

Customer Risk Profiling & Predictive Analysis

3.1 Predictive Modeling Overview

The final phase of this project involves transitioning from historical analysis to proactive intervention. Using a machine learning classification model, we have assigned a **Churn Probability** score to every active customer. This allows the business to prioritize retention efforts based on the statistical likelihood of a customer leaving the platform within the next cycle.

3.2 High-Risk Customer Identification

Based on the **Customer Risk Profiling & Predictive Analysis** dashboard, we have categorized the customer base into distinct risk tiers:

- **High-Risk Segment:** Customers with a **Churn Probability > 70%**. This group requires immediate "Save" campaigns or direct outreach from the Customer Success team.
- **Financial Exposure (Revenue at Risk):** The total potential revenue loss from customers predicted to churn is calculated by aggregating their **TotalSpend**. This metric allows for a ROI-based approach to retention spending.
- **Segment Concentration:** A significant portion of the high-risk profiles is concentrated in the **Phone** and **Laptop & Accessory** categories, reinforcing the findings from previous chapters.

3.3 Lead List for Targeted Intervention

The predictive model has generated a dynamic "Watchlist" of customers. Key data points captured for each high-risk individual include:

- **Customer ID & Profile:** Essential for personalized communication.
- **Satisfaction Score & Complaint History:** Provides context for the outreach (e.g., offering a voucher to a customer with a history of unresolved complaints).
- **Preferred Order Category:** Enables category-specific incentives.

