

LOOKALIKE MODEL

Understanding the Data

- CustomerID: The original customer for whom lookalike recommendations are generated.
- LookalikeX_ID: IDs of customers identified as similar to the original customer.
- ScoreX: The similarity score between the original customer and the lookalike customer. A higher score indicates a closer similarity.

Insights

1. Highly Similar Lookalikes:

- All scores are exceptionally high (close to or equal to 1.0), indicating that your lookalike model is confidently identifying similar customers.
- For example, CustomerID C0005 has a perfect similarity score (1.000000) with Lookalike1_ID (C0157).

2. Top Lookalike Customers:

- The first lookalike (Lookalike1_ID) always has the highest similarity score compared to Lookalike2_ID and Lookalike3_ID.
- Example: CustomerID C0001 has Lookalike1_ID (C0097) with a score of 0.999997, which is higher than the scores for Lookalike2_ID and Lookalike3_ID.

3. Similarity Score Decay:

- The similarity score decreases slightly from Lookalike1_ID to Lookalike3_ID, indicating diminishing confidence in lookalike similarity for further ranks.
- Example: For CustomerID C0002, the scores are:
 - Lookalike1_ID (C0071): 0.999878
 - Lookalike2_ID (C0032): 0.998877
 - Lookalike3_ID (C0085): 0.998132

4. Diversity in Lookalikes:

- The lookalike customers (Lookalike1_ID, Lookalike2_ID, Lookalike3_ID) vary across CustomerIDs, showing that the model is providing unique recommendations based on specific behavioral or demographic features.

5. Application of Insights:

- Marketing Campaigns: Target similar customers (lookalikes) for tailored marketing strategies, upselling, or cross-selling.
- Segmentation: Use lookalike clusters to group similar customers for better segmentation and personalized experiences.
- Scalability: If scores consistently stay high, the model could be effective in expanding the reach of similar customer segments.