



## Customer Cohorts and Customer Segmentation for an E-commerce Company

**Client Name** : A leading on-line grocery e commerce site based out of Mumbai, India

**Client Background:** The company is 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. The selection has essentials as well as specialty products, seasonal and festive favorites.

**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 marketing channels based on the Customer Cohorts developed
- ⇒ Designing Customer loyalty program based on type of basket purchase.
- ⇒ Structured approach to analytics
- ⇒ Look for an implementation partner- Value Adding in Shortest Possible time

### THE SOLUTION : M76 ANALYTICS APPROACH :

- ⇒ Organize relevant transactional details like Average order size / user, - Categories, Sub categories, product and SKU's, Order size
- ⇒ Profile all possible types of Food baskets and categorized the basket types
- ⇒ Qualify categorized baskets using capabilities such as zone, categories, brand names, product name, sub categories and billing amount
- ⇒ Customer Cohorts (logical customer groups) were identified based on what they buy and their demo-graphic parameters like Gender, Age, Area to which they belong (Zip code) – Region/Zone
- ⇒ Through our statistical processing engine collated inputs were processed statistically to arrive at FIVE statistically separate categories of Basket Types (Typical Food baskets)

## THE SOLUTION : M76 ANALYTICS APPROACH :

- ⇒ Analysed and provided insights by customer cohorts, purchase patterns etc. for the identified basket types
- ⇒ Repeat Customer Analysis

## OUTPUT & BENEFITS DELIVERED:

- ⇒ Understanding the Buyer behavior of various social segments helped them for a New Metro City Launch of their services
- ⇒ The data on customer cohorts and customer segmentation helped develop promotional as well as cross sell and up sell strategies for the products
- ⇒ Customer segments where the offering has been traditionally weak were identified and specific slice and dice information was readied for the purpose of further market penetration
- ⇒ 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 bill size

## TOOLS USED

: M76 DECISION SCIENCE KIT

## ABOUT US : M76 ANALYTICS :

M76 Analytics was founded by IITB (IIT Bombay) alumni and a set of young entrepreneurs. They saw the utility of data far beyond its transactional manifestation. Data to them was much more than transactions; it was in fact something with many dimensions; and these dimensions when connected together offer unparalleled insight into an enterprise's health.

There are two broad objectives of an analytical system. First is to understand the dynamics of the ecosystem and the second is to be able to anticipate the future challenges to a business or future disruptions.

Generating data as useful information is thus the key to simplifying complexity. M76 Analytics endeavors to do precisely this.



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