

Customer Segmentation Analysis

Ollist Brazilian e-Commerce



Our team



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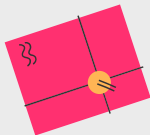
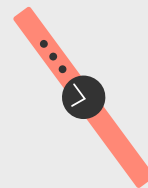


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Project Overview





Project Background

Olist is a digital platform for seller and buyer to conduct a commercial transaction based in Brazil.

The company was founded with the mission of helping small merchants gain market share across the country through a SaaS licensing model to small brick and mortar businesses.





About Our Project

Provide for each customer segmentation with
5Ps Marketing Strategies

Significant decrease of Revenue in December 2017
after reach its peak in November 2017

The dataset has information of **100k orders** from
2016 to 2018 made at multiple marketplaces in Brazil.

Objective

Problem

Scope





Methodology

Problem Identification

Data
Preparation

Exploratory
Data Analysis

Data
Visualization

Insight and
Recommendation

Setting up the objective of the research and create the research question

Collecting and cleaning data from various sources using Python as a main tool. (IDE: Google Colabs)

Analyzing cleaned data using Python as the main tool (IDE: Google Colabs)

Creating charts and dashboard, looking for trends and insights by using Tableau

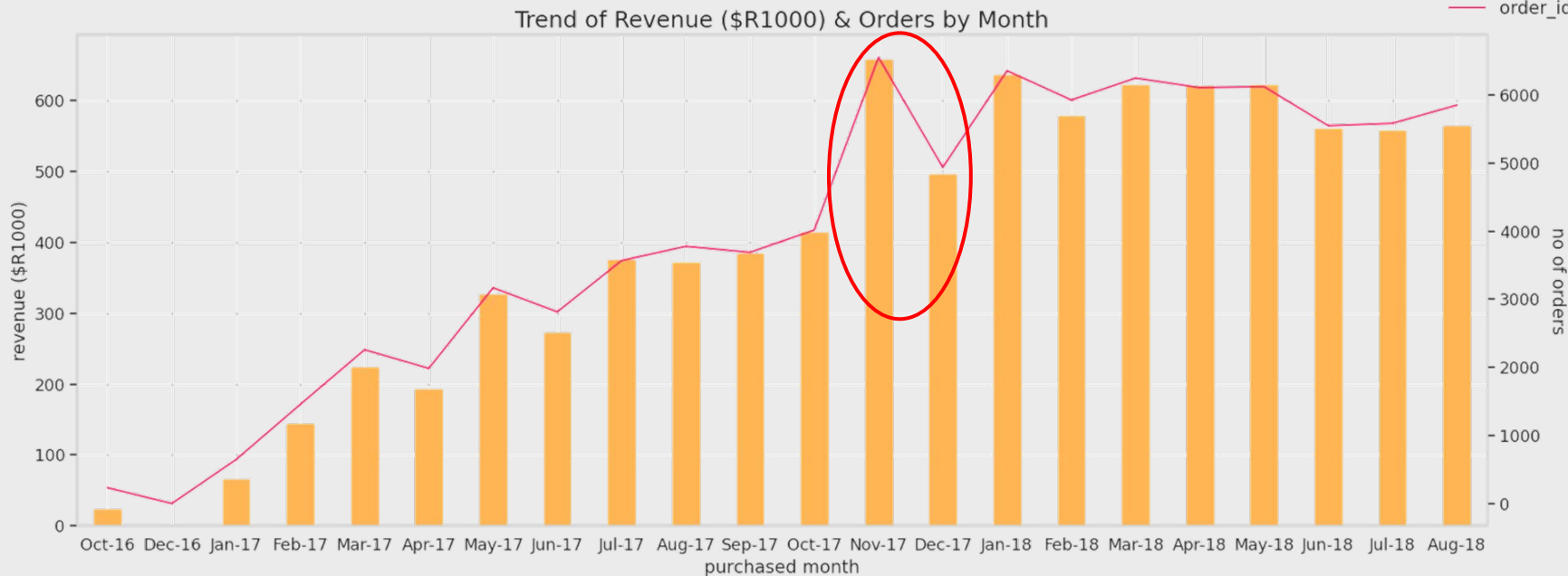
Research questions' answers, summaries of insight, and executable recommendation (5P Marketing Strategies)





Backstory

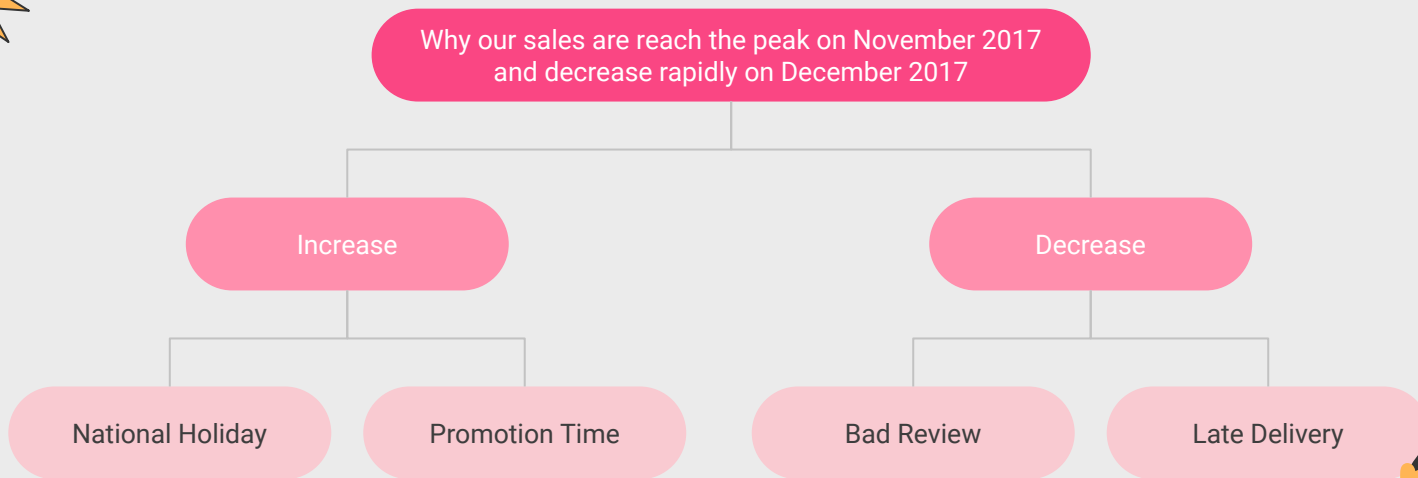
revenue(\$R1000)
order_id (right)



There is a **significant decrease** in sales on **December 2017** after a peak of revenue order in November 2017



Root Cause Analysis



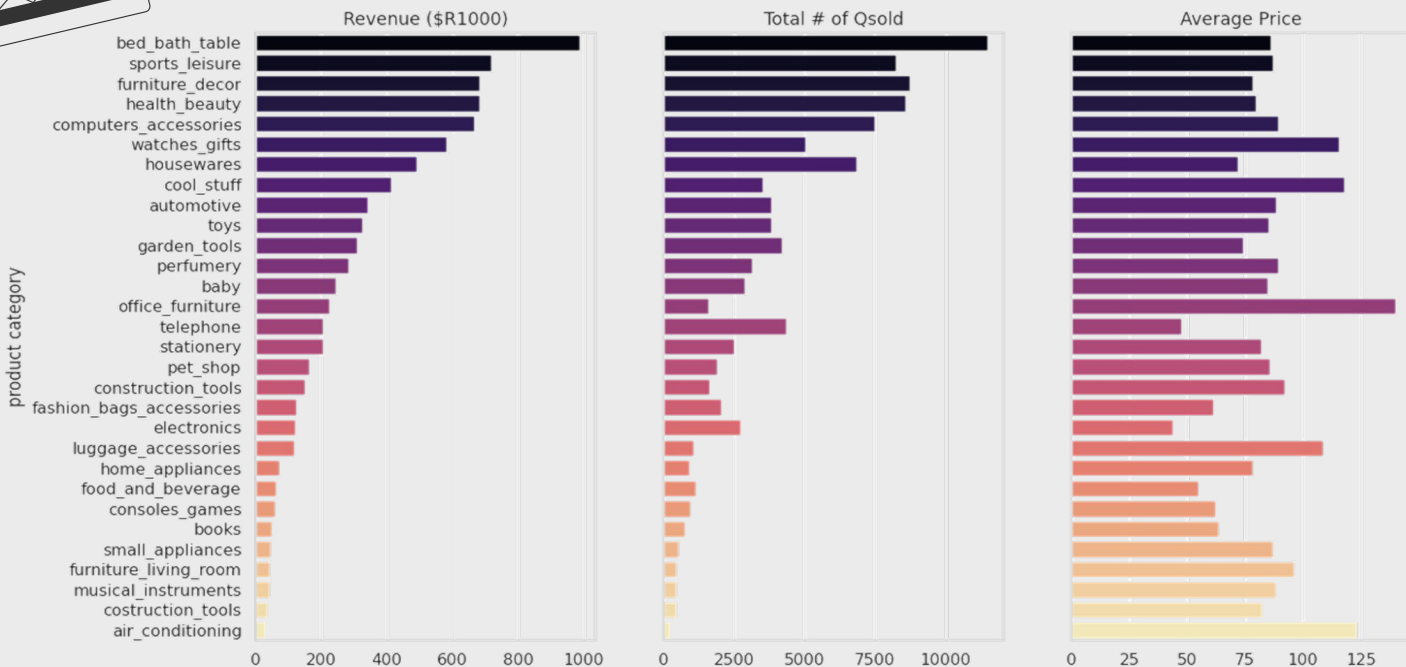


Exploratory Data Analytics

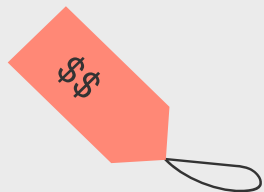


Analysis by Product Category

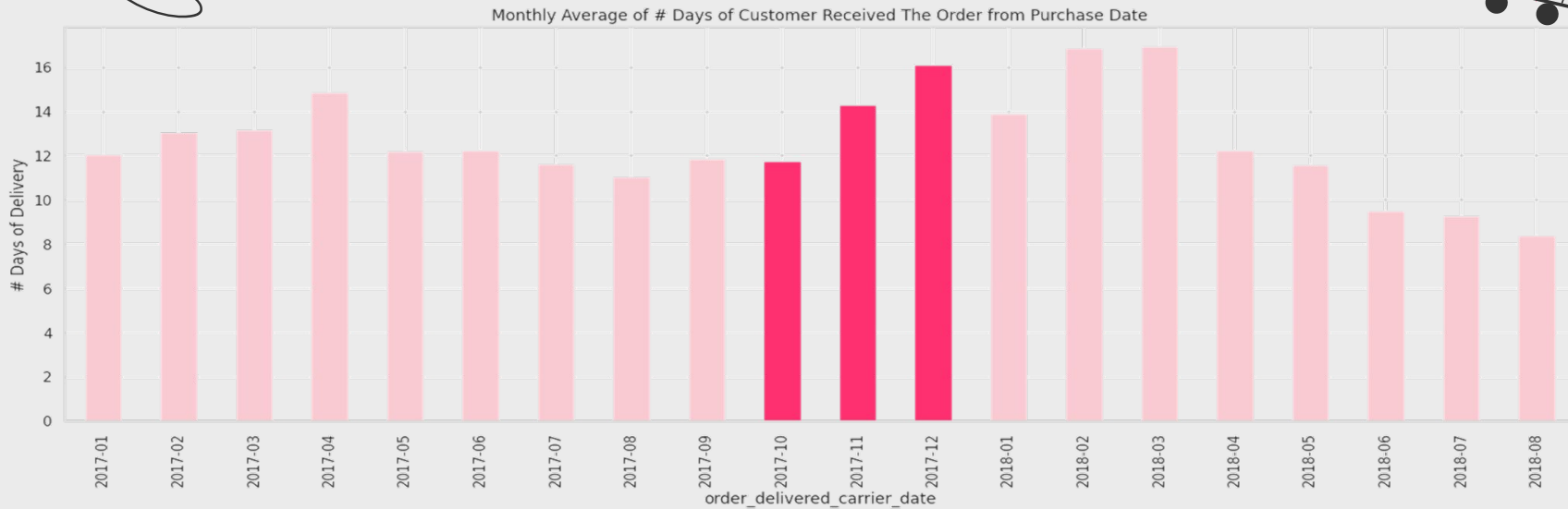
Analysis By Product Category



Bed bath table is the most product category that generate the highest revenue. Additionally, most of revenue generated by Olist come from **consumer goods** which has **relative small order value**.

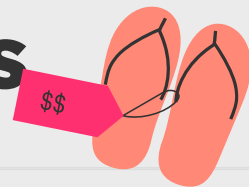


Days of Order Received

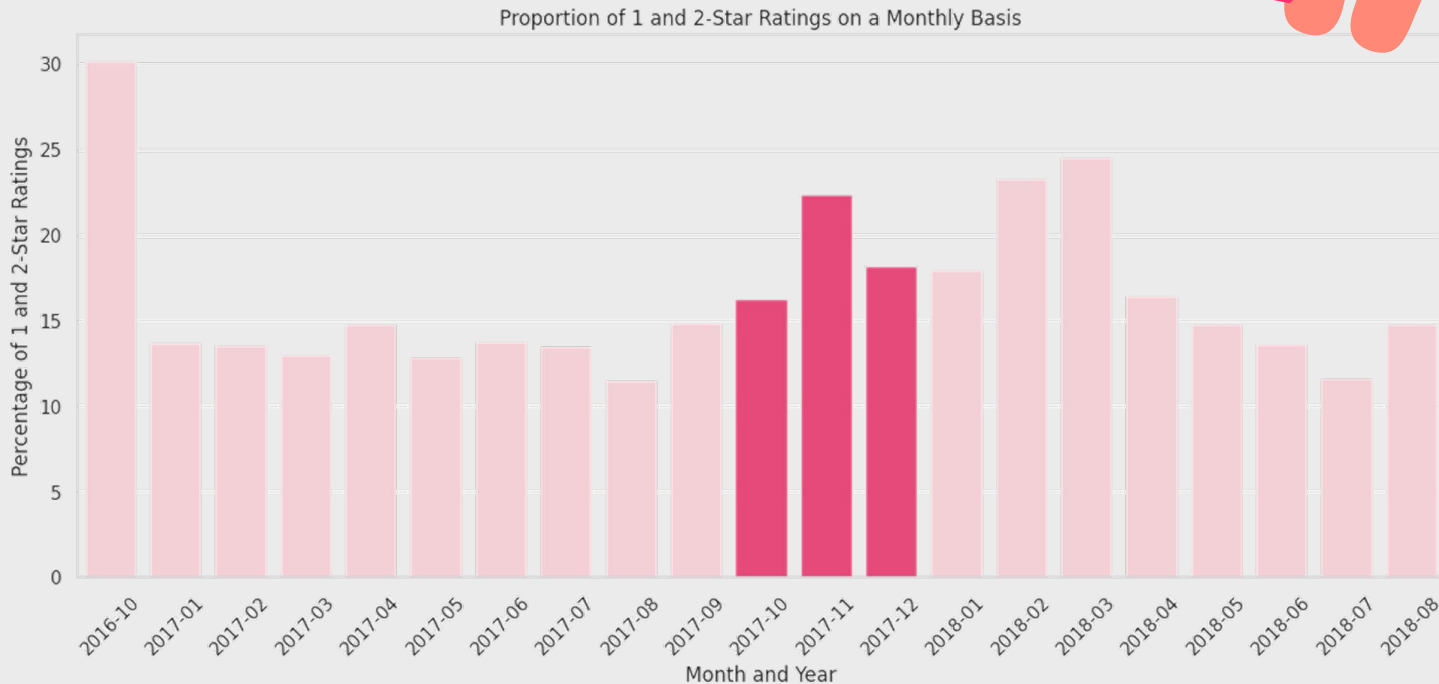


From the chart above, it shown that the **days** required for customers to receive their orders are **increasing** through October to December 2017.

Proportion % of Bad Reviews



We can see in the chart, the proportion of 1 and 2-star rating **fairly higher** than both previous and after November 2017.

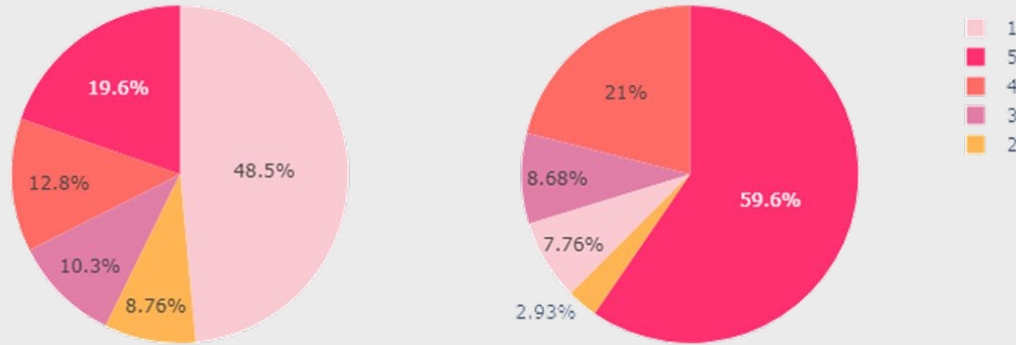




Proportion of Review vs Delivery Status



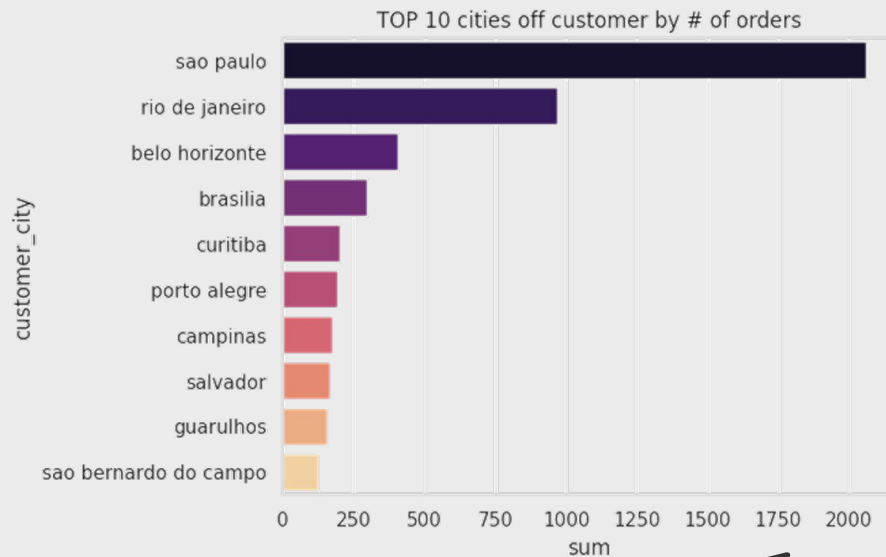
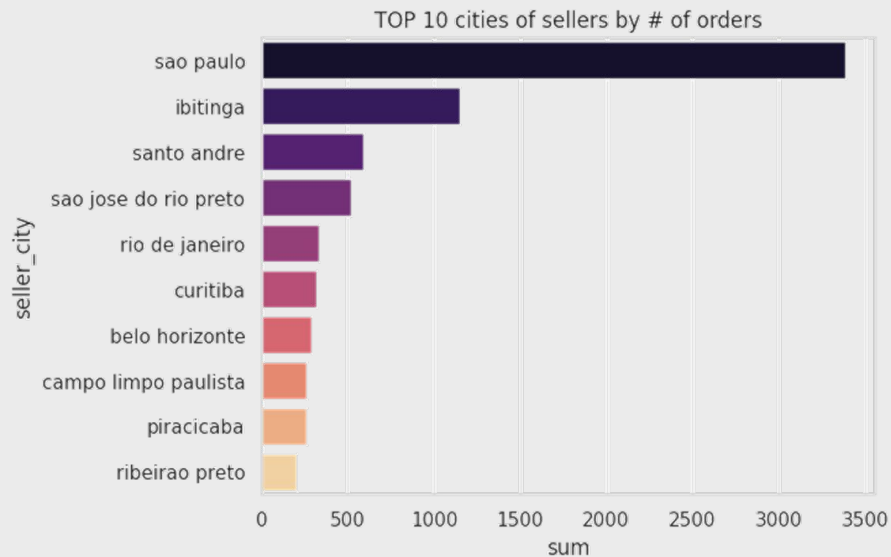
Proportion of each score. Late delivery status (left), Ontime status (right)



When we dive deeper, it shown that customers who receive their orders **later than estimated** tend to give bad reviews.



Top 10 Cities of Sellers & Customers



Customer Segmentation

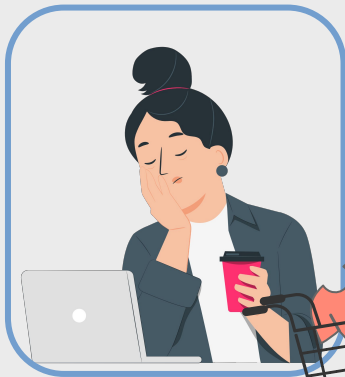


%

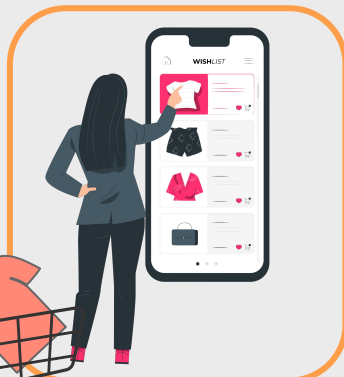
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Customer Segmentation

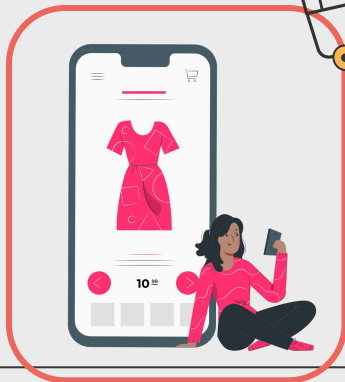
Hibernating



Potential Loyalist







Price Sensitive



Needs Attention



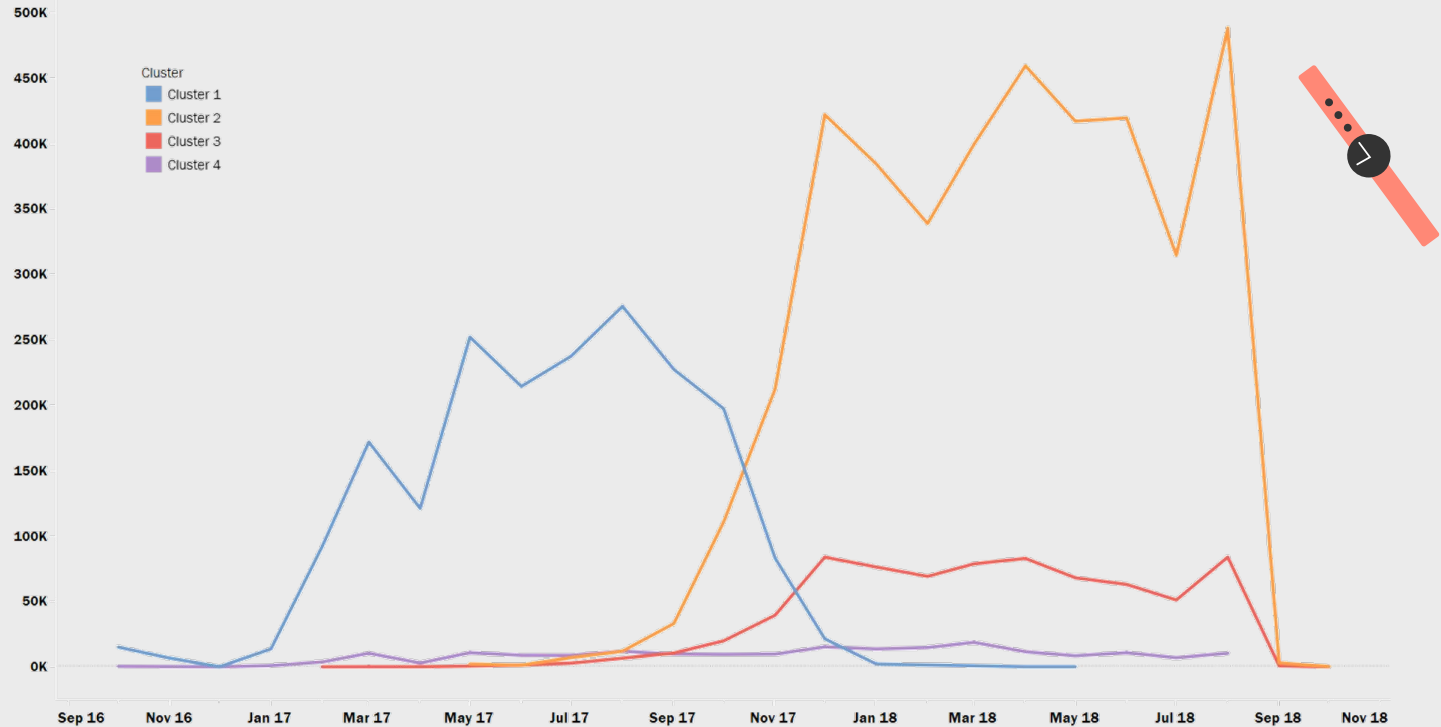
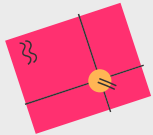
Segment Characteristics

	 Hibernating	 Potential Loyalist	 Price Sensitive	 Needs Attention
Total Customers	19,617	27,978	20,635	1,871
Recency	430	154	177	227
Frequency	1.0	1.0	1.0	2.1
Monetary	101.2	149.5	36.1	237.6
Total Sales Revenue	USD 1,932,503	USD 4,027,006	USD 739,399	USD 198,714
Average Order Value (AOV)	USD 88.3	USD 212.3	USD 247.2	USD 329.2

Monthly Revenue of Each Cluster

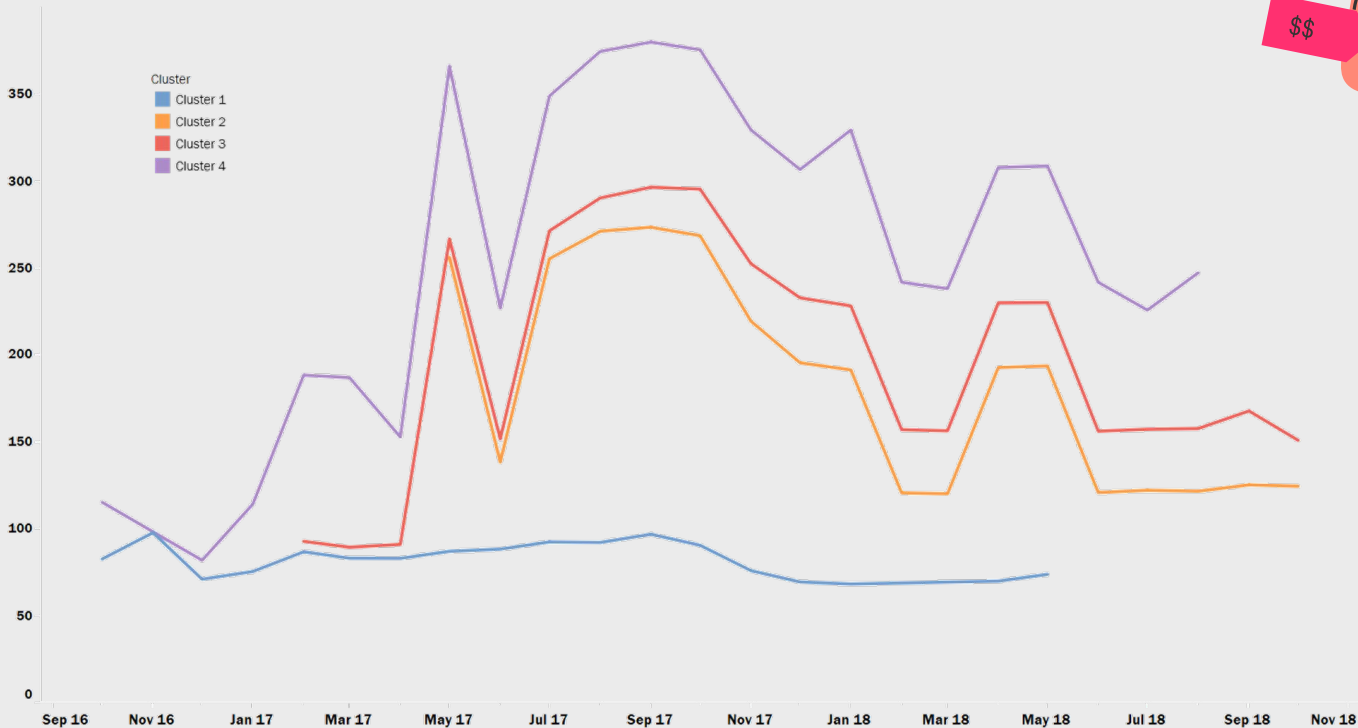
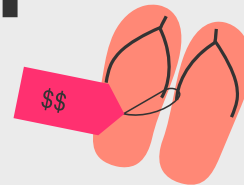
Cluster 2 is the **highest revenue** generator as it has the highest total customer with the AOV is on slight below average AOV of each cluster.

It also shown how **Cluster 1** begin to **decrease** since August 2017.

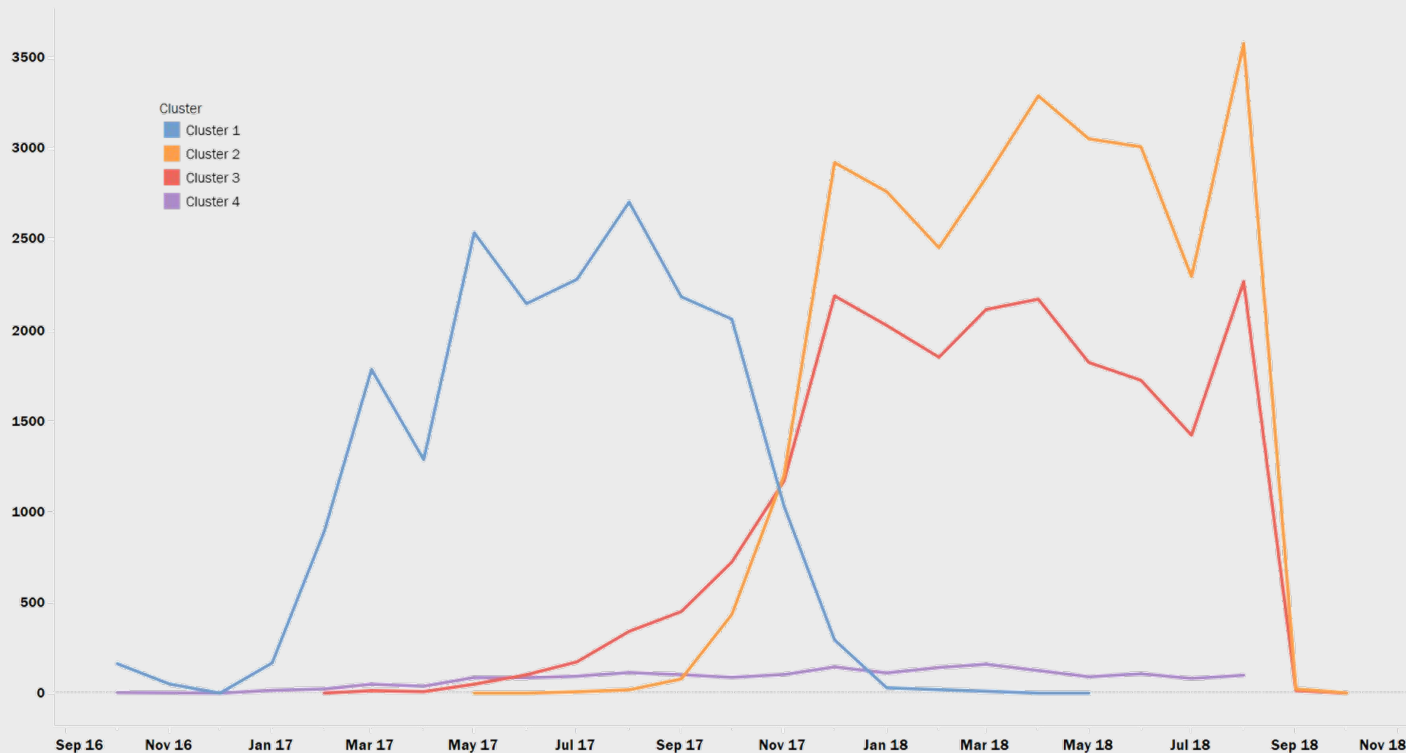




Monthly AOV of Each Cluster



Monthly Total Customer of Each Cluster





Recommendations



Cluster 1 - Hibernating



Product

Offer personalized product recommendations based on their past purchases or browsing history and showcase new offerings.

Price

Provide exclusive discounts or loyalty rewards to incentivize repeat purchases.

Place

Provide more sellers to efficient and effective shipping.

Promotion

Send targeted email campaigns or push notifications and encourage them to visit our platform.

People

Assign dedicated customer service representatives to address any concerns or issues and provide personalized assistance to win back their trust.



Cluster 2 - Potential Loyalist



Product

Offer premium products and exclusive collections to demonstrate value and encourage loyalty.

Price

Offer loyalty programs or discounts for repeat purchases to incentivize customers to choose our platform over competitors.

Place

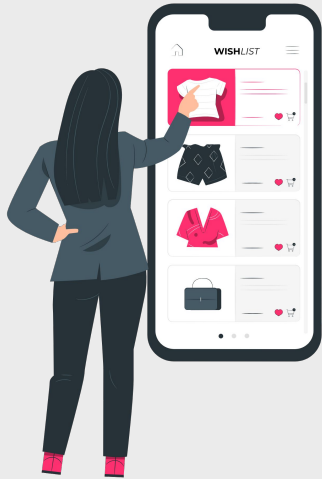
Develop more convenient and seamless shopping experiences.

Promotion

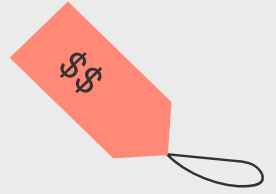
Create personalized marketing campaigns that highlight the benefits of becoming a loyal customer and provide incentives for continued engagement.

People

Collect customer feedback through surveys or online reviews regarding customer preferences and behaviour and identify areas for improvement.



Cluster 3 - Price Sensitive



Product

Emphasize the affordability and value for money of products compared to competitors.

Price

Offer competitive pricing and frequent promotions to attract price-sensitive customers.

Place

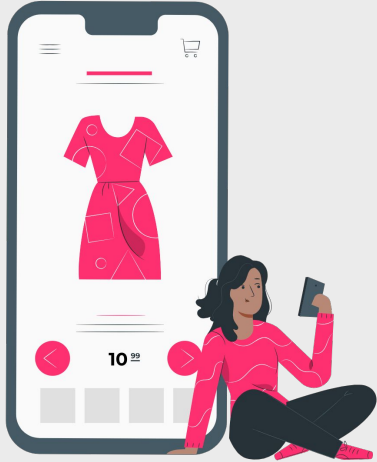
Provide flexible payment methods, such as installment plans or cash-on-delivery.

Promotion

Highlight cost-saving benefits, such as discounts, bundle deals, or free shipping, to attract price-sensitive customers.

People

Collaborate with strategic partners with exclusive perks to attract price-sensitive customers.



Cluster 4 - Needs Attention



Product

Provide detailed and accurate product descriptions, specifications, images, and customer reviews to help shoppers make informed purchasing decisions.

Price

Offer limited-time flash sales or exclusive deals to create a sense of urgency and encourage immediate purchases.

Place

Implement a seamless and streamlined checkout process to facilitate quick and easy purchases.

Promotion

Conduct targeted marketing campaigns that address the specific needs and pain points of this customer segment.

People

Leverage influential individuals or brand ambassadors who align with this cluster preferences.



Thanks!



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