

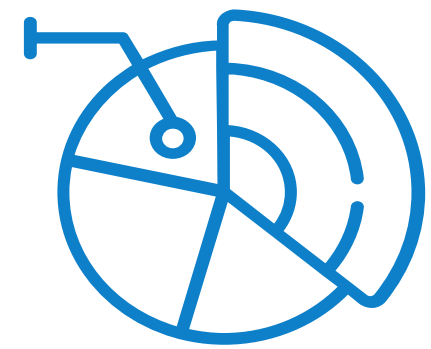


CUSTOMER LIFETIME VALUE:

PREDICTIONS & SEGMENTATION

RACHEL KESSLER

UNDERSTANDING THE PROBLEM



**Many organizations
rely on less than 20%
of their customers to
generate over 80% of
their revenue**



**On average, it's 5 times
more costly to acquire
new customers than it
is to maintain existing**

A person is shown from the chest up, wearing a light-colored shirt. They are holding a smartphone in their right hand and a laptop is open in front of them. The entire image is covered with a semi-transparent blue overlay. The text is centered over the image.

THE OBJECTIVE:

Find and **maintain** the top customers

THE OUTCOMES

01

SALES STRATEGY

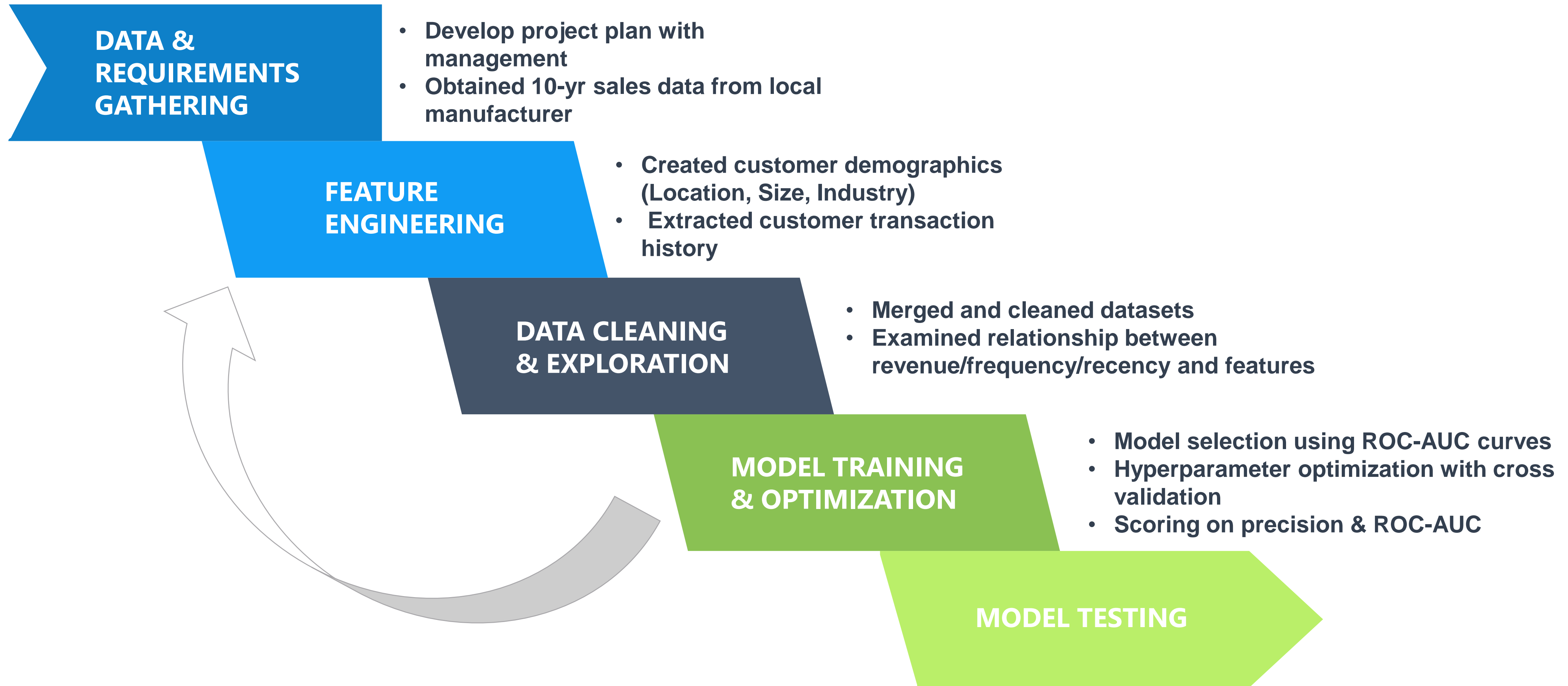
Supervised Classification
Model to Use Sales Lead
Data to Predict and Target
Top Customers by Annual
Revenue

02

MARKETING STRATEGY

Unsupervised Clustering
Model to Develop
Segmented Marketing
Strategy with Cluster
Characteristics

THE APPROACH



CUSTOMER VALUE PREDICTIONS

FEATURE ANALYSIS

HIGH VALUE CUSTOMERS

Products

FABRIC

VINYL

Location

SURREY

RICHMOND

Industry

FOOD

RETAIL

LOW VALUE CUSTOMERS

Products

BANNERS

LAMINATES

Location

SQUAMISH

ISLAND

Industry

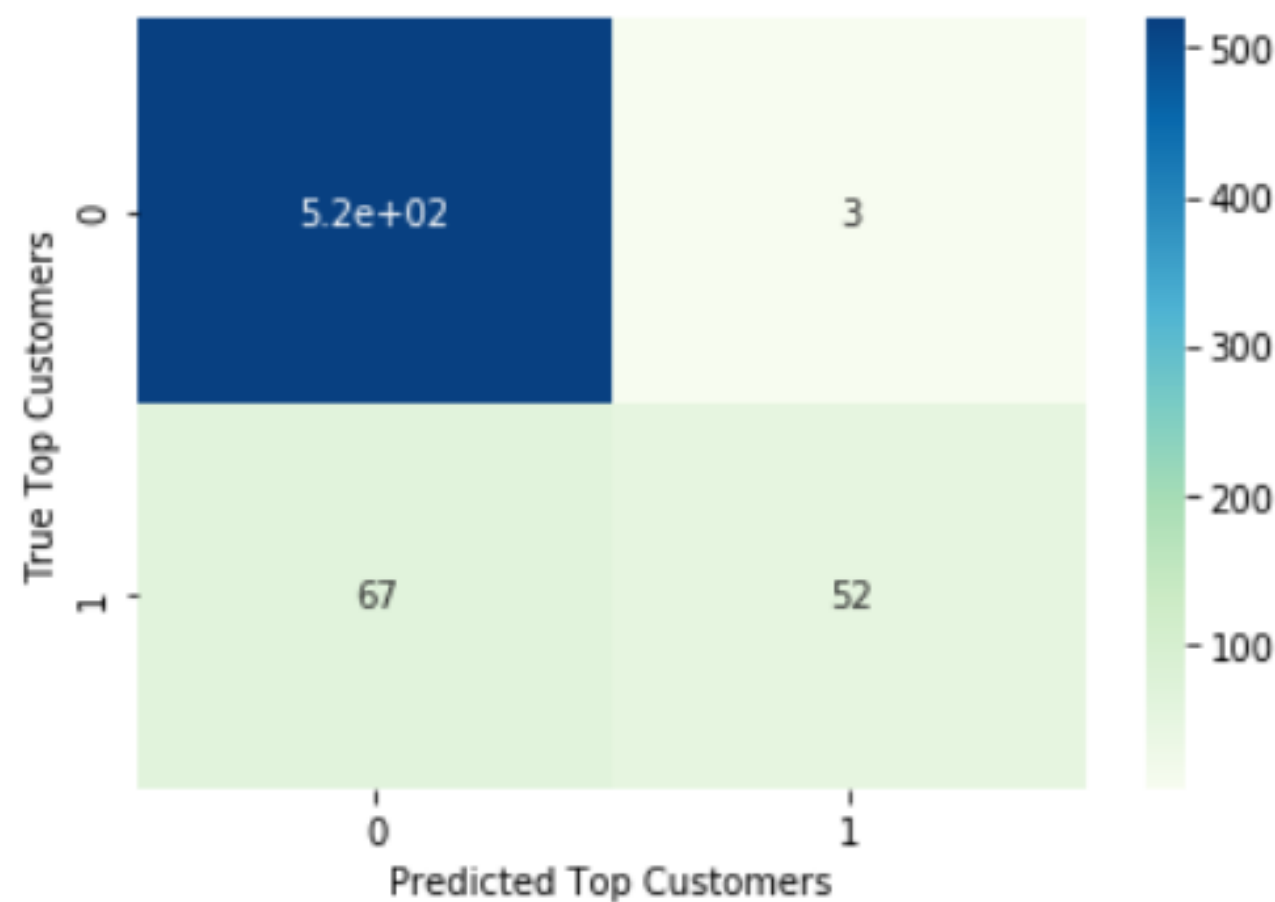
MANUFACTURING & DISTRIBUTION

LOGGING & MINING

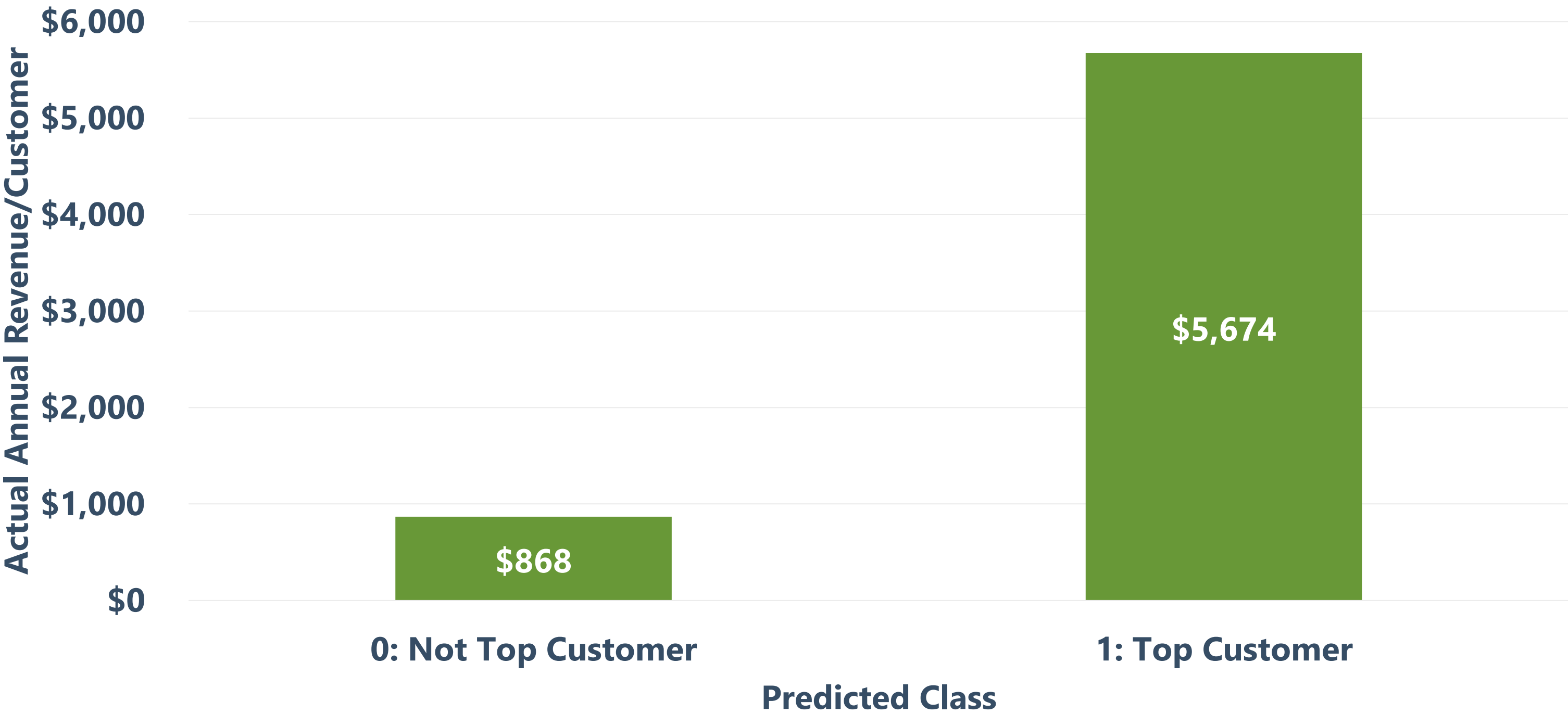
CUSTOMER VALUE PREDICTIONS

SUPERVISED MODEL RESULTS

XGBoost Classification Model Test



Model Customer Value Predictions

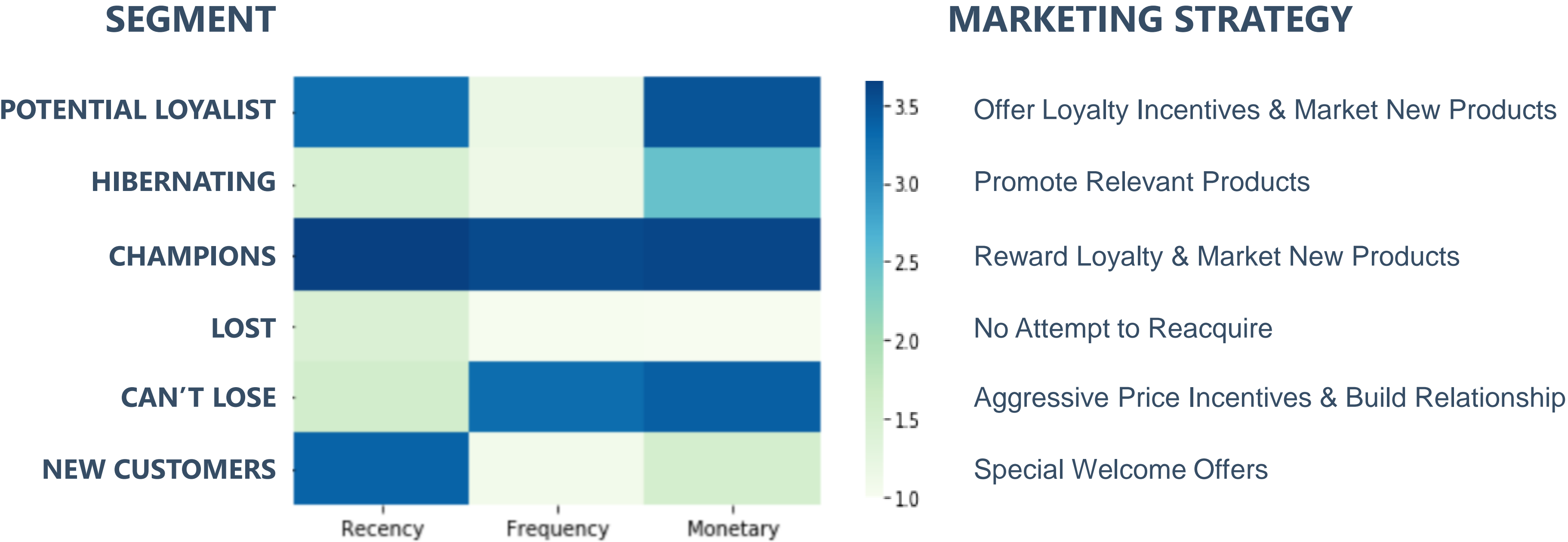


IMPACT
Additional Annual Revenue from Obtaining 50 Predicted Top Customers
\$283,700/Year

CUSTOMER CLUSTERING

MARKETING STRATEGY

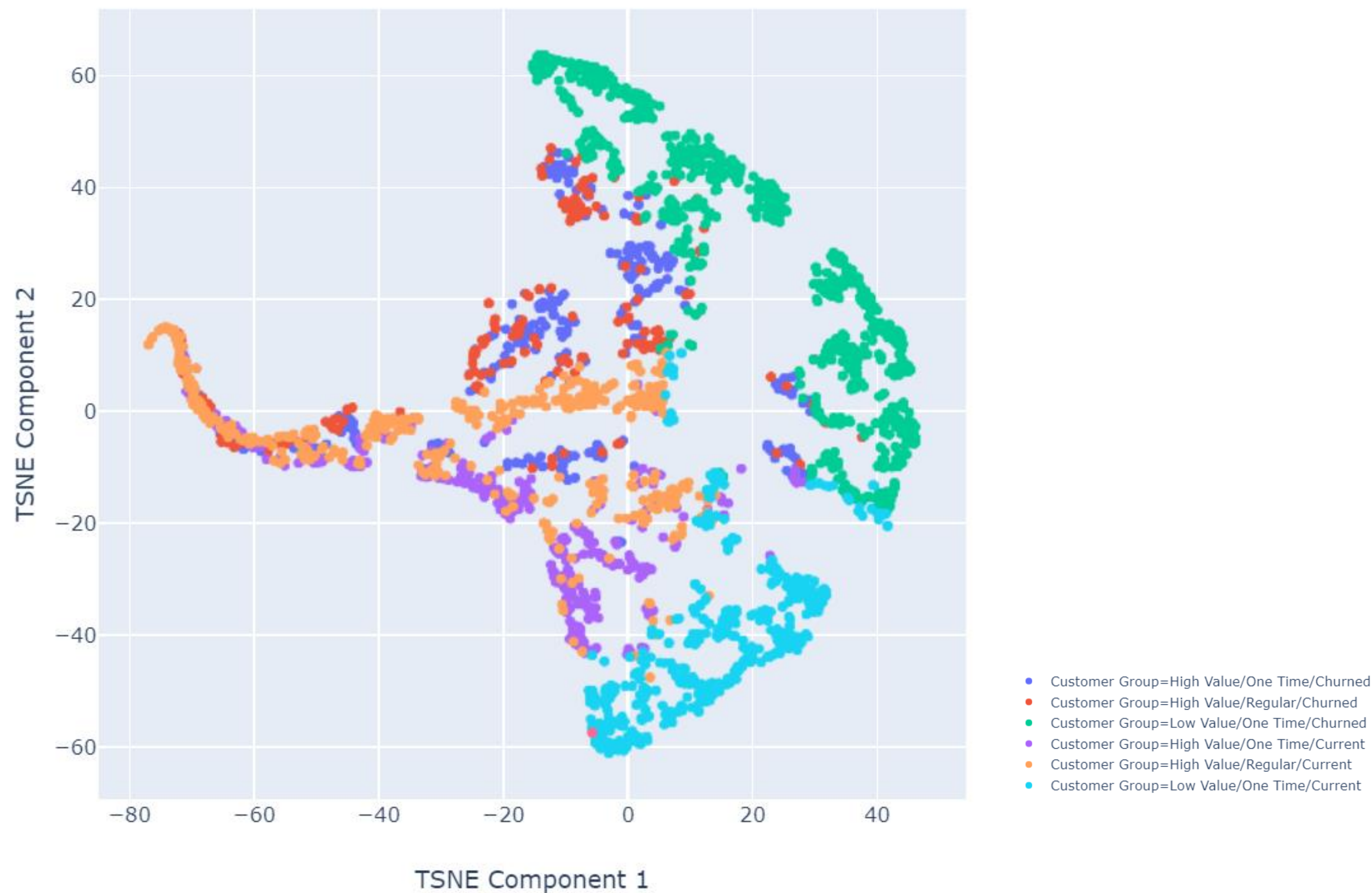
K MEANS CLUSTERING RESULTS



CUSTOMER CLUSTERING

VISUALIZING RESULTS

CUSTOMER CLUSTERS



CUSTOMER CLUSTER SEGMENTS

CHURN ANALYSIS



TOP CURRENT CUSTOMERS:

ABOUT: AVG 28 JOBS, ORDERED WITHIN LAST YEAR

INDUSTRIES: LOGGING/MINING, AUTOMOTIVE, PROFESSIONAL SERVICES

REGIONS: ALBERTA, NORTH BC, LOWER MAINLAND, SQUAMISH

PRODUCTS: METAL, BANNER, VINYL, FABRICS, TENTS



TOP CHURNED CUSTOMERS:

ABOUT: AVG 11 JOBS, LARGE, ORDERED 5 YEARS AGO

INDUSTRIES: RETAIL, HOME IMPROVEMENT, REAL ESTATE, FOOD

REGIONS: SURREY, PRAIRIES, US, ISLAND

PRODUCTS: COROPLAST, AWNING FABRIC, FRAMES, WINDOW GRAPHICS

THANK YOU

CONTACT INFORMATION



Data Science

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