



# RFM Segmentation

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## Challenges

- Little information known about the customer base
- How does my client base look like and evolve over time ?
- Who are my best clients (spend or visit most)?
- How to generate the same revenue as last year?
- Different units talk different data



## Solution

- Segmentation of customers based on 3 sales indicators: R, F and M.
- Customers are in one of the segments, e.g. “need attention”, “at risk” or “loyal customer”
- Calculate RFM scores every month/quarter/year to follow movement between segments



## Benefits

The segmentation gives insights in on which clients to focus and helps all departments to talk the same data

- Account managers: **generate stable revenue by being aware of lost/ need attention and champion clients**
- Customer service: **aware of importance client**
- Marketing: **set-up highly effective marketing campaigns**

## Data

- Transactional data (e.g., sales order lines)
- Metadata: products and customers

### Sources:

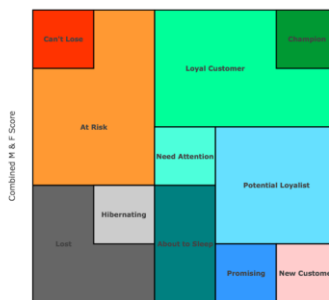


## Integration

 Power BI



### Shows on which clients to focus



# Global provider of products and services in the healthcare market

## Industry Healthcare

Terumo is a healthcare company providing products and service in the healthcare market . The company has its EMEA headquarters in Leuven.

 1400+ EMEA employees

 22 EMEA locations



### Challenges

- **Inefficiency in marketing campaigns**
- Big tail of small clients makes it difficult to **focus sales attention**



### Solution

- Build an **RFM report**, visualizing the segments of each client and showing the **movement** of clients through the segments each year
- Couple the RFM report to a **customer 360 view**



### Benefits

- Ability to **focus** on 5% champions of client base that generate 40% of revenue
- **Don't spend time on lost customers** (33% of client base accounting for 2% revenue)

