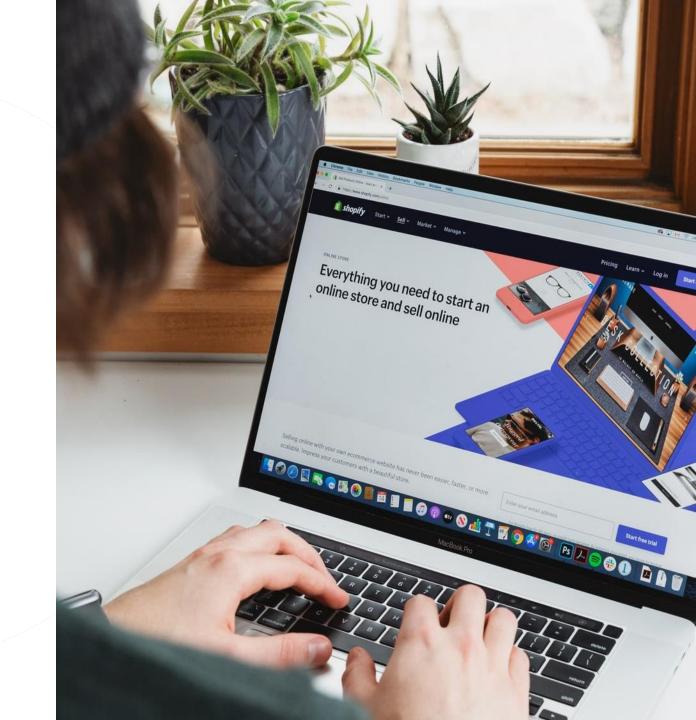
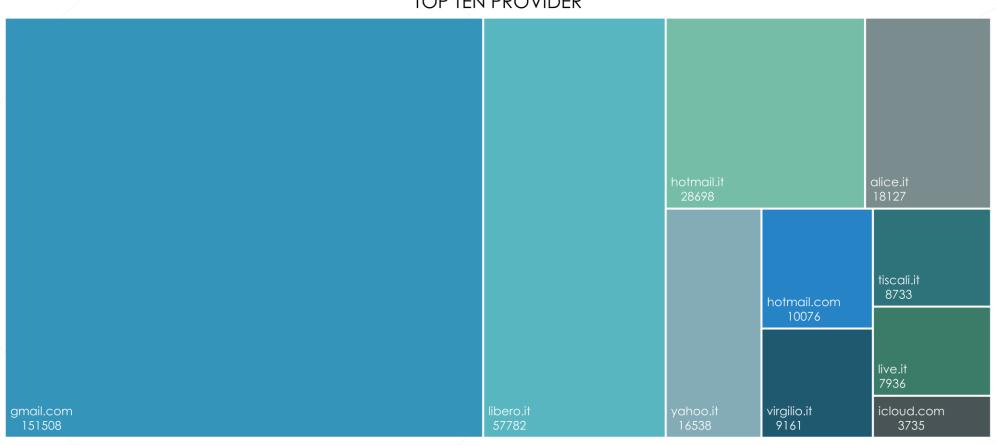
# Digital Marketing Project

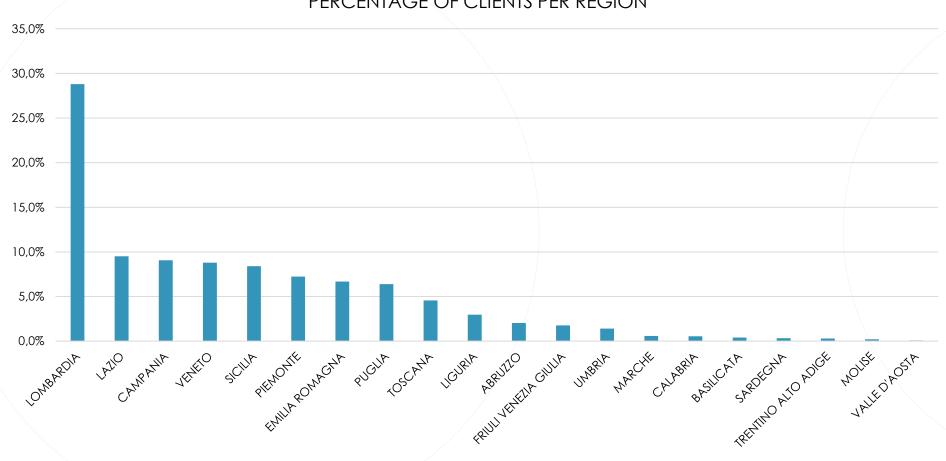
The goal of the churn model is to assign each customer their probability of leaving the agency, in order to implement specific corrective marketing actions aimed at retaining the highest value customers.

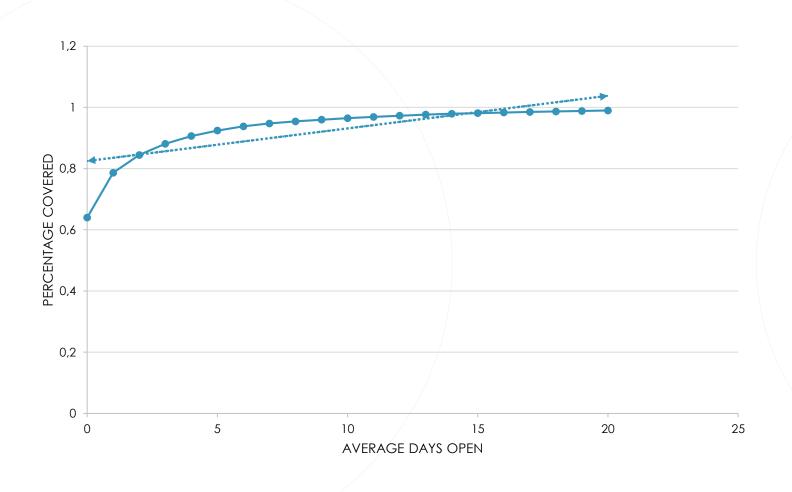


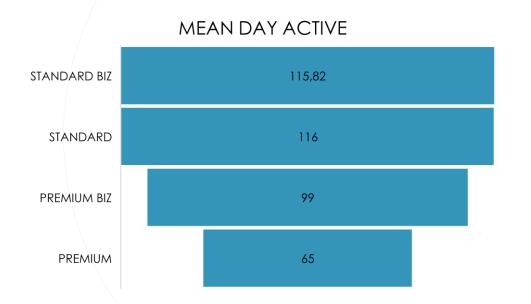
#### TOP TEN PROVIDER

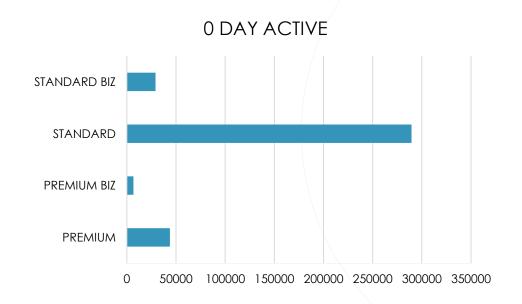


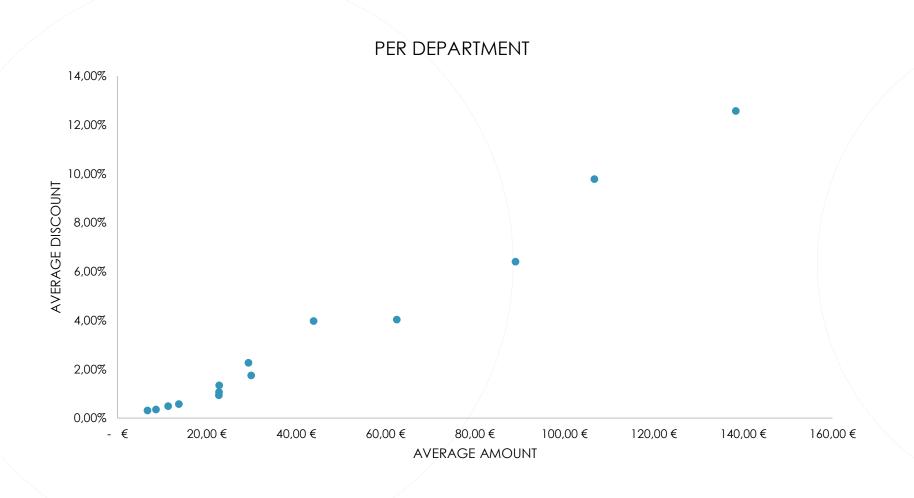


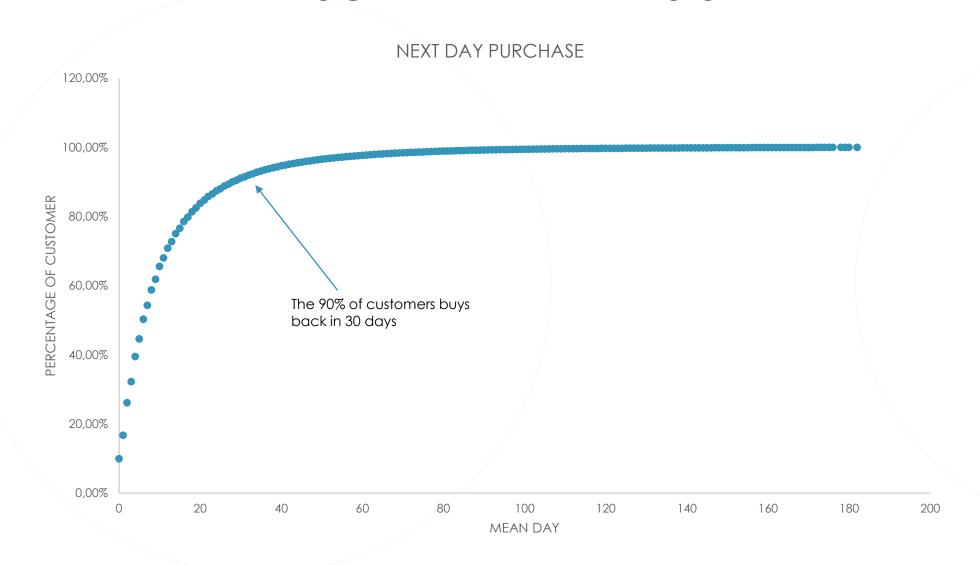












# **RFM MODEL**

### **RFM Metrics**



#### **RECENCY**

The freshness of the customer activity, be it purchases or visits

E.g. Time since last order or last engaged with the product



#### **FREQUENCY**

The frequency of the customer transactions or visits

E.g. Total number of transactions or average time between transactions/ engaged visits

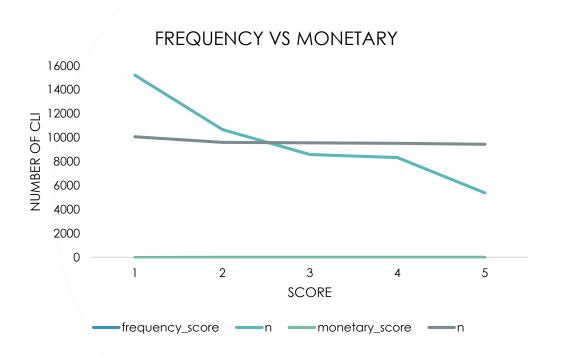


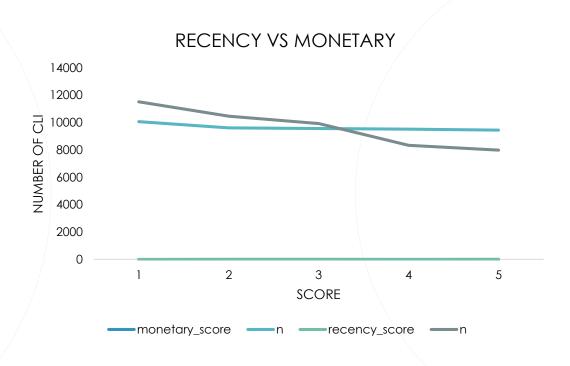
#### **MONETARY**

The intention of customer to spend or purchasing power of customer

E.g. Total or average transactions value

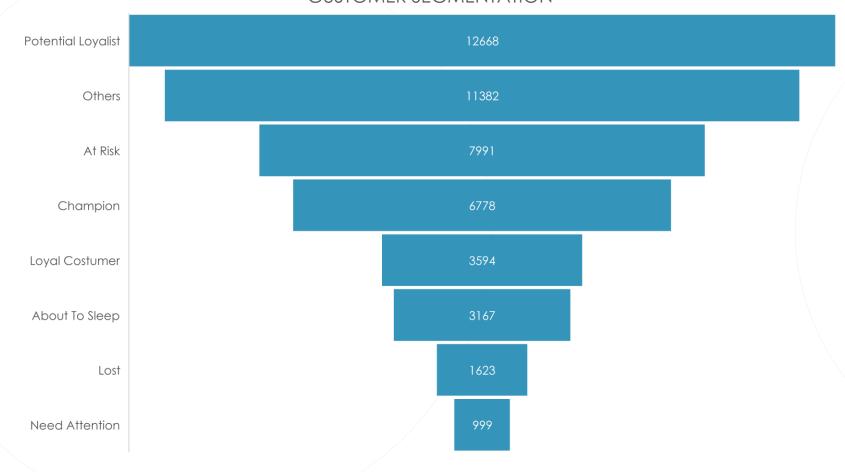
# RFM MODEL





# **RFM MODEL**

#### **CUSTOMER SEGMENTATION**

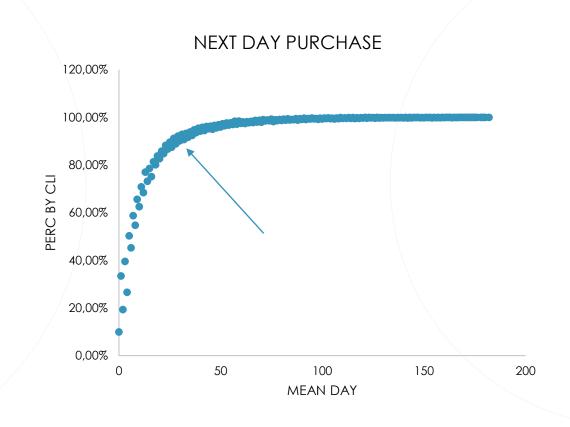


## CHURN MODEL

According to the RFM model, all those who had not bought back in the previous 30 days could be designated as "Churner".

# As variables it was decided to select:

- RFM value
- CAP
- TYP\_CLI\_ACCOUNT
- REGION
- N\_CAMP



## CHURN MODEL

Decision Tree: 75,15% Accuracy

	Actual		
Predicted	TRUE	FALSE	
TRUE	5519	1417	
FALSE	2665	6827	

GLM: 33,19% Accuracy

	Actual	
Predicted	TRUE	FALSE
TRUE	876	3667
FALSE	7308	4577

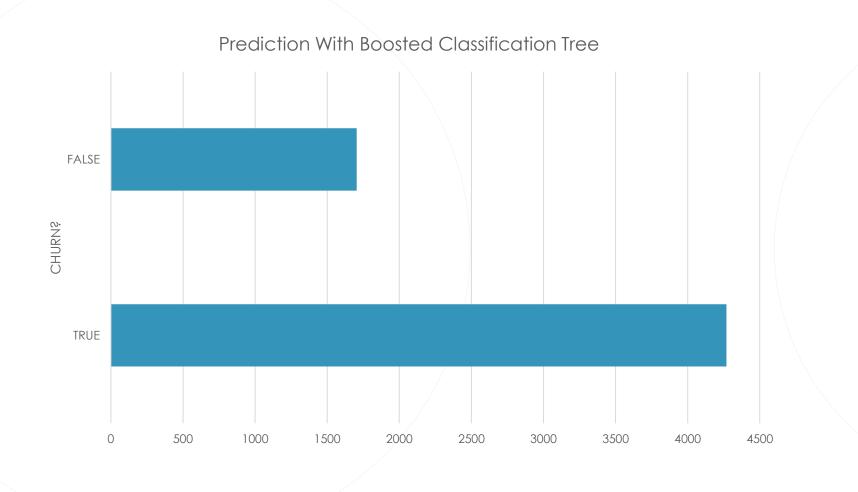
Random Forest: 75,04% Accuracy

	Actual		
Predicted	TRUE	FALSE	
TRUE	7626	3283	
FALSE	2126	8868	

BOOSTED: 75,56% Accuracy

	Actual	
Predicted	TRUE	FALSE
TRUE	5665	1496
FALSE	2519	6748

# CHURN MODEL



## FINAL REVIEW



As expected, initial analyzes showed that most users come from Lombardy and use a 'gmail' account. 90% of them buy back within the first 30 days.



Through the RFM model we have been able to divide the customers into 8 categories, in order to suggest the company to focus its efforts above all on those who are the "Champion" customers, they have the maximum frequency, monetary value and recency.



The classifier Boosted Gradient Tree can predict, with an accuracy of 75.5%, whether a customer, who has repurchased in the last month, could turn out a churner or not. Thanks to this, we can maximize the company's efforts on customers who are loyal to our brand.