

Customer Cohorts and Customer Segmentation for an E-Commerce Company



Client Name: A leading on-line grocery, food-tech company based out of Mumbai, India

Client Background: The company was one of Mumbai's premier online convenience stores. They have revolutionized the grocery shopping experience making each step of the shopping process as delightful as possible. They grocery stocks over 14,000 products and regularly introduces new products under a wide array of categories.

Geography: Asia Pacific-India

Industry: E- Commerce

PROBLEM STATEMENT

- Classification of a typical purchase basket from a customer
- Deciphering Customer Cohorts mapped to the purchase basket
- Identifying the best promotional pack based on the Customer Cohorts developed
- Designing Customer loyalty programs based on the type of basket purchase

M76 ANALYTICS APPROACH

- Organize relevant transactional details like Average order size/user, Categories, Sub categories, product and SKU's
- Profile all possible types of Food baskets and categorize the basket types
- Qualify categorized baskets using capabilities such as zone, categories, brand names, product name, sub categories and billing amount
- Through our statistical processing engine, collated inputs were processed statistically to arrive at FIVE statistically separate categories of Basket Types (Typical Food baskets) – Customer Cohorts
- Customer Cohorts (logical customer groups) were further mined to correlate to their demographic parameters like Gender, Age, Zip code – Region/Zone
- Repeat Customer Analysis, and identification of their cohorts was also carried out

OUTPUT & BENEFITS DELIVERED

- Understanding the Buyer behavior of various social segments helped them formulate a new **Metro City Launch Strategy**.
- Customer cohorts and Customer Segmentation helped develop **Promotional** as well as **Cross sell** and **Up sell** strategies for their **SKUs**.
- **Market Penetration Strategies** were identified for customer segments where the offering was weak.
- Age wise understanding of different buyer groups helped them decide the targeting strategy for different **age groups**.
- Analytical data helps them to formulate and update **various combinational offers** to **increase the ticket size**.

TOOLS USED: M76 DECISION SCIENCE KIT

ABOUT US: M76 ANALYTICS

M76 Analytics was founded by IITB (IIT Bombay) alumnus Jai Mrug, and is currently incubated at SINE, IIT Bombay. M76 Analytics endeavors to make customers realize the utility of data far beyond its transactional manifestation.

M76 Analytics has developed its platform **MOBOT™**, which utilizes organizational Data to build Operational and Business Strategies. It develops deep learning algorithms in-house that are suited to specific business scenarios, and can produce direct business actionables.

M76 Analytics is credited with carrying out the unique, one of its kind annual exercise of ranking PSU's (Public Sector Units), and developing some compelling election properties that have been broadcast on India's leading English News Channel Times Now.

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