

Project Title : Customer Lifetime Value & Churn Risk Analysis using RFM Segmentation

Business Problem

In competitive e-commerce markets, businesses struggle to:

- Identify high-value customers
- Detect customers likely to churn
- Understand revenue concentration risk
- Prioritize retention strategies effectively

Customer revenue is often highly concentrated among a small segment of customers. Losing these customers can significantly impact total revenue. However, many companies lack structured segmentation and churn-risk visibility.

The key business questions are:

- Who are our most valuable customers?
- What percentage of revenue comes from elite segments?
- How much revenue is at risk due to churn?
- Are we overly dependent on a small group of customers?
- Which segments require immediate retention strategies?

This project aims to answer these questions using **RFM-based customer segmentation**, churn classification, and revenue concentration analysis.