

Assignment 5

Technical Communication Preparation

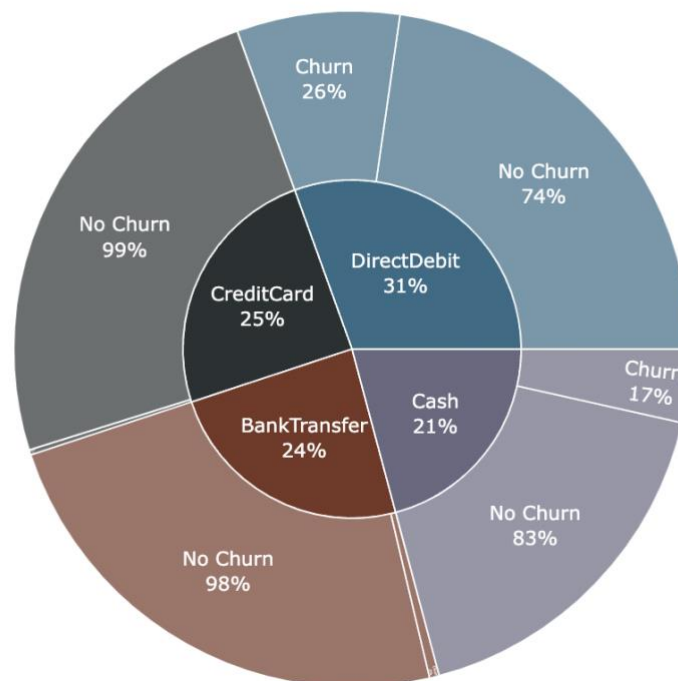
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Rewriting the problem statement – Fitness Center case study

The consulting team's approach addressing the Fitness Club's increasing churn rate is to design and build a customer segmentation model via cluster analysis that will help us identify customer archetypes that are highly likely to churn in order to help the fitness club achieve a more effective customer marketing strategy by personalization so that they can curb churn and increase customer retention period.

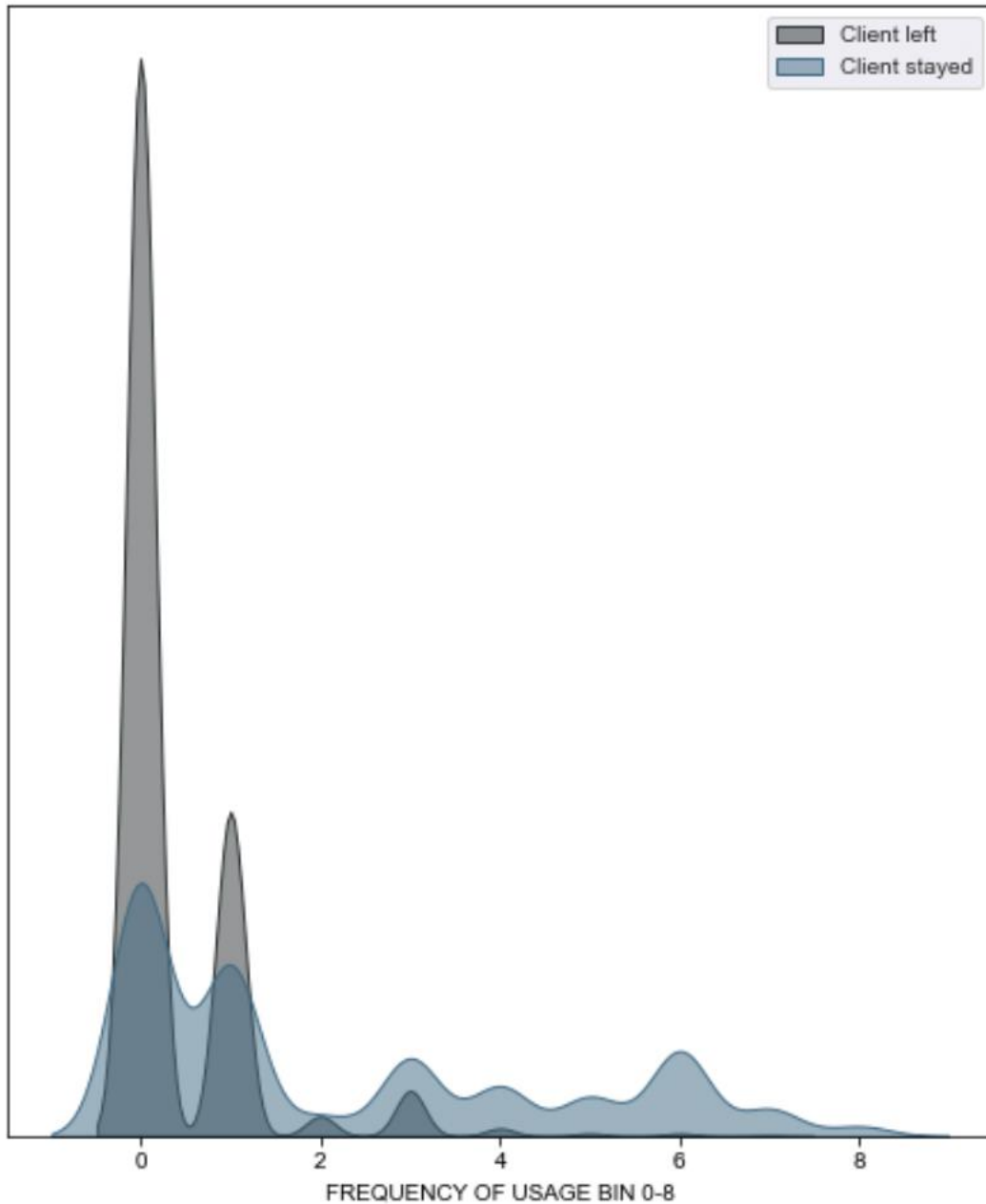
Visuals from the EDA that illustrate insights about the data and business

Effect of payment type on customer churn



From the image we can understand that customers using Direct Debit and Cash as the payment methods are more likely to churn. Hence, we can help the Fitness Club incentivize customers using the Credit Card payment method in an attempt to encourage more Credit Card payments and help retain customers.

Gym-visit Frequency vs Churn



We learn that regular customers have high retention rates when compared to irregular customers as they tend to be more disciplined and focussed on their fitness regime and are hence more likely to be consistent with their workout. In order to develop brand affinity, the Club can motivate the irregular customers to visit more frequently by introducing challenges with perks and by keeping their customers engaged with new weekly workout routines like Pilates, Yoga etc. Change in customer visit trends can easily be translated to higher retention.