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Machine Learning for Customer (ML4C) – Customer Segmentation

Function: Customer Relationship Management
Processes: Marketing, E-Commerce, Customer Lifetime Value, Brand Loyalty
Industry: Retail, Consumer Products, Wholesale and Distribution, E-Commerce, and Direct Selling

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Business Driver

Mass marketing tactics can be time-consuming, inefficient and expensive. Customer segmentation can help organizations to make better use of marketing budgets, gain a competitive edge, and demonstrate a better knowledge of customer needs and wants. Segmentation clusters customer data into groups that share similar properties or behavioral characteristics, creating dynamic content and personalization for fast, relevant and effective marketing communications.

Solution Overview

Part of the Machine Learning for Customer (ML4C) solution, Customer Segmentation is generated from machine learning and predictive capabilities from SAP® Hybris® Marketing. Hybris Marketing uses machine learning to create golden customer records by merging customer ERP data with social media activity. Customers are then grouped into meaningful segments for marketing, such as "Buying propensity" where predictive models calculate the probability that the customer will buy a selected product.

Features

Automate Time Consuming Processes

✓ Leverage out-of-the-box capabilities for merging customer ERP data with social media data.

✓ Automate customer segmentation and leverage relevant segments for marketing.

Increase ROI of Marketing Investments

✓ Create marketing campaigns that are tailored to customer segments and provide meaningful experiences to customers and convert customers to sales.

✓ Reduce customer attrition by engaging customer segments who are about to churn.

✓ Gain new customers and market share by targeting to new customer segments for product promotions.

Potential Benefits

✓ Automate time consuming process of manually segmenting customers.

✓ Increase marketing efficiency by breaking down customer data into manageable pieces, enabling the identification of target groups for marketing.

✓ Identify new market opportunities while grouping customers into clusters and adapt the marketing focus to gain new market segments.

✓ Increase customer retention by identify groups that and may churn as well as customers with the highest customer lifetime value potential.

✓ Create targeted marketing strategies that capture customers attention and create positive, high-value experiences with the brand.

Machine Learning	• Smart Data Streaming • SAP Hybris Marketing
Core SAP	• SAP® Cloud Platform • SAP Hybris Marketing • SAP S/4HANA® Cloud
Analytics	• Android & iOS Mobile Application • SAP® UI5 Cloud Application
Data Intelligence	• SAP® Predictive Service • SAP® Automated Predictive Library • SAP® Predictive Analysis Library

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