1. **Customer Segmentation**: Imagine you’re having a birthday party, and you want to give your friends gifts. You wouldn’t give the same gift to everyone, right? You’d think about what each friend likes. Maybe one friend loves books, another loves video games, and another loves sports. In business, this is called customer segmentation. [Companies group their customers based on what they like or need, so they can offer products or services that each group would love](https://www.forbes.com/advisor/business/customer-segmentation/).
2. **Customer Lifetime Value (CLV)**: Let’s say you have a lemonade stand. One of your customers, John, comes every day and buys one cup of lemonade for $1. If John continued to buy lemonade from you for 10 days, he would have spent $10 in total. This $10 is John’s Customer Lifetime Value. [It’s the total amount of money a customer is expected to spend on your business over time](https://www.forbes.com/advisor/business/customer-lifetime-value/).
3. **Insurance Coverage Types**: Insurance is like a safety net. It helps people when something unexpected happens. For example, health insurance helps cover the cost of doctor visits or medicine. Car insurance helps pay for repairs if someone’s car gets damaged in an accident. [There are many types of insurance to help people in different situations](https://www.healthcare.gov/young-adults/children-under-26/).
4. **Policy Types and Details**: A policy is like a rule or a plan. In government, policies are plans to deal with certain issues. environment. [In insurance, a policy is a contract that explains what the insurance company will cover and what the person who buys the insurance needs to do](https://www.forbes.com/advisor/business/customer-segmentation/).
5. **Sales Channels**: Imagine you made a cool new toy, and you want to sell it. You could sell it directly from your house (direct sales) or ask stores to sell it for you (indirect sales). You could also sell it online on your website or a big website like Amazon. [These different ways of selling your toy are called sales channels](https://www.forbes.com/advisor/business/customer-segmentation/).
6. **Customer Demographics**: This is information about your customers like their age, where they live, or what they do for a living. [For example, if you’re selling toys, you’d want to know about the kids who will play with the toys (like their age and what toys they like) but also about the adults who will buy the toys (like how much they’re willing to spend on toys)](https://extension.psu.edu/understanding-your-customers-how-demographics-and-psychographics-can-help)