TelTek Project Submission

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Specialisation – marketing analytics

Q-1) What is the RFM score of customer 26 and customer 150.

For Customer 26:

Recency (R) score: 1

Frequency (F) score : 1

Monetary value (M) score: 4

For Customer 150:

Recency (R) score: 2

Frequency (F) score : 2

Monetary value (M) score: 3

Q-2) Match the targeting strategies with the RFM scores given in the table.

RFM scores	Targeting strategy
A. Customers with all the recency, frequency and monetary value scores of 3 and 4 such as 4-4-4,4-4-3,3-4-3	i. TelTek should send them notifications about new TV shows being screened on its OTT service partner's platform. In this way, the firm can make the customers consume more data, eventually pushing them to recharge more frequently.
B. Churned best customers with low recency scores and high frequency and monetary scores such as 1-4-4, 1-3-4, 1-3-3	ii. TelTek should ensure that these type of customers have a great experience. Any Conflict or complaint should be resolved promptly.
C. Customers with low-frequency scores and high recency and monetary value scores such as 4-1-4, 3-1-4, 3-1-3	iii. The firm should use upselling strategy to make these customers upgrade their existing subscription or subscribe for additional services.
D. Customers with low monetary value score and high recency and frequency scores such as 4-4-1, 3-4-1,3-3-1	iv. The company should develop a strategy to reacquire and re-engage these type of customers by offering them incentives and great customer experience

A - _ii_ , B - _iv_ , C - _i_ , D - __iii__

Q-3) Which cluster comprises of the most valuable customers? What targeting strategy should the company use for these type of customers?.

Cluster: 4
Targeting strategy:

 - give exemplary customer service to ensure their satisfaction and renewal with the company

Q-4) Study each metric of cluster 2 and cluster 3. Which cluster is the best among the two? What can you do to the other cluster to become the best among the cluster 2 and 3?

Cluster: 3

Targeting strategy:

for cluster 2 we can target them through personalised messages to ensure a larger revenue. A good customer service can ensure lower complaints.

Q-5) How would you approach cluster 3 to make them more profitable?

Targeting strategy: for cluster 3 we can retarget them to ensure a longer tenure. A good customer service can prove brand loyalty and advocacy, increasing the number of users.

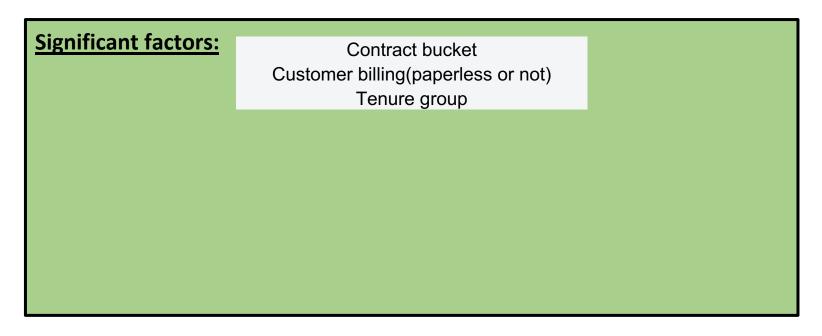**Q-6)** Which metrics will you use in selecting the best classification model?

Metric 1: least false negative

Metric 2: least false positives

Q-7) In order to predict the customer churn, the firm is required to solve a binary classification problem. Apart from logistic regression that you have already seen, there are other models as discussed in the video. Based on the confusion matrix (given on the platform) for each of these models, choose the best method for building the propensity to churn model?

Classification model: The Decision Tree method appears to perform better than the Random Forest method for building the propensity to churn model. It has higher accuracy, sensitivity, and specificity, and a lower error rate compared to the Random Forest method.

Q-8) From the churn analysis, which factors have a significant influence on customer churn at a 95% confidence level?

Significant factors:

Contract bucket
Customer billing(paperless or not)
Tenure group

Q-9) Which channels have a significant influence on the total unit sales at 95% confidence level?

Significant Channels:

Print and search

Q-10) State the regression coefficients of the channels?

Regression Coefficients:

TV: 0

Radio: 0

Print: 38.4398203

Search: 8.57406825

Facebook: 0

Q-11) State the multiple linear regression equation based on the results obtained?

Regression equation:

Y = 1683.02357 + 38.4398203059968(PRINT GRP) + 8.5740682546538 (search impressions)