RESEARCH2SYSTEMS
FROM INSIGHTS TO ACTION

Customer Segmentation Modeling

Identifying users through statistical analysis

Abstract

One of the leading providers of transportation related products and services approached Reasearch2Systems for segmentation analysis. The client provided their customer data (car model, make, etc.) along with append data (socioeconomic, demographic, geographic data) to help Reasearch2Systems perform segmentation modelling and bring the right results.

The Challenge

The expert analytics team at Research2Systems was assigned the project to model segmentation. Users who were sharing similar characteristics, interests and likes were to be identified by employing statistical analysis.

How we helped

Research2Systems helped the client in the following ways:

– We ran a segmentation model on their entire file and identified 5 segments based on the demographic append data only. We used only the non-car relevant fields such as socioeconomic, geographic, interests, etc.
For each segment, we provided a full description of all the characteristics that identified that particular segment and included the following:

- Socioeconomic description of the segment such as income, kids, and career (included descriptions such as: affluent families, upper middle-class baby boomers, middle-aged singles, suburban blue collar, etc.)
- Interest types (such as sports, travel, technology, art, etc.) which are predominant to the segment
- Car enthusiast interests predominant for the segment (such as sports cars, trucks, antiques)
- Geographical description of the segment: states, city

– We ran another segmentation model on the entire file and identified 4 segments based on the client's customer car data only, such as car make, model, etc.
For each segment, we provided a full description of all the characteristics that identified that particular segment and included the following:

- purchase frequency – such as how many customers purchased a car in the last 2-3 years
- car models specific to the particular segment
- purchase vs lease frequency for the particular segment

The Deliverables

For each of the segment, Research2Systems delivered a scoring algorithm – formula and coefficients which were used to assign each record to the specific segment. We also provided the final output file, all records and their assigned segment to the client – helping them gain a better understanding of their customers.