

Industry

Retail & e-Commerce

Objective

Customer segmentation based on their purchase behavior for better targeting in marketing campaigns.

Manthan's Approach

Multi-dimensional K-means clustering technique applied to arrive at different customer segments and profiling the same for better understanding of each segments.

Benefits Achieved

Before: A weak customer targeting strategy

After: Better understanding of customer behavior and an effective targeting strategy

“CUSTOMER SEGMENTATION TO UNDERSTAND CUSTOMER BUYING BEHAVIOR AND ESTABLISH A TARGETING STRATEGY”

Retailers are constantly seeking to make their business *customer-centric*. They have realized the benefits that can be achieved by targeting the right customers and adding a touch of personalization.

Leading Singapore based Grocery Retailer

Client is one of the Singapore based leading grocery retailer. It operates in multiple retail formats and serves about 430,000 shoppers daily with a network of over 120 outlets - including supermarket and convenience stores.

Business Context

Client has centralized marketing team which used to send offers to all the customers, and yet achieved less than the desired ROI. Their marketing team constantly dealt with the following issues:

- Campaigns across various channels had poor response rates
- It lacked proper segmentation approach to target marketing campaigns
- There did not exist a multi-dimensional customer segmentation
- Business wanted to send personalized offers to customers to increase response rates

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Solution

Manthan in partnership with the client evaluated various data schemas and data sources for a possible multi-dimensional segmentation. Manthan leveraged the client's 1.1 million customer's data, segmented it to understand customer purchase behavior. Our analytics team used advance statistical techniques such as clustering (K-means) analysis to arrive at a meaningful six customer segments. The team collaborated with the client at every phase of the analytical approach (methodology and solution development). The insights generated from the analysis are linked with the business application and a suitable recommendation of offers and communication was delivered to the client marketing team for each segments.

Benefits

The analysis revealed a clear understanding of different types of customers in their database. On the basis of their behavior and the insights we provided them, the marketing team developed customized marketing strategy to target their customers better.

About Manthan



We are a high-end Analytics and Information Management Solutions company headquartered in Bangalore, India. We are a team of domain experts working round the clock to providing cutting-edge solutions to some of the biggest names in the Retail / CPG industry.

Analyze, Decide & Do