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# MARKET ANALYSIS

DISTRIBUTION CHANNELS

FIRST SEGMENT  
25 - 25 - 25  
STATE

COST STRUCTURES

SECOND SEGMENT  
66 - 33  
STATE

PROFITABILITIES

OPPORTUNITIES

MARKET SIZE

MARKET TRENDS

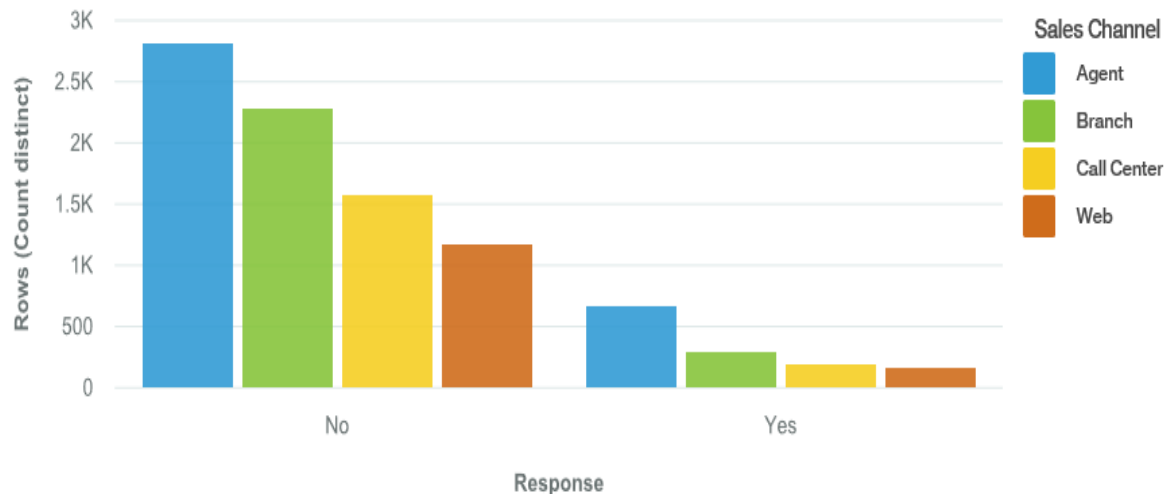
GROWTH RATE



# Marketing Customer Value Analysis

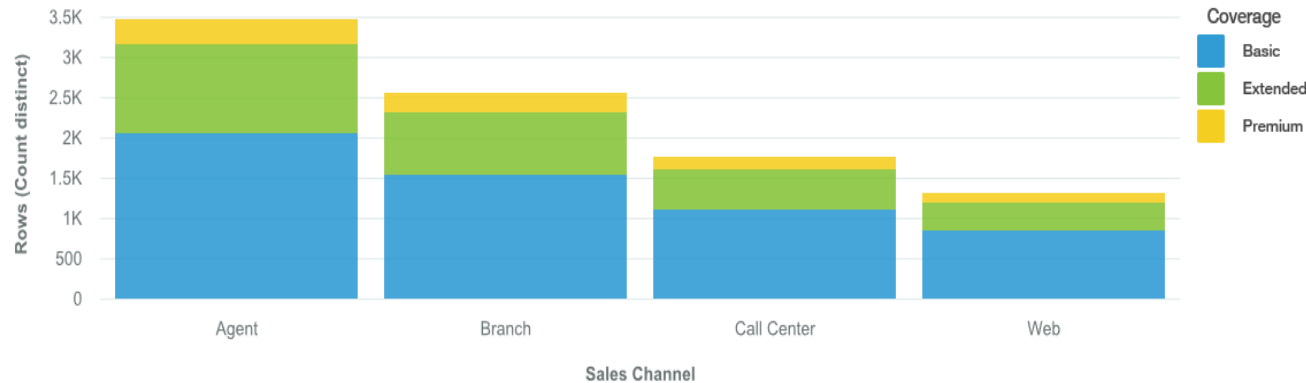
- Dataset comprises auto insurance data of customers spread across five western states of United States.
- Demographic data such as gender, income, education, employment along with location code and state is given.
- Customers at present hold about 1 to 9 policies and pay their premium. Customers were offered renewal of existing policies by the insurer through sales agent and their responses were recorded.
- Insurer has to predict and take targeted actions to increase profitable customer response, retention and growth.

# Profitable Sales Channel



Each Sales channel has a low success rate, below 20%, with 'Agent' showing the maximum of 17.97%. Branch, Call center and web show a renewal rate of 11.45%, 10.87% and 11.77% respectively.

# Profitable Sales Channel



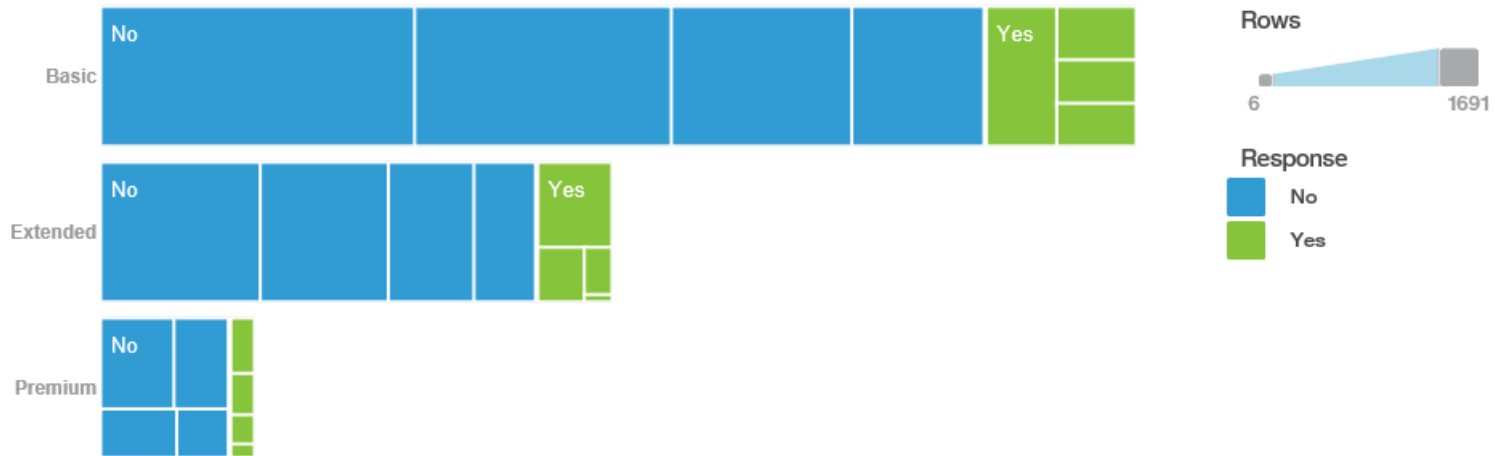
Most popular plan amongst the customers is the basic plan with covering almost 61% of the market. The Sales Channel of Agent and Branch, namely the “in-person” channels, have better success rate of 65%



Renewal offer type 1 & 2 are most successful among the customers.

# Profitable Sales Channel

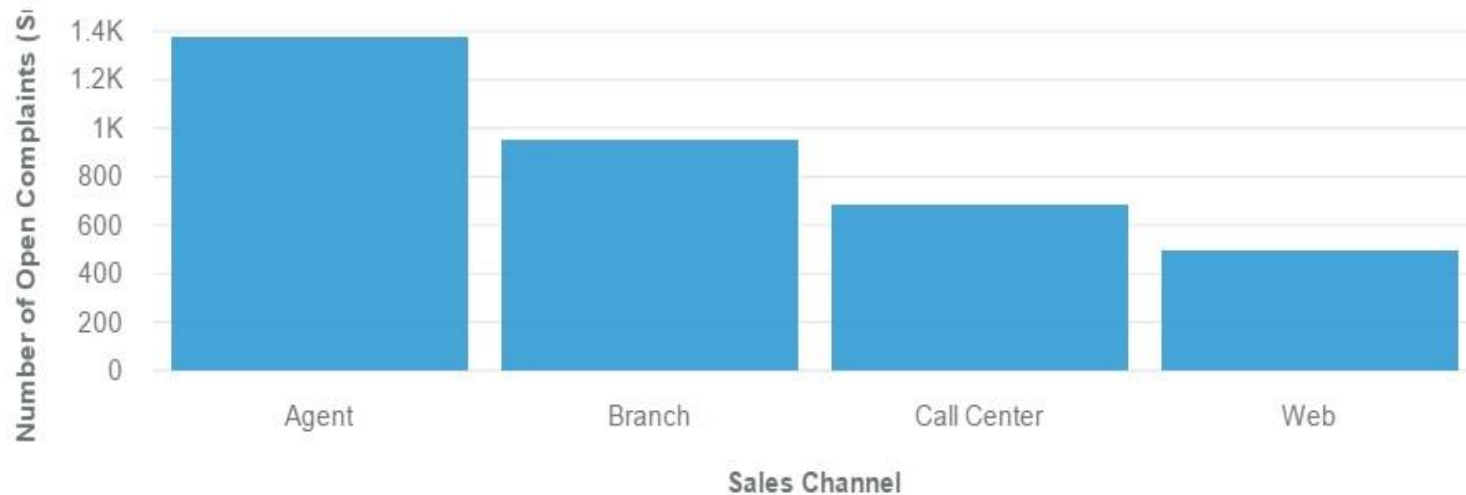
What is the breakdown of Coverage ⊗ , Response ⊗ and Sales Channel ⊗ ?



Insurer has offered 3 types of coverage and 4 types of offer. In person selling through agent is the most common sales channel that has been adopted. Also, most of the customers have responded to agents compared to other sales channel.

# Profitable Sales Channel

How do the values of **Number of Open Complaints** (x) compare by **Sales Channel** (x) ?



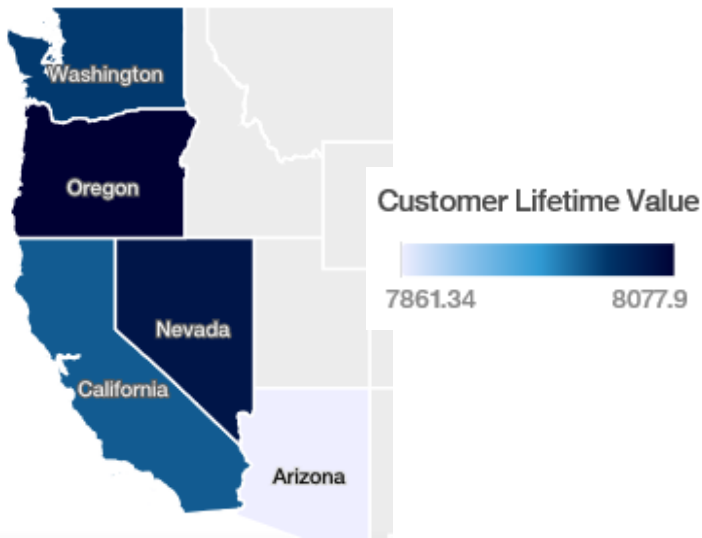
The number of open complaints for each sales channel suggests that the Agents have the maximum complaints against the products they've sold. when compared to the minimum being on the Web channel.

# Prediction of Customer Life Time Value

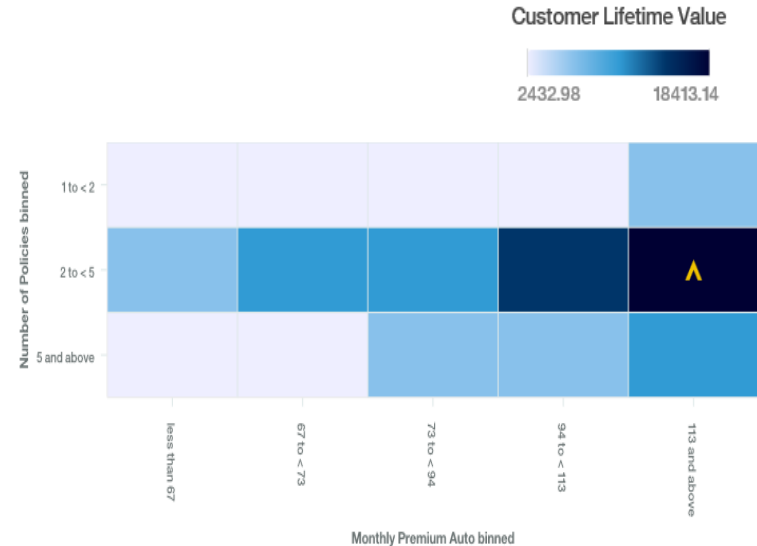
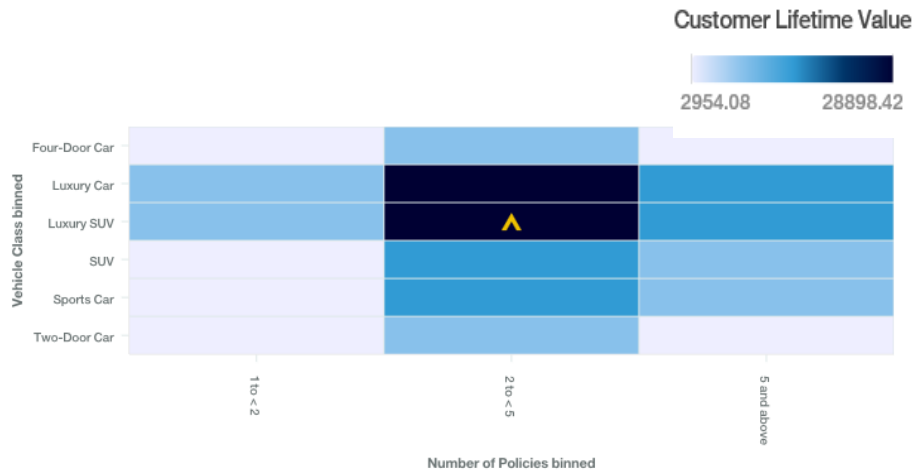


Drivers	Strength
Vehicle Class and Number of Policies	65%
Number of Policies and Monthly Pren	63%
Number of Policies	47%
Vehicle Class	13%
Monthly Premium Auto	13%

- Customers from Oregon have a maximum Customer Lifetime value.



# Prediction of Customer Life Time Value

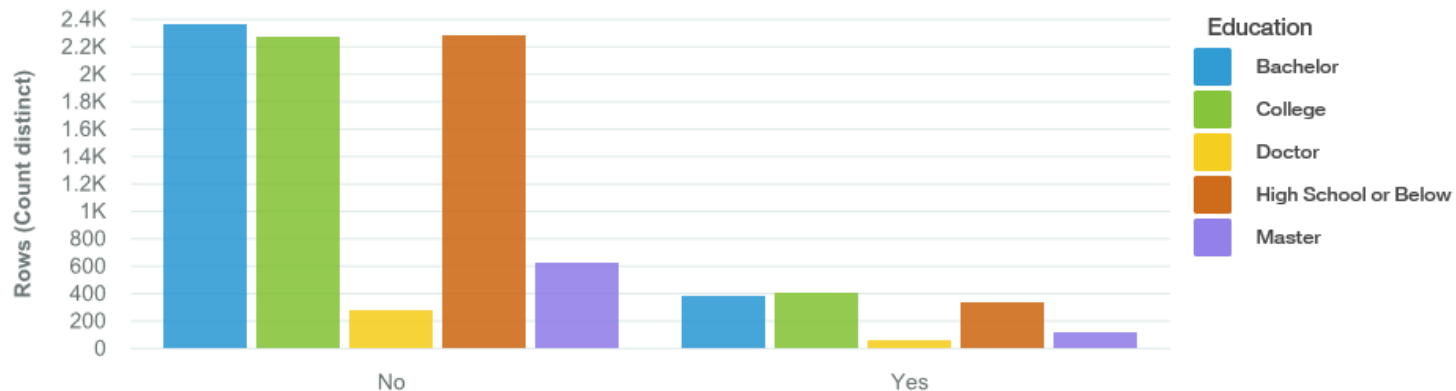


- Customers who own Luxury cars & SUVs, and have 2 to 5 no of policies, are expected to yield a customer lifetime value of around 12,000 dollars. These customers also pay monthly premium of \$113 & above.



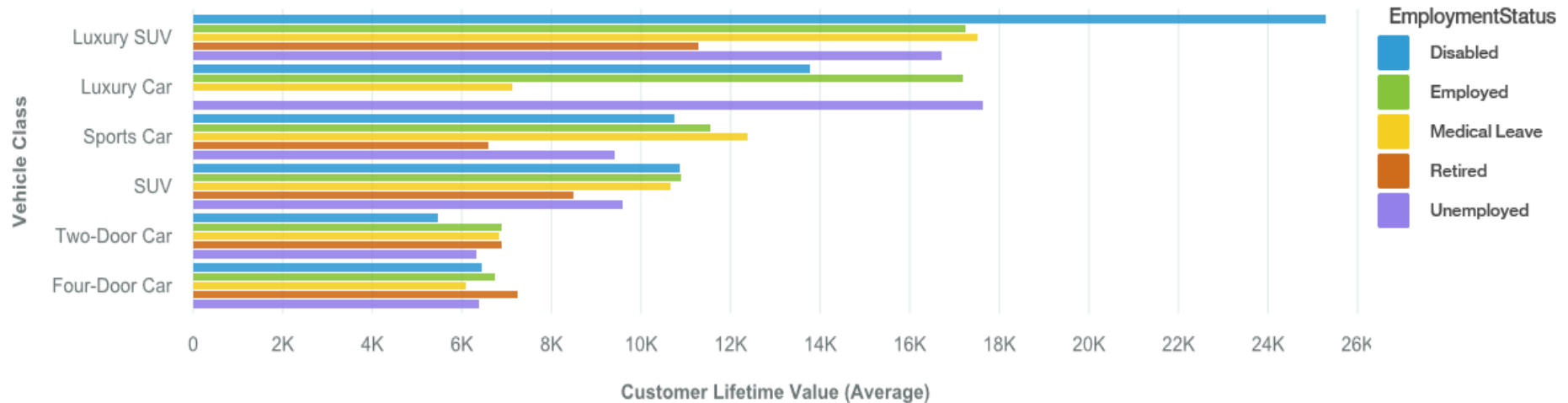
# Prediction of Customer Lifetime Value

How does the number of Rows (x) compare by Response (x) and Education (x) ?



- Conversion rate is higher amongst Doctorate educated customers, 17.54%. Followed by Graduate level 16.79 %. Thus, the insight is highly educated customers are potential customers.

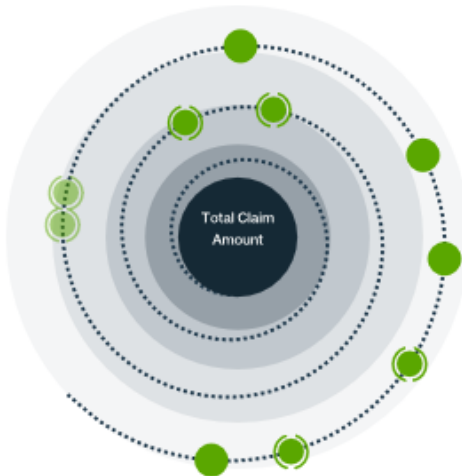
# Prediction of Customer Life Time Value



- Disabled persons who own Luxury SUVs have the highest CLV. Retired customers have one of the lowest CLV.

# Total Claim Amount

What drives **Total Claim Amount** ⊗ ?



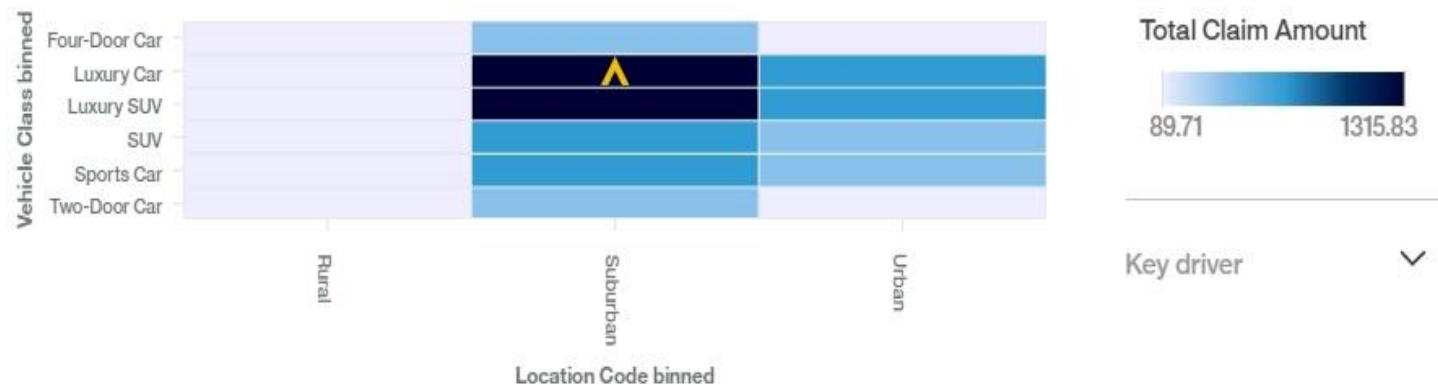
Drivers	Strength
Vehicle Class and Location Code	70%
Monthly Premium Auto and Location	67%
Vehicle Class and Income	47%
Vehicle Class and EmploymentStatus	46%
Location Code	39%

[View more](#)

The Total claim Amount being the most important factor for insurance companies to analyze the risk for segments of customers helps them build models on variable insurance product pricing based on factors that influence claim.

# Total Claim Amount

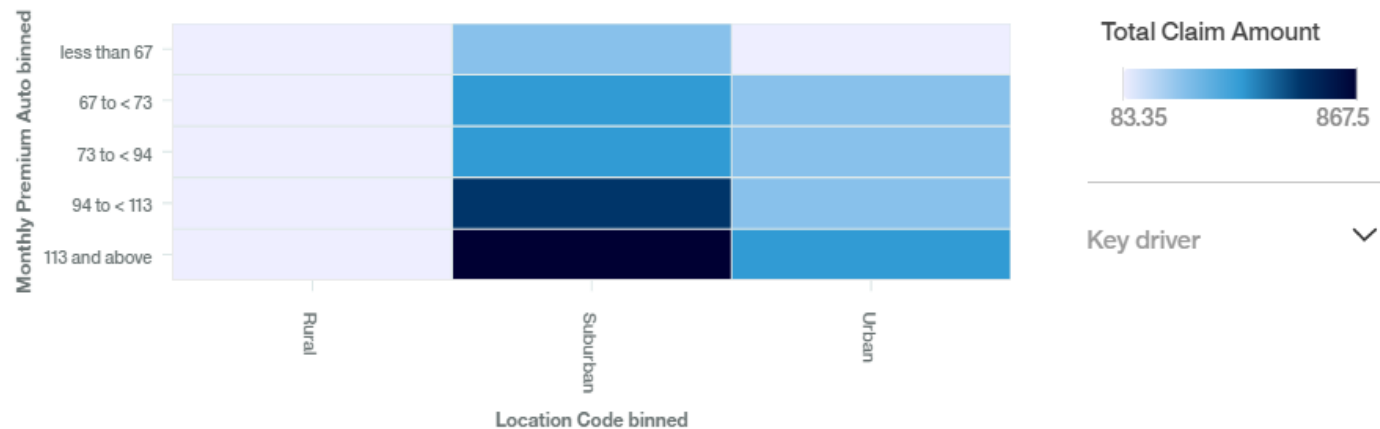
How do **Vehicle Class binned** (x) and **Location Code binned** (x) impact **Total Claim Amount** (x) ?



The other strong variables of Monthly Premium Auto and Location also do a fair job of predicting the Total Claim amount with a correlation strength of 67%.

# Total Claim Amount

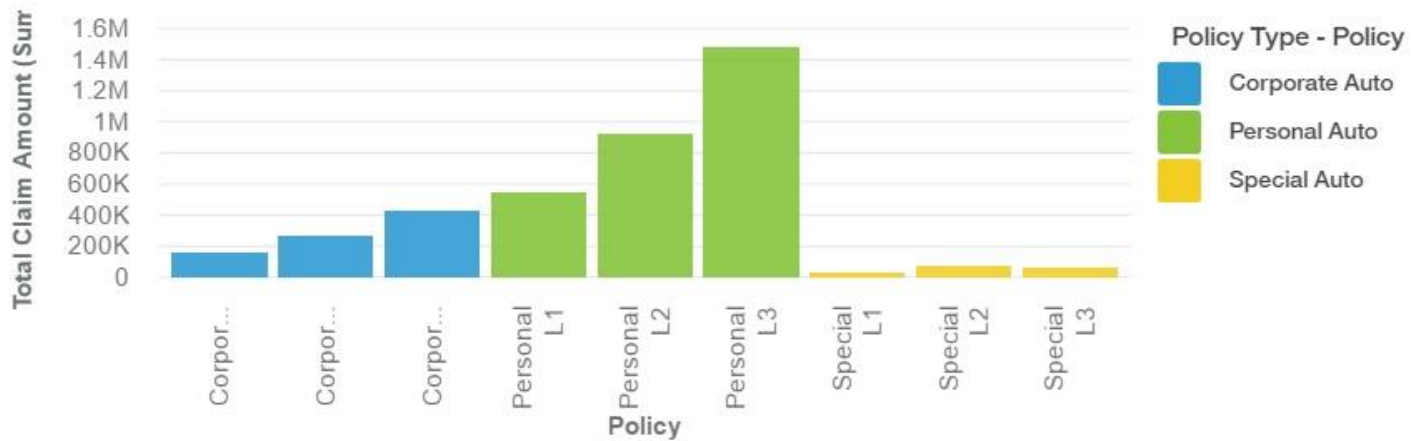
How do Monthly Premium Auto binned (x) and Location Code binned (x) impact Total Claim Amount (x) ?



Customers who live in suburbs and pay a premium of \$113 and above claim the most amount from the company

# Total Claim Amount

How do the values of Total Claim Amount (x) compare by Policy (x) and Policy Type (x)



From this categorization, it is found that the Personal Auto L3 policyholders make the maximum claims relatively when compared to the other policy holders.

THANK YOU