

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

Business Driver

Mass marketing challenges

- Time-consuming
- Inefficient
- Expensive
- Incomplete knowledge of customer needs and wants
- Blasé content

Solutions Overview

Part of the Machine Learning for Customer (ML4C) solution, Customer Segmentation is generated from machine learning and predictive capabilities from SAP® Hybris® Marketing. It creates golden customer records by merging customer ERP data with social media activity. Customers are then grouped into meaningful segments that share similar properties or behavioral characteristics. As a result, marketing is faster, more pinpointed and based on more relevant data, 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 tailored to customer segments, that provide meaningful customer experiences, and convert more sales
- Reduce customer attrition by engaging customer segments who are about to churn
- Gain new customers and market share by targeting new segments for relevant 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 adapting the marketing focus to gain new market segments
- Increase customer retention by identifying groups that 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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