

Customer Lifetime Value Maximization



Agenda

- **Team Introduction**
- **Business Objective**
- **Project Pathway**
- **Customer LTV Calculation**
- **Classification Model**
- **Visualization**
- **Recommendation**

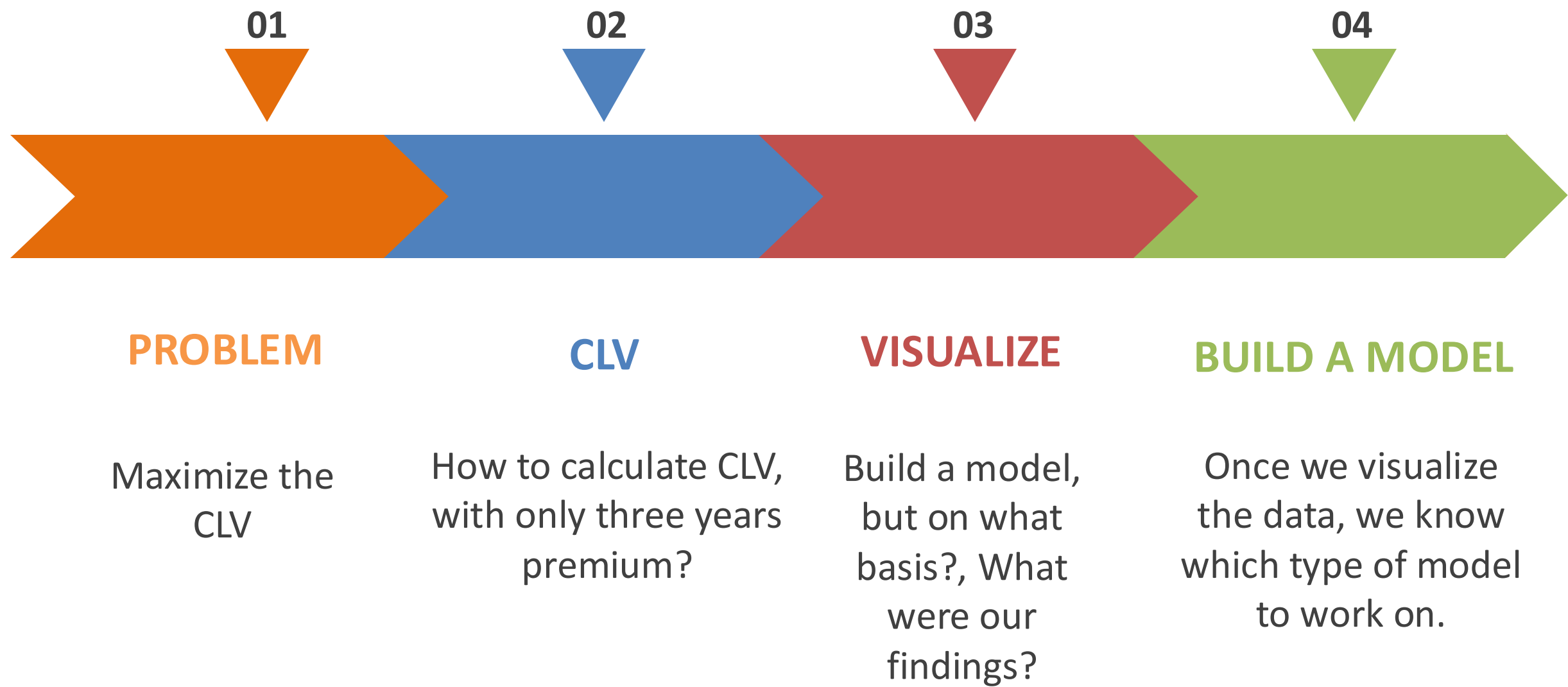


Business objective

- ✓ Maximize the Customer Lifetime Value

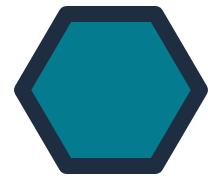


Project Pathway

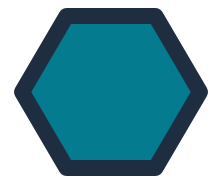




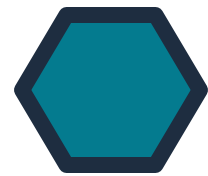
Calculating premiums



3rd Year Premium

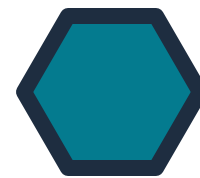


Inflation factor – 5%



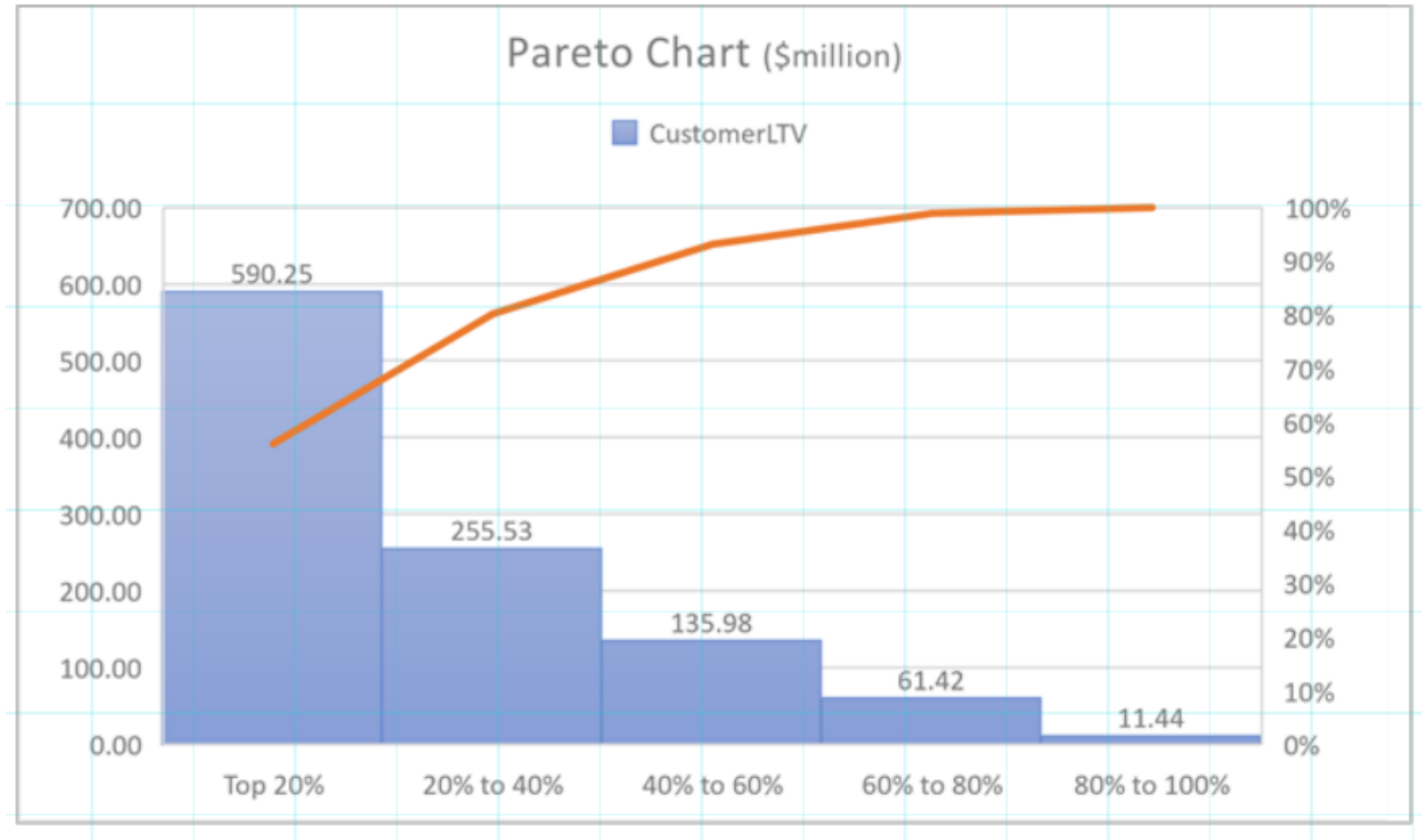
Example: 4th year premium = 3rd year Premium + 3rd Year premium * Inflation factor

Customer Lifetime Value (CLTV)



Customer LTV = Sum of yearly premiums during customer span

Analysis – Pareto chart



Top 20% customers contributing ~60% of the revenue

Input

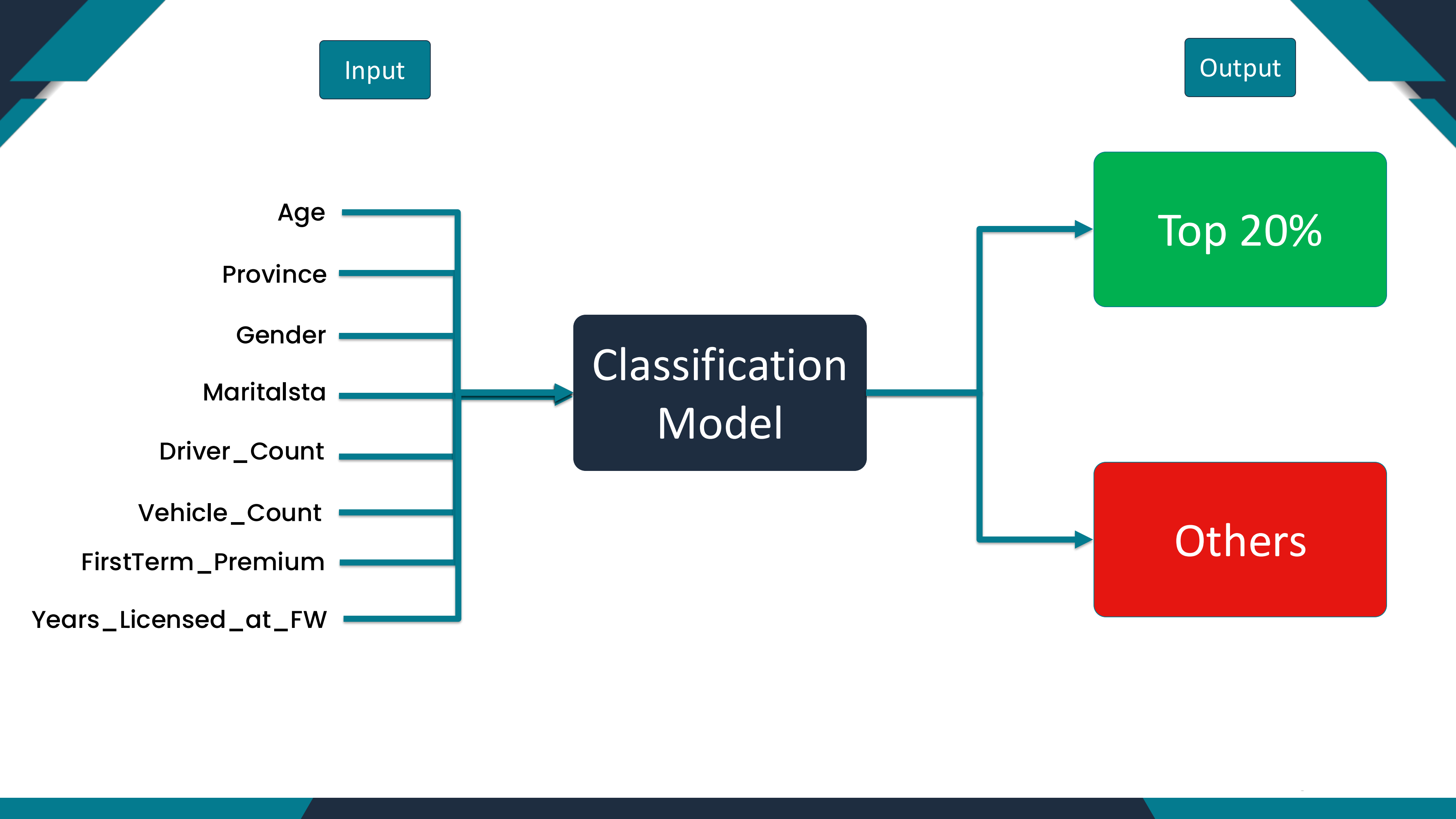
Output

Age
Province
Gender
Maritalsta
Driver_Count
Vehicle_Count
FirstTerm_Premium
Years_Licensed_at_FW

Classification
Model

Top 20%

Others



Input

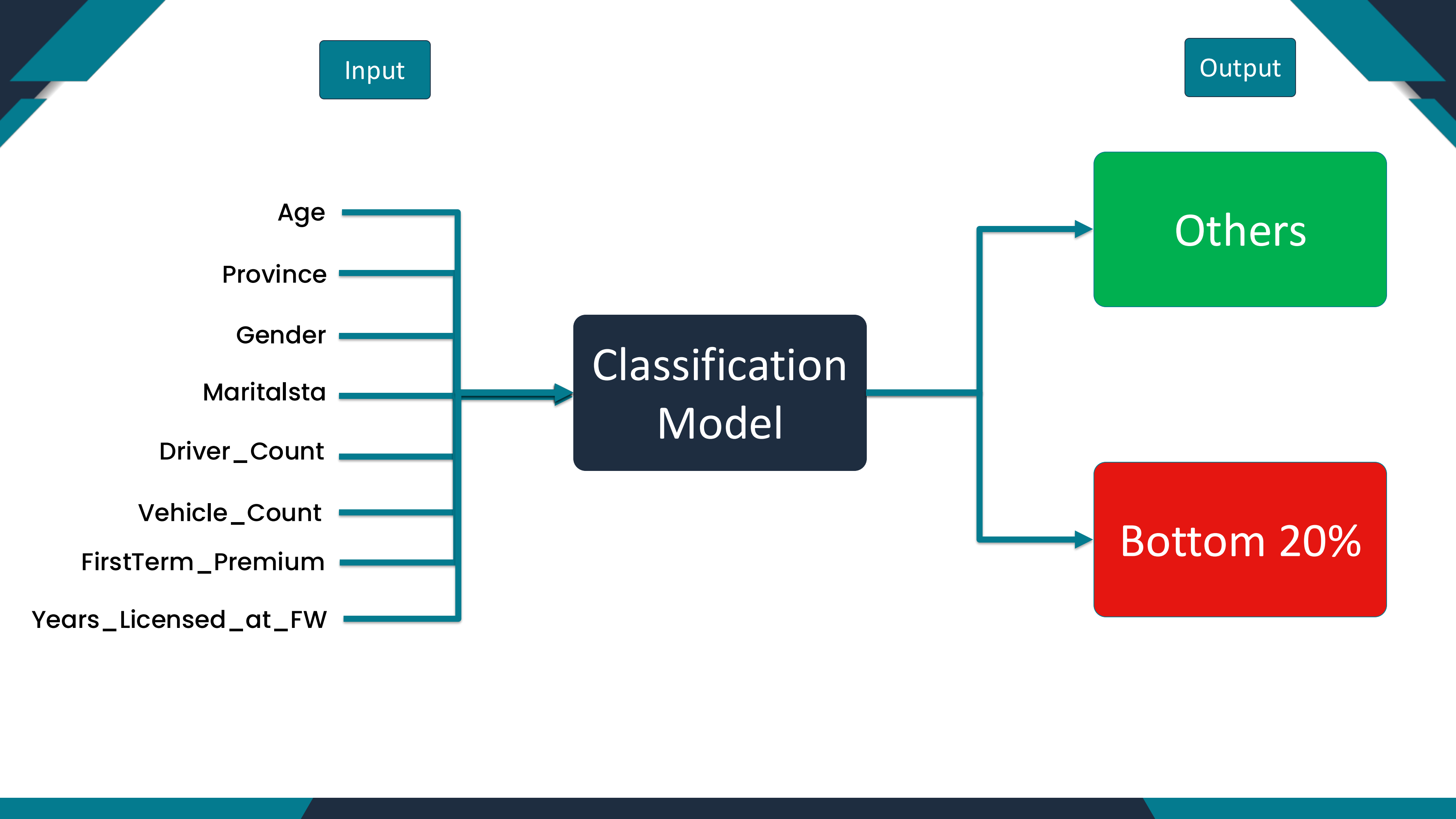
Output

Age
Province
Gender
Maritalsta
Driver_Count
Vehicle_Count
FirstTerm_Premium
Years_Licensed_at_FW

Classification
Model

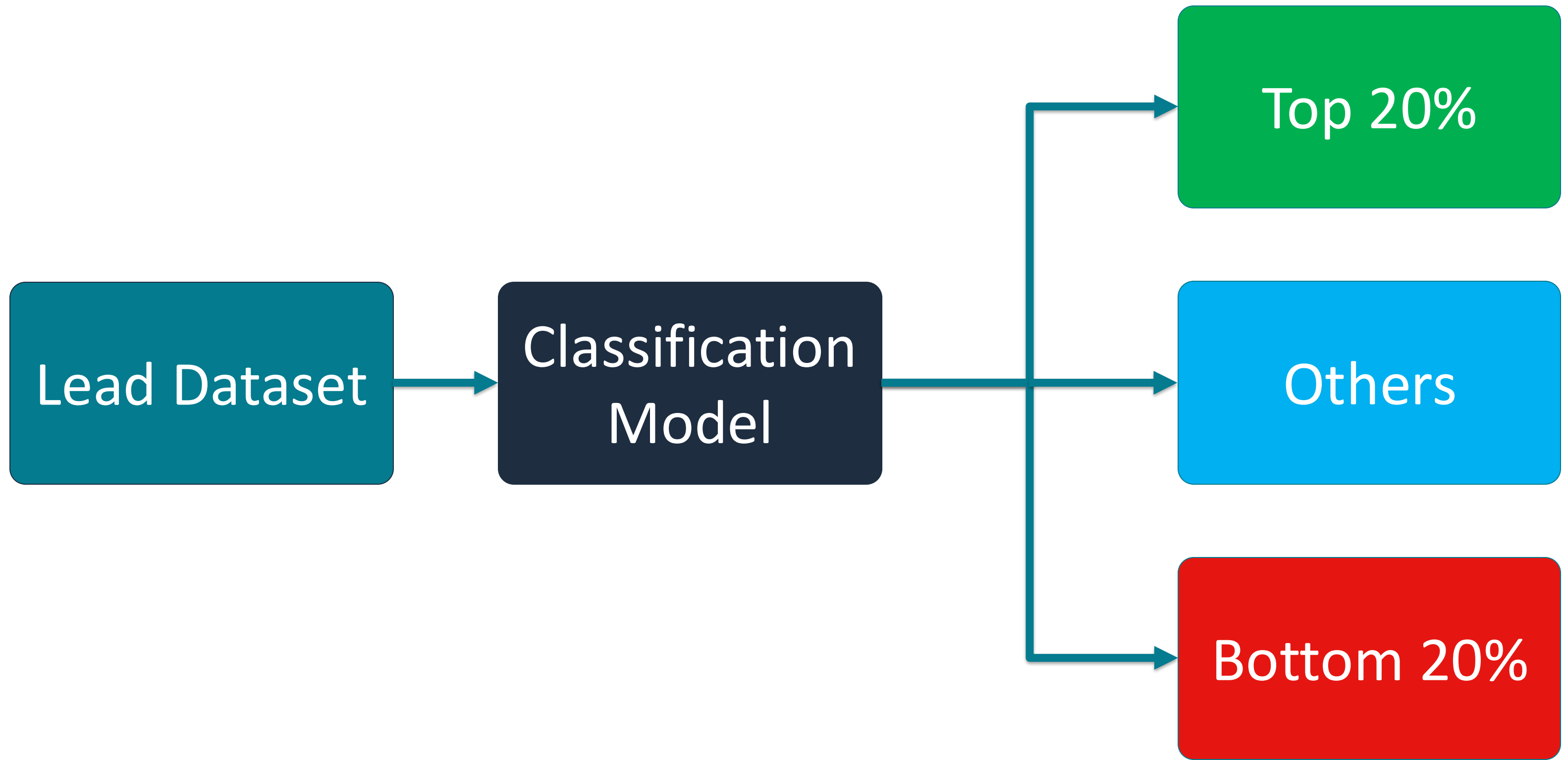
Others

Bottom 20%



Input

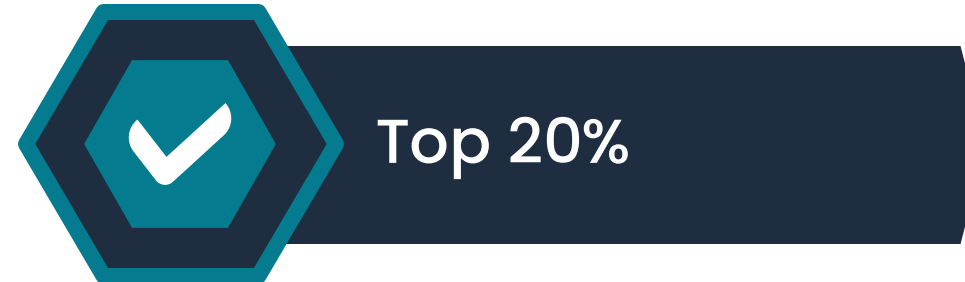
Output





Visualization with Tableau Dashboard

Marketing Strategies



- Exclusive VIP Events and Experiences
- Proactive Renewal Reminders
- Targeted Communication and Marketing Campaigns
- Enhanced Customer Service
- Upselling and Cross-Selling Initiatives
- Personalized Retention Programs

Marketing Strategies



Bottom 20%

 Automated Self-Service Options

 Limit Personalized Support

 Opt-Out of Renewals

 Proactive Cancellation Offers

 Automated Service Alerts

 Streamlined Marketing