

Quantitative Consulting for Business

Customer Analytics: Fitness club example

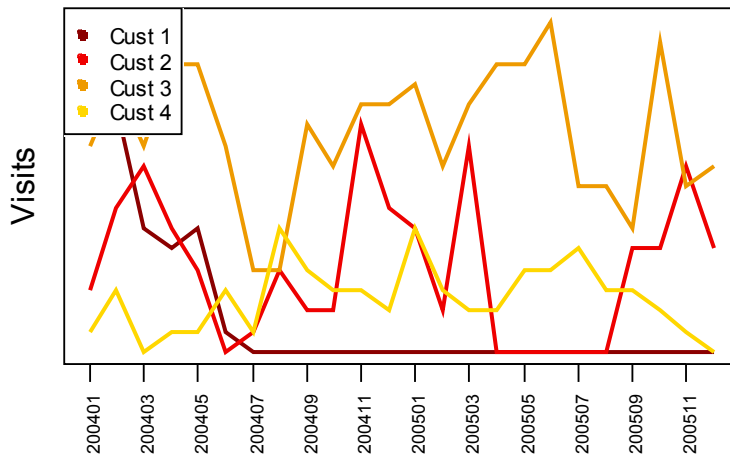


Dr. Boris Vaillant



First, an assessment is made of all existing data that describe our customers' status and behavior.

Visits per month



Data about customer behavior

- Main visiting hours
- Purchase of extras (Sauna, drinks, etc.)

Customer base data

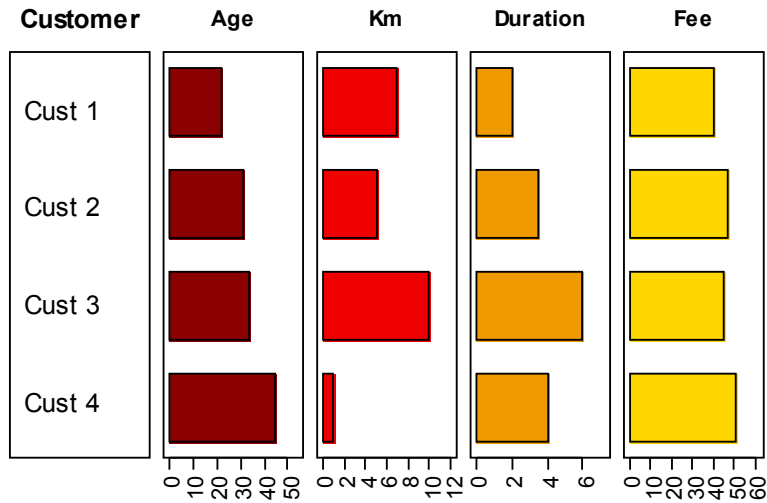
- Address, ZIP-code
- Socio-demographics (Age, profession, etc.)
- Tariff (monthly fee, renewal period)
- Attitudinal data from questionnaire when joining the club

External data

- Number of competitor offers close to customers ZIP-code
- Own and competitor price levels
- Own and competitor opening hours



Data have to be aggregated into a form best representing our business logic and the customers' decision criteria.

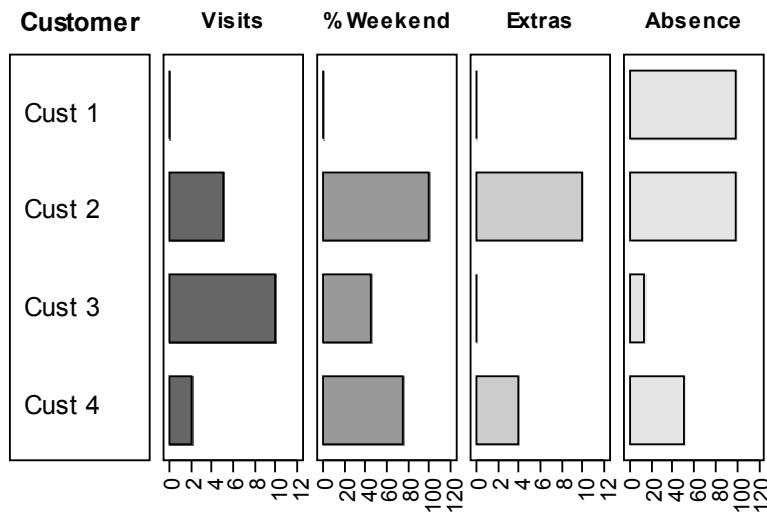


Longlist of possible decision criteria

- Age
- Price level
- Months until contract expiry
- Distance of club from home
- % usage in peak-hours and off-hours
- Dauer der Mitgliedschaft
- Purchase of extra offers (Sauna, Roller blade training etc.)
- ...

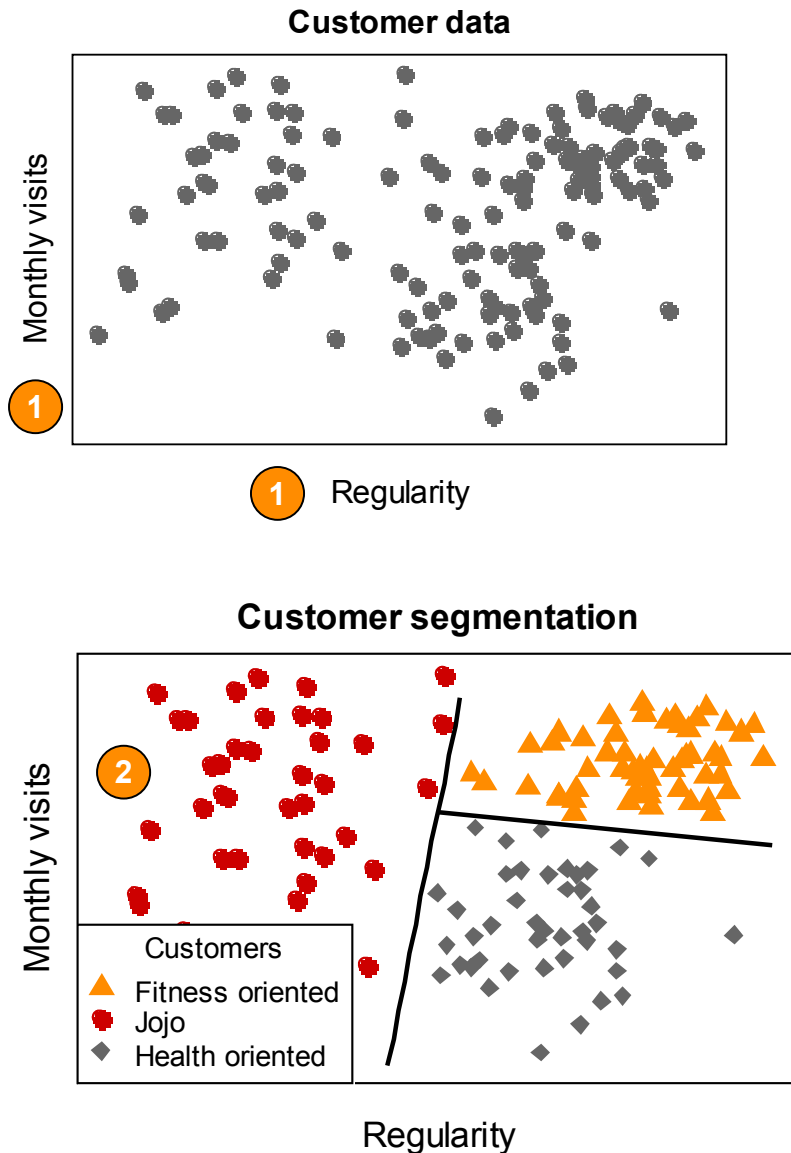
Discussion and pre-selection of criteria

- Availability / Quality of data
- Expected relevance
- Leverage





Segmentation is used to develop targeted approaches for specific groups without addressing each individual customer.



- 1 Choice of relevant **indicators** which represent **core properties** of our customers
- 2 Identification of segments with a similar set of properties, e.g.
 - **Fitness oriented** customers: visit often and regularly
 - **Jojo** customers' main characteristic is lack of regularity
 - **Health oriented** customers visit regularly, but no more than once a week
- 3 Identification of additional **actionable** properties (age, sex, main times for visits) for these groups
- 4 Development of segment-specific offers

Segmentation can also be used when business with customers is non-recurrent!



In subscription type businesses, behavioral analysis helps you identify those customers whom you might successfully address directly.



Example: Churn prevention
Identify Customers at risk of leaving you to proactively make retention offers

