

CA - S3 - Techniques

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Customer Analytics Techniques

Strategy and Type of Analysis

Strategy	Type of analysis
Customer understanding	Homogeneous and heterogeneous clustering , Demographic (and others) profiling, trends and patterns,...
Customer acquisition	Propensity analysis, factor analysis, affinity models ,...
Customer Loyalty and profitability	Propensity analysis, cross-selling and up-selling analysis, Affinity analysis , Social Analytics, Sentiment Analytics, RFM Modeling , Price elasticity, customer satisfaction analysis ,...
Customer retention	Churn Analysis , Response models, What-if Analysis,...
Efficiency	Marketing Mix models, customer journey analysis, customer location & device usage analysis,...

Understanding your customer

What does it mean understanding your customer? There are different **perspectives**:

- **Behavioral perspective**: Punctuality (payment). Risk Index. Purchasing patterns. Affinity analysis. Propensity analysis. Punctuality profiling. Risk profiling. Event patterns.
- **Profitability perspective**: Current profitability. Future profitability. Wallet share. Profitability Profiling. Profitability Conversion.
- **Lifecycle perspective**: CLV. CLV profiling

- **Loyalty perspective:** Recency. Frequency. Monetary value. Churn. Acquisition. Retention. Increase. RFM profiles. Retention profiles. Growth profiles.
- **Interest perspective:** Response rate. Response modeling. Response analysis. Response profiles
- **Campaign perspective:** Response rate. ROI. Estimated value added. Lifting. Effectiveness of events. Profitability Cannibalization. Events Cannibalization. Event profitability. Cross-channel effectiveness.

Types of analysis and Techniques

Knowledge

Analysis	Method	Techniques	Capabilities
Punctuality	Querys, Reporting	Structured Procedures	Business Intelligence
Risk index	Querys, Reporting	Structured Procedures	Business Intelligence
Purchasing patterns	Querys, Reporting, Predictive Analysis	OLAP, Clustering	Business Intelligence, Analytics
Affinity Analysis	Descriptive Analysis	Basket Case Analysis	Business Analytics
Propensivity Analysis	Descriptive Analysis	Affinity Analysis	Business Analytics
Punctuality Profiling	Descriptive Analysis	Decision Trees, Induction Rules	Business Analytics
Risk Profiling	Predictive Analysis	Multi- regression	Business Analytics
Events patterns	Predictive Analysis	OLAP, Associacion Rules	Business Analytics

Profitability

Analysis	Method	Techniques	Capabilities
Current Profitability	Querys, Reporting	Structured Procedures	Business Intelligence
Potential Profitability	Predictive Analysis	Multi- regression	Business Analytics
Future Profitability	Predictive Analysis	Neural Networks	Business Analytics
Profitability Profile	Predictive Analysis	Decision Trees, Induction Rules	Business Analytics
Profitability Conversion	Predictive Analysis	Lineal regression, Logistic regression	Business Analytics

Analysis	Method	Techniques	Capabilities
Wallet share	Predictive Analysis	Lineal regression, Logistic regression	Business Analytics

Lifecycle

Analysis	Method	Techniques	Capabilities
CLV	Predictive Analysis	Statistics	Business Analytics
Potential CLV	Predictive Analysis	Multi-regression	Business Analytics
CLV Profiling	Predictive Analysis	Supervised Clustering	Business Analytics

Loyalty

Analysis	Method	Techniques	Capabilities
RFM	Querys / Reporting	Structured Procedures	Business Intelligence
Churn	Predictive Analysis	Decision Trees, Clasificación	Business Analytics
Acquisition	Querys / Reporting	Structured Procedures	Business Intelligence
Retention	Querys / Reporting	Structured Procedures	Business Intelligence
Growth	Querys / Reporting	Structured Procedures	Business Intelligence
RFM profiling	Predictive Analysis	Decision Trees, Induction Rules	Business Analytics
Acquisition Modeling	Predictive Analysis	Neural Networks	Business Analytics
Retention profiling	Predictive Analysis	Decision Trees, Induction Rules	Business Analytics
Growth profiling	Predictive Analysis	Decision Trees, Induction Rules	Business Analytics
Loyalty conversion	Predictive Analysis	Neural Networks	Business Analytics

Interest

Analysis	Method	Techniques	Capabilities
Response	Predictive Analysis	Neural Networks	Business Analytics
Response Modeling	Predictive Analysis	Neural Networks	Business Analytics
Response Analysis	Predictive Analysis	Neural Networks	Business Analytics
Response Profiling	Predictive Analysis	Decision Trees	Induction Rules

Campaigns

Analysis	Method	Techniques	Capabilities
Response Index ROI	Predictive Analysis	Statistics	Business Analytics
Expected Value-added Up-Selling	Querys / Reporting	Structured Procedures	Business Intelligence
Profitability Cannibalization	Predictive Analysis	regression	Business Analytics
Sales Canibalization	Querys / Reporting	Structured Procedures	Business Intelligence**
Event Profitability	Querys / Reporting	Structured Procedures	Business Intelligence**
Cross-Channel Effectivity	Querys / Reporting	Structured Procedures	Business Intelligence
Channel Effectivity	Querys / Reporting	Structured Procedures	Business Intelligence

References

- Peter Verhoef, Edwin Kooge, Natasha Walk. (2016) Creating Value with Big Data Analytics. Routeledge
- Peter Fader. (2012) Customer Centricity. Wharton Executive Essentials