



Customer Segmentation – Questions

1. Why are we segmenting our customers?

Understanding the mall's customers will allow the shoppers to increase brand awareness. For example, this could lead to higher email open rates on target products for customers. Customer segmentation allows for the correct information to be delivered to audiences. As a result, there is increasing awareness, engagement, and sales.

2. What business problems will this solve?

Segmentation has been proven to reduce customer churn because businesses understand the wants of their customers. For example, if businesses send personalized email campaigns that emphasize consumers' favorite products, they are more likely to be active. Segmentation allows for higher ROI and customer lifetime value.

3. How could we act on this insight?

Concentrate on the most significant clients. It is crucial to concentrate on the consumer demographics that are most beneficial to the company. Second, create focused marketing campaigns that speak to these clients' needs and desires because they are the most likely to

purchase. Third, test and try new things. Try various techniques and tactics to implement marketing techniques to monitor outcomes. Finally, it is critical to monitor progress and change as necessary.

4. Who is our target market?

Cluster group “Frequent Shoppers.” These customers have been identified as having the highest annual income and the highest spending score.

5. Is it the same as our most loyal customers?

There is another Cluster Group called “Carefree Shoppers” that has a similar spending score as the “Frequent Shoppers.” Their annual income is significantly different.

6. How do the customer segments differ?

Cluster 1: Customers with a lower annual income and lower spending score. These customers can be identified as “The Budget-Minded Customer.”

Cluster 2: Customers with a higher annual income and lower spending score. They are “More Marketing Focus” customers.

Cluster 3: Customers with a middle annual income and middle spending score are the “Average Joes.”

Cluster 4: Customers with a lower income and higher spending score - “Carefree shoppers.”

Cluster 5: Customers with a high income and high spending score - “Frequent Shoppers.”

7. How are customer personas defined?

They are defined by their annual income and their spending score.

8. Who are the inactive customers?

Customers with a lower annual income and lower spending score. These customers can be identified as “The Budget-Minded Customer.”

9. What challenges or issues do you foresee?

Data quality is one of the main problems with customer segmentation. Usually, inaccurate data in the source systems will lead to poor grouping. Properties of the segments will be erroneous if not preserved, making the material less helpful.

10. What are your recommendations?

- Concentrate on the most significant clients. It is crucial to concentrate on the consumer demographics that are most beneficial to the company.
- Create focused marketing campaigns that speak to these clients' needs and desires because they are the most likely to purchase.
- Test and try new things. Try various techniques and tactics to implement marketing techniques. Monitor outcomes. Finally, it is critical to monitor progress and change as necessary.