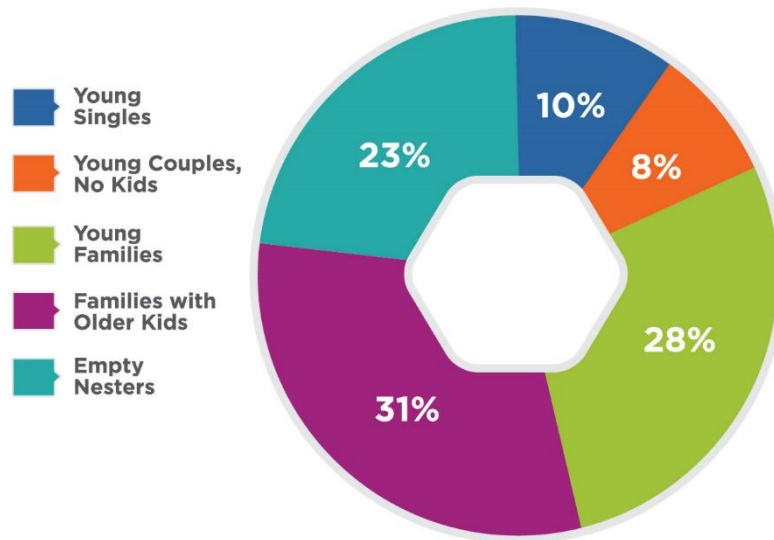


SAMPLE MARKET SEGMENTATION: FAMILY LIFE STAGE



Customer Lookalike Model: Personalized Customer Recommendations Using Transaction and Profile Data

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How I generate and Lookalike model for the data your provided :

- ✓ Use **both customer and product data**.
- ✓ Compute **similarity scores** using **Cosine Similarity**.
- ✓ Recommend the **top 3 similar customers** for the first 20 customers.
- ✓ Save results in **Lookalike.csv**.

1. **Feature Engineering:**
 - Aggregate transaction data per customer.
 - Merge with customer profile data to create a comprehensive dataset.
2. **Data Preprocessing:**
 - Standardize numerical features using **StandardScaler** to ensure uniformity.
 - Compute similarity scores using **Cosine Similarity**, which measures the closeness between customer profiles.
3. **Lookalike Recommendation:**
 - Identify the **top 3 most similar customers** for each customer.
 - Generate a **Lookalike.csv** file containing customer ID, similar customer IDs, and their similarity scores.

Results & Deliverables

- A structured **Lookalike.csv** file with similarity scores for the first 20 customers.
- The model successfully groups customers with **similar purchasing behaviors and demographics**.
- The approach enables businesses to implement **targeted marketing campaigns** and improve **customer retention**.

Key Benefits

- ✓ **Personalized Marketing:** Businesses can recommend relevant products/services.
- ✓ **Customer Engagement:** Helps in identifying potential brand advocates.
- ✓ **Revenue Growth:** Optimized cross-selling and upselling strategies.

Conclusion

The Lookalike Model provides a **data-driven approach to customer segmentation and similarity matching**, enabling businesses to make informed decisions for customer engagement and marketing personalization.