

**RFM:**

The RFM model is a commonly used method for customer value analysis and customer segmentation, mainly widely used in the fields of marketing and sales. A customer classification model that describes a customer's value status based on their recent purchasing behavior, overall frequency of purchases, and how much money they have spent.

**RFM represents three dimensions:**

Recency (the last consumption time, the smaller the value, the greater the value for us)

Frequency (consumption frequency, the higher the value, the better)

Monetary (consumption amount, the larger the value, the better)

**Benefits:**

Customer segmentation: Through the RFM model, enterprises can divide customers into different groups, such as high-value customers, potential customers, and customers who need to be retained, in order to implement more precise marketing strategies.

Enhancing customer loyalty: After identifying high-value customers, enterprises can enhance their satisfaction and loyalty through customized services and discounts.

Optimizing marketing resource allocation: Based on the value of different customer groups, enterprises can allocate marketing resources more effectively and improve the return on investment of marketing activities.

**Lloyd's Bank's profit model:**

Interest income: The interest earned from loans and mortgages provided to consumers and businesses, minus the interest paid to deposit accounts. Provide various loan options, such as personal loans, commercial loans, and housing mortgage loans.

Fees and charges: Provide various services, including checking accounts, savings accounts, credit cards and Internet banking services for personal and commercial purposes. Fees and fees from various banking services, including account management, transaction fees, and consulting services.

Investment services: Profit generated from investment services provided to clients or the bank's own investment activities.

Insurance products: Earn insurance premiums and investment insurance premiums through the provided insurance products (such as life insurance, family insurance, and car insurance).