

Three questions guide the analysis



Who are the Caravan insurance holders?

Which customers are most likely to buy Caravan insurance next?

How can the company act on these insights to maximize profit?

Type

Descriptive Modelling/Clustering
Unsupervised Learning

Predictive modelling
Supervised learning

Business evaluation
Deployment

Purpose

Understanding the existing customer base

Upsell / cross-sell prediction

Decision & strategy layer

Content

- Cluster the customers and identify patterns
- Describe demographic and behavioral traits of Caravan policy owners

- Build a predictive model to estimate $P(\text{CARAVAN} = \text{Yes})$
- Use the model to prioritize marketing contacts

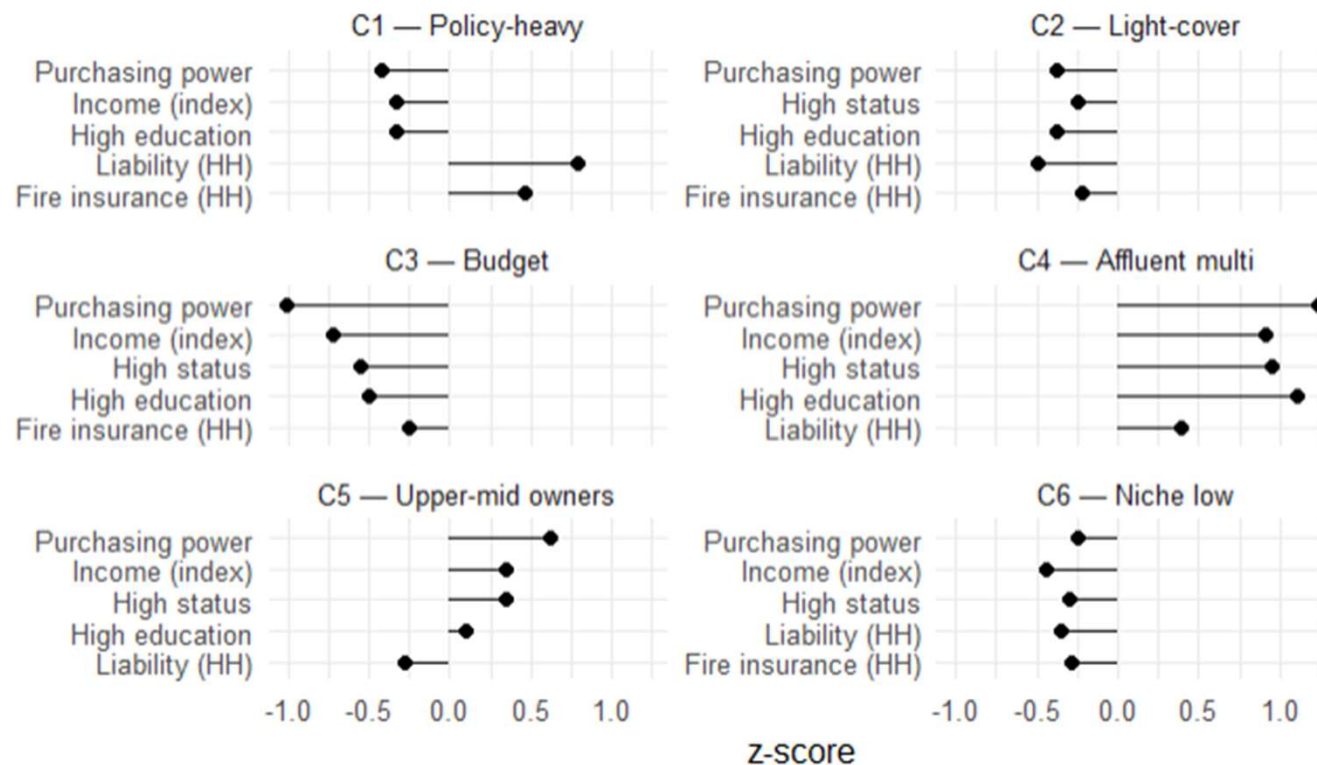
- Translate results into actionable recommendations (who to target, what message, how much to spend)

6 Clusters

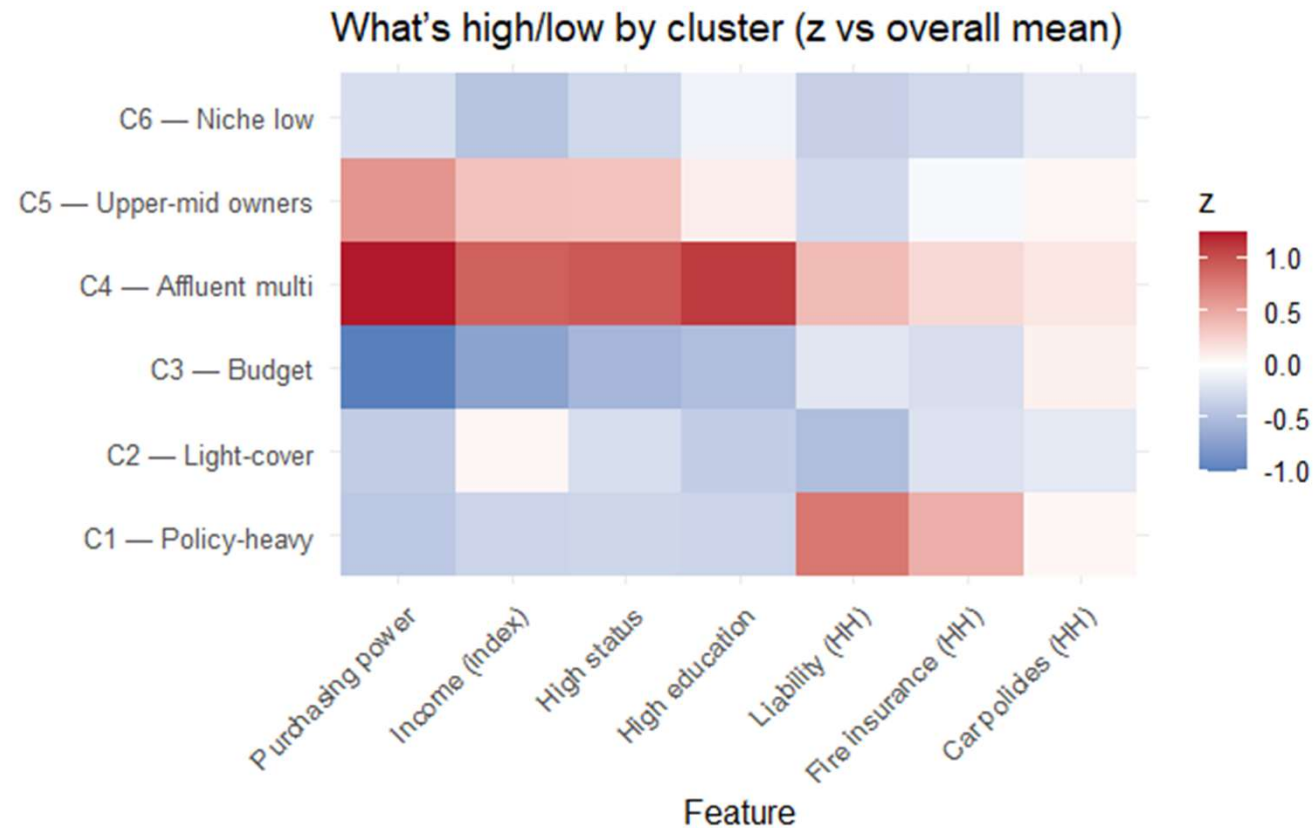
	Name	Description	Share in %	Caravan insurance rate
Cluster 1	Policy-heavy, less affluent	<i>Protection-minded despite tighter means; already hold Liability/Fire</i>	18.7	6.0
Cluster 2	Mid/low affluence, lighter cover	<i>Mid-to-lower affluence and a thinner product stack; more price-sensitive</i>	17.6	4.7
Cluster 3	Budget-constrained minimalists	<i>Lowest purchasing power and fewest policies; unlikely caravan demand.</i>	13.3	3.5
Cluster 4	Affluent multi-policy (prime)	<i>Well-off, educated homeowners with broad cover; treat insurance as risk management.</i>	17.5	11.8
Cluster 5	Upper-middle homeowners	<i>Financially comfortable owners; insurance stack not fully built out yet.</i>	16.8	6.3
Cluster 6	Niche low-propensity	<i>Low affluence & coverage; concentrated in a few customer types (MOSTYPE)</i>	16.0	2.8

Top 5 differentiators per cluster (z vs overall)

Top 5 differentiators per cluster (z vs overall mean)



Top 5 differentiators per cluster (z vs overall)



Who holds Caravan insurance?

C1 – Policy heavy

↑ Liability
↑ Fire insurance
↑ Car policies

↓ Purchasing power
↓ High education

C2 – Light cover

↑ Income

↓ Purchasing power
↓ Liability

C3 – Budget

↑ Car policies (HH)

↓ Purchasing power
↓ Income

C4 – Affluent multi

↑ Purchasing power
↑ High education
↑ High status

C5 – Upper-mid owners

↑ Purchasing power
↑ Income
↑ High Status

↓ Liability
↓ Fire Insurance

C6 – Niche low

↓ Liability
↓ Income