

Section 1 - text

$$\cdot CLV = E \left[\sum_{t=1}^T Y^+ \text{Profit}(S_t) \right]$$

Section 2

Slide 1

- Problem: how to model S_t ?
- We can think of S_t as the state of a client at time t .
- Natural to think of $\{S_t\}$ as a sequence of discrete r.v.

SECTION 1 :	RECAP OF CONTEXT AND PROBLEM	$\xrightarrow{\text{Insurance}} \text{CLV}$ (1-2 Slides)
SECTION 2 :	PROTOTYPING METHOD	(2-3 Slides)
SECTION 3 :	RESULTS	(1-2 Slides)
SECTION 4 :	DISCUSSIONS (Missing elements, Improvements for future)	(1-2 Slides)

- We simplify the situation by assuming a Markovian property.

Slide 2

Method

- We tried the method of
- ① regression tree to identify groups (states of the MC)
 - ② Estimate the transition prob.
 - ③ Computing CLV using Monte Carlo

Slide 3-4

Data

- Image or text
Profit features

Data

Data

Step 1

Stack the data sets (assumption:
relationship b/w several points in time)

Result: a new feature group (natural order
time 1 time 2 ... by profit)

Step 2: client 1

result est. transition probabilities using empirical versions
(time homogeneity)

the MC)