

RACE THROUGH THE FINISHLINE WITH YOUR CUSTOMERS

Customer Segmentation and Profiling of CredRev

By: Shan Dhaliwal, Kayla Normandeau, Navneet Kaur, Simran Chabba, Carina Banwait.
University of the Fraser Valley | Supervisor: Professor David Dobson

INTRODUCTION

During a semester long research project, our research team analyzed the CRM of CredRev, an auto financing company based in Kelowna, BC with customers all over BC.

With the help of CredRev and our supervisor, Professor David Dobson, we were looking to conduct a customer segmentation of CredRev's CRM in order to create meaningful customer profiles. The result is four unique customer segments that we were able to define and elaborate on.

RESEARCH OBJECTIVE

1. To perform customer segmentation and profiling for the chosen organization.
2. To promote greater CRM strategies with the use of customer databases.
3. Ultimately, increasing the amount of customers for CredRev by further understanding their customer segments and profiles.

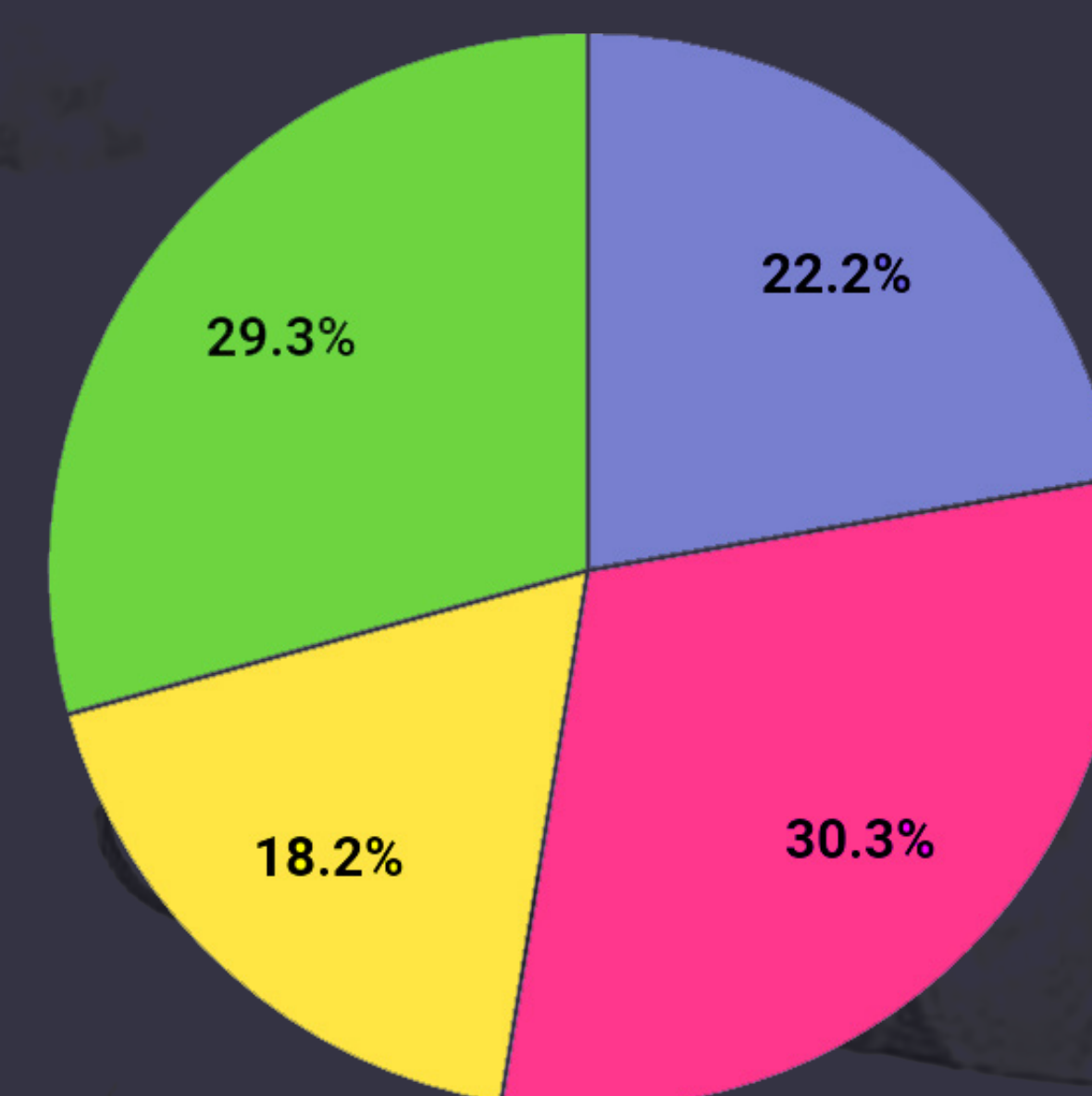
RESEARCH METHODOLOGY

A sample of over 950 leads was used for statistical testing. Scale variables from the file include customers' monthly income and monthly car payment.

These variables were used to create a scatter plot for quadrant segmentation. Based on the four quadrant segmentation, we used cross tabulations to compare each segment against the nominal variables: location in BC, housing type, employment type, and desired vehicle type.

RESULTS

● Penny Pinchers ● Oldie Goldies ● Hard-Working Spenders ● High Rollers



CUSTOMER PROFILES

PENNY PINCHERS

High unemployment rate, aged 25-30, new graduates, on a budget, live in Vancouver

OLDIES GOLDIES

Retired individuals (65+), disposable income, convenience over luxury, live near Vancouver Coast

HARD-WORKING SPENDERS

Smallest segment, part-time or full-time employed, majority males in their early 30's, high monthly rates, prefer larger vehicles (trucks)

HIGH ROLLERS

94% full-time employed, late 30's to early 40's, low monthly payments, wealthier than other segments, newer vehicles, prefer SUVs (family friendly preferences)

CONCLUSION

Through customer segmentation using SPSS crosstabulation, we identified four distinct customer segments, that the salespeople of CredRev can use to help with their sales process.

It was important to add further profiling to these segments to improve selling techniques. The four customer profiles: Penny Pinchers, Oldie Goldies, Hard-Working Spenders, and High Rollers, provide more insight into wants and needs of customers who fall into one of these profiles.