Chapter 19
Impact of Customer Segmentation and Customer Loyalty With Reference to Big Data

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ABSTRACT

Today, the businesses and market are all about data. So, this research work is focusing on performing segmentation analysis on customers and how important it is for a brand to retain their customers in such a competitive market. The background used for the customer segmentation are loyalty programs; they play a major role. All the major brands make best use of data in their loyalty program and target their customers accordingly. Success of every organization depends on the satisfaction of customers, which comes in the picture only when a brand is able to target rightly and retain them. The objective is performing an analysis on the customer segmentation and retention using big data. With the significant resources available, the authors analyse the changing market and how data is helping brands to run their loyalty programs.

INTRODUCTION

Today, the businesses and market are all about data. So, our research paper is focusing on performing segmentation analysis on customers and how important it is for a brand to retain their customers in such competitive market.

Explaining how brand run their loyalty programs using all the big data available with them to retain their customers. So due to the competitiveness existing there arises a need to study on the customer segmentation & retention using the big data.

The background used for the customer segmentation are Loyalty Programs- they play a major role in today's times all the major brands make best use of data in their loyalty program and target their customers accordingly. Success of every organization depends on the satisfaction of a customer which comes in the picture only when a brand is able to target rightly and retain them.

Customer Loyalty is when a brand maintains a relationship with its customers, keep the customers engaged so that the customers keep coming back to the brand repeatedly compared to the competitors. Loyalty is the by-product of our customers positive attitude towards the brand & the trust build. With the big data analytics all the customer loyalty programs are nearly automated which makes the tracking of it and analysing it at later stages convenient for the analyst. Without any doubt Big Data analytics represent the next big wave of innovation in customer experience and loyalty (Bathla et. al, 2020).

The objective of the thesis is performing analysis on the customer segmentation and retention using big data. With the significant resources available for the same we analyse the changing market and how data is helping brands to run their loyalty programs.

The theoretical background used for the research is the idea of customer retention in this changing world of data and full of competitors. The author's experience of working in campaign management for the loyalty program of Sainsbury's has helped a lot in giving inputs.

Big data principles refer to a new generation of Customer Relationship Management (CRM) strategies. Big data analysis assists firms in describing consumer attitudes, understanding their habits, developing appropriate marketing plans, identifying sales transactions, and establishing long-term loyalty relationships (Bathla, D., & Awasthi, S. 2021).

LITERATURE REVIEW

A person who is being characterized distinctly or who possesses like differently or unique from set of people and uniquely identifies his/her own needs or wants is defined as Individual which is also stated as Customer in today's Global Market. Every organization or company is in attendance in global competition market, if their customers are their leading/ruling pillars of their business, then profit/gain exists.

Today is an era of Intense/aggressive Competition, brands are competing and entering into Heterogeneous model or conglomerate model by which they want to more & more customers into their space. On the other hand, if we take a situation where brands & their services are on left hand side of the equation, customer demands satisfaction and an extra edge or a superior value which is right side of equation. If Brand is able to balance both the sides of the equation, then brand has come over the solution of retaining the customers which is more profitable then acquiring new customers. As it is more costly for a brand to acquire new customers rather to retain the old customers.

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