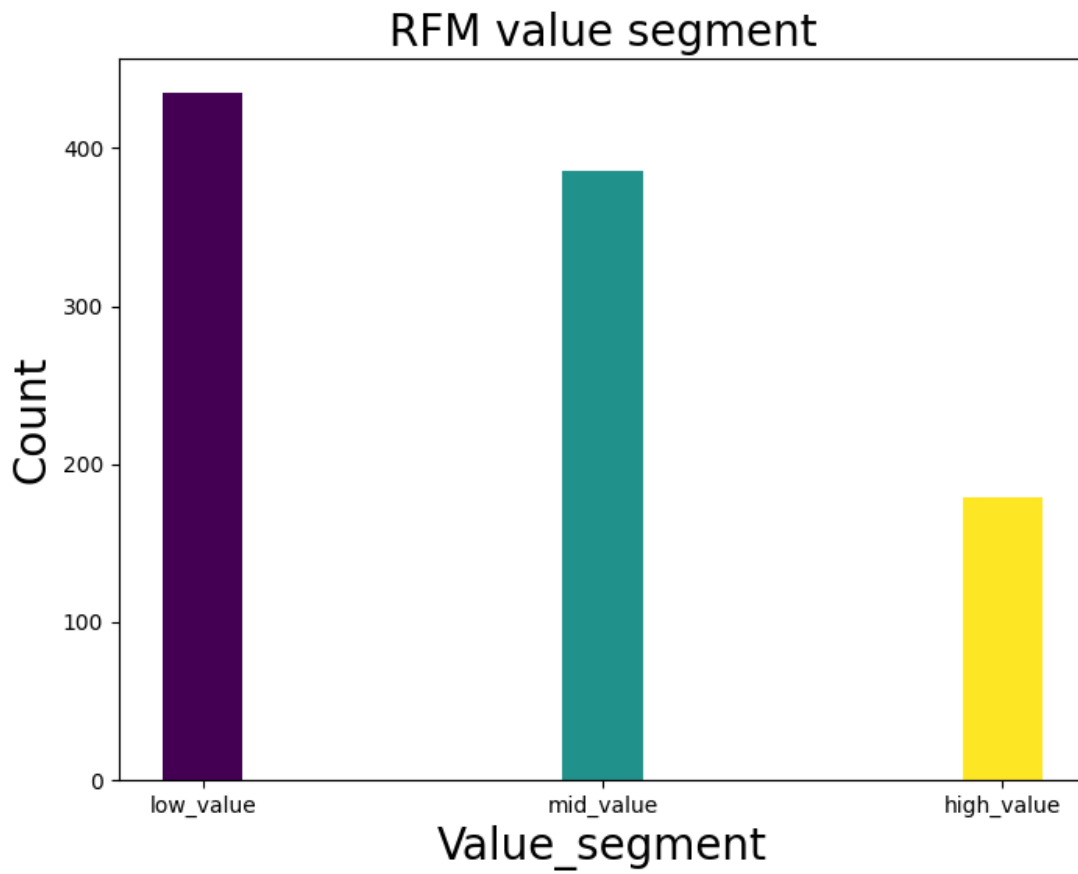
CONCLUSION

RFM analysis has provided valuable insights into customer demographics and purchasing behavior.

RFM Analysis is used to understand and segment customers based on their buying behavior.