Marketing Case for Capstone Course – BDA 106

Background

The Necessary Insurance Company provides Automobile insurance to both individuals and corporations throughout the USA.

Necessary has become interested in examining its client records to determine which clients are the most profitable, and conversely which are highly likely to submit claims, and should be released. To do this, Necessary has extracted a sample of approximately 10,000 records from its full database, including the following key attributes:

* Customer ID
* Location (State)
* Lifetime Value
* Coverage (Basic, Extended, Premium)
* Education Level
* Income
* Urbanity (Urban, Suburban, Rural)
* Marital Status
* Monthly Premium
* Months since Last Claim
* Months since Current Policy Commencement
* No. Current Claims
* Policy Type (Personal, Corporate)
* Offer Type
* Policy (Detail)
* Sales Channel (Agent, Branch, Call Centre)
* Total Claim Amount
* Vehicle Size
* Current Policy Expiry
* Employment Status
* Gender
* Vehicle Class

The company wants to use the data to determine the following:

1. Which characteristics are most useful in determining the value of the customers?
2. Which clients provide the highest lifetime value?
3. Which clients are most likely to make a claim?
4. Which offer is most likely to attract high-value customers? Which Sales Channel?
5. Which clients are least valuable?

These questions are only a starting point. Other information that can be gleaned will be most welcome to the Necessary Management team.