

Using Analytics to Improve Customer Segmentation for Increased Sales

One of America's leading food manufacturers in an innovative and rapidly growing industry segment was collecting volumes of data but realized that the data being stored was not being utilized to drive further customer insights and enhanced decision-making. Recognizing the need for both expertise in the industry and the analytics field, the client selected Clarkston Consulting to partner on this endeavor.

Wishing to capitalize on the available data for actionable business and customer insights, the client tasked Clarkston with identifying opportunities to capitalize on the rapidly growing customer demand with efficiency and scalability.

Clarkston's data scientists were able to take sales data the company was already collecting, and then group customers based on buying patterns – all using an unsupervised machine learning algorithm. This new perspective of their customers showed gaps in the company's current allocation process and provided insights with a clear action to make changes.

Consumer Products Case Study

PROJECT OVERVIEW

INDUSTRY



Consumer Products

PRODUCTS AND SERVICES:



The client manufactures food products in an innovative segment targeting the health-conscious consumer

LOCATION:



California

PRIMARY OBJECTIVES:

- The company wanted to understand the capabilities and data needed to create insights and opportunities to effectively grow with customer demand

RESOLUTION:

- Developed a hypothesis to focus the exploration of insights in the data set
- Used a machine learning algorithm to cluster their customer base on sales revenue by product and total revenue
- Provided a deeper analysis on each cluster's revenue over time, sales revenue by product over time, and the number of customers who placed an order in each cluster over time
- Recommended potential opportunities to grow sales in certain products for specific customers

KEY BENEFITS:

- Gave a different perspective on their customer segmentation from the traditional approach of categorizing customers through geography and size by using an unsupervised learning algorithm to detect sales revenue patterns
- Shed light on the effects of their allocation problem on each customer's spend per product
 - Previously active and high-volume customers were prioritized lower in the allocation process based on the company's traditional understanding of their customers
- Proved the value opportunity for capitalizing on existing data outside of current efforts

CLARKSTON
CONSULTING



Identified 3 customer segments from purchasing patterns



Discovered an opportunity to increase revenue of their top selling product by 20%



Developed a baseline for sales at a segment level for 8 products

