

Customer Behavior Analysis By RFM

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Goals for my presentation today

1

**Share a customer
behavior analysis
by RFM model**

Based on the historical data of the business to create an overview of the behavior of customer files grouped by characteristics: Recency, Frequency, Monetary. The goal is to understand customer behavior and insight.

2

**Provide more
detailed
information about
each customer**

Better understand individual customers if stakeholders need to learn about specific customers.

3

Recommendation

Some recommendations based on RFM analysis.

Customer Type Analysis

Customer Type

Year

All

2011

2012

2013

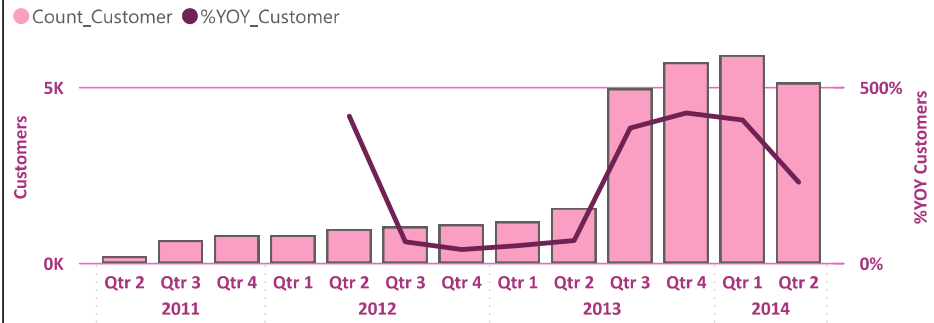
2014

31/05/2011

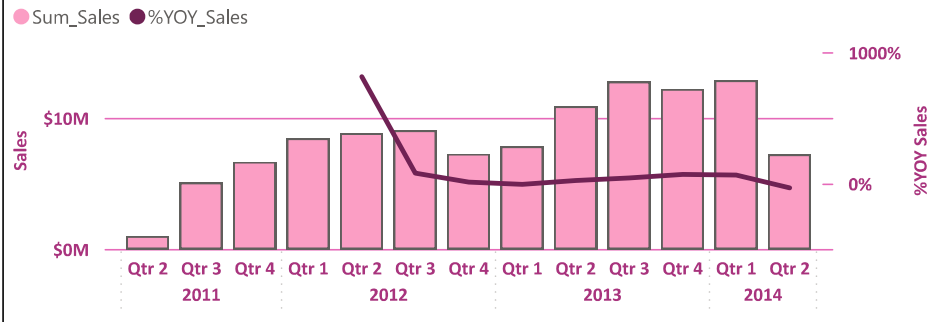
30/06/2014

Sales	Customers	Products Sold	Discount Usage Rate	Count Of Orders
\$109,85M	19K	275K	12%	31K

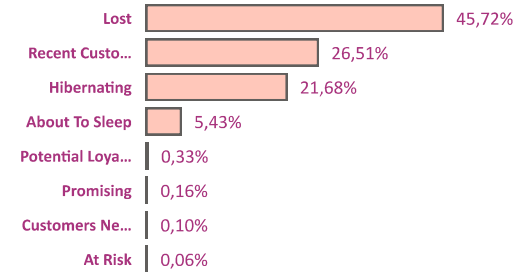
Customers and %YOY Customer by Time



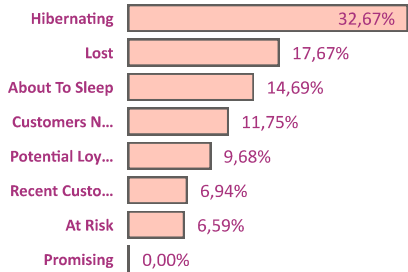
Sales and %YOY Sales by Time



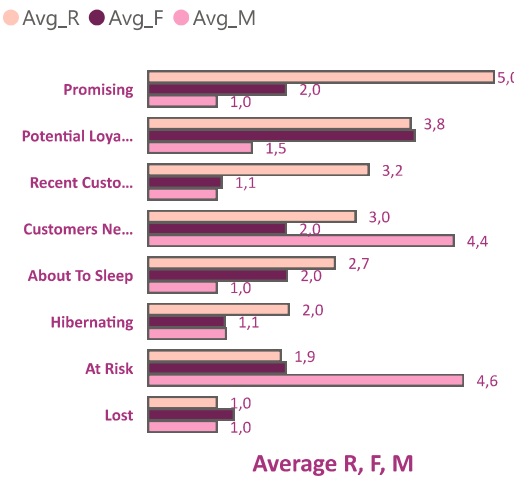
%Customer by Customer Type



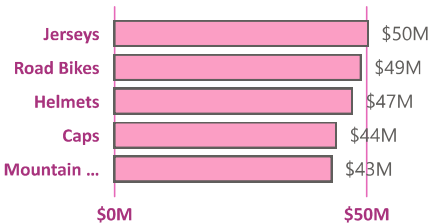
%Sales by Customer Type



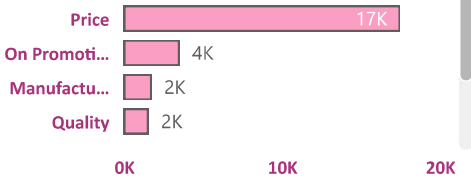
Recency, Frequency, Monetary by Customer Type



Top 5 SubCategory Products Sold



Reason for Purchase by Orders



Customer Detail Analysis

Customer ID

29616

Year

2011

2012

2013

2014

Sales

\$617,34K

Products Sold

1471

Discount Usage
Rate
5%

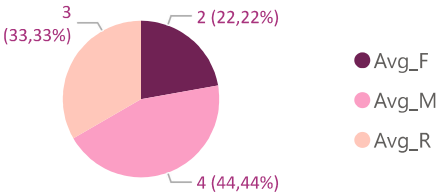
Count of Orders

8

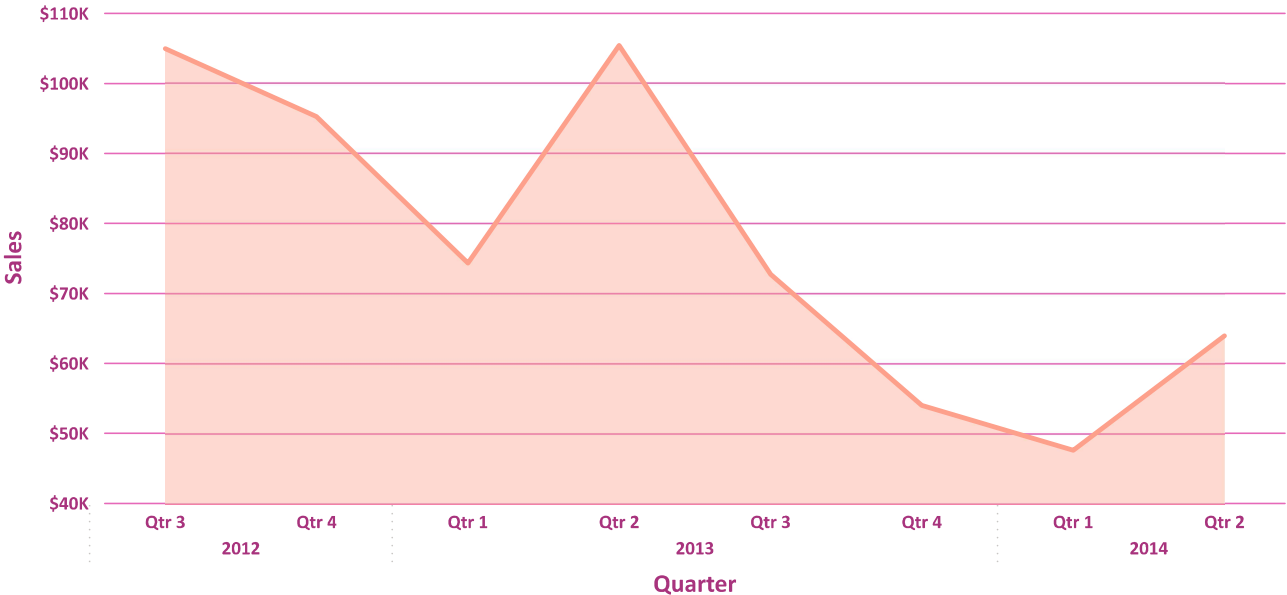
RFM

324

Recency, Frequency, Monetary



Sales by Time



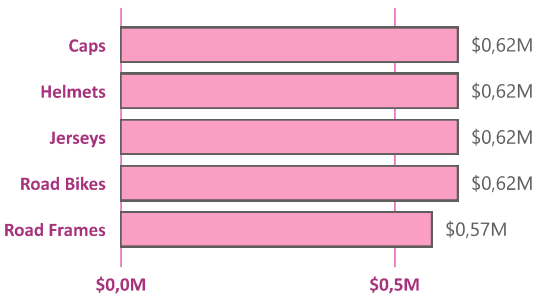
Customer Type

Customers Needing Attention

Latest Order Date

31/03/2014

Top 5 SubCategory Products Sold



Recommendation

In general, the situation of the business's customer groups is quite negative when the Lost and Hibernating groups account for 72% of the total number of customers, the regular customer groups are quite low (less than 1%). However, the positive point is that the Recent Customer group accounts for 26%. Here are some suggestions for businesses to maintain, develop and attract suitable customers for each segment:

Lost

Improve the quality of , research and make improvements to road bikes, mountain bikes,... improve customer reviews of the company's products. In addition, communicating about product quality improvements eliminates previously existing negative perceptions of the product, changes customer behavior, brings back old customers and attracts new customers.

Hibernating

To promote repeat purchases and increase purchase frequency, businesses should consider offering discounts on sports accessories such as jerseys, helmets, caps, handlebars, gloves,.... In addition, it is necessary to delve into the reasons why this group of customers reduces their purchase frequency, whether it is due to the quality of their products or competitors having better incentive policies, etc.

Recent Customer

Collecting reviews from this customer group and develop appropriate customer care policies to turn this customer group into regular customers of the business.

About To Sleep, Potential Loyalist

To promote repeat purchases and retain this customer group, promotions and membership incentives should be used.

Customer Need Attention

Businesses need to focus strongly on this group of customers, delve into the reasons why they stop cooperating with the business, due to price competition or negative feedback on product quality, do they switch to using competitors' services? From there, provide necessary solutions to retain and find new customers for this group of customers.

Thanks for watching!