# Insights

1. CLV is proposed as a better alternative for CSS, which didn’t account for the cost of serving a customer.
2. Customers are more central to firms than brands and brand equity, although current management practices in many firms do not reflect this shift. I totally agree with the statement. I see a lot of debate going on around this.
3. In wp\_3454, the author did a great job of explaining why tracking CLV is more important than just conforming to ROI. I am now interested in knowing about ABC (Activity Based Costing).
4. An appeal of CLV is that it focuses on the customer as the influencer of a company’s profitability rather than the products and sales.
5. Another appeal of CLV is it also can be applied to evaluate which new customers, not just existing ones, to target and attract through marketing campaigns and identify how much the firm can afford to spend on acquiring new customers based on their CLV.

# Questions

1. How does CLV modeling help in strategic investment planning? I can understand the target marketing and value-based customer segmentation part.
2. CLV talks about serving the top customers with high CLV values. Does that mean we should not focus on the customers with low CLV to make them profitable? Is there any approach that focuses on customers with low CLV to make them more valuable?
3. CLV essentially derives its power from the historical data. But the company’s future actions may change, and it may affect the retention probabilities of customers. How to add this sudden changes to the model?
4. Can a customer who knows about CLV potentially understand the way he is getting treated by the company and know that he is just segmented based on his CLV profile? Can we see that as customers?
5. CLV measures are not interrupted by one-time changes and financial statement surprises. But I believe a highly profitable customer might churn if he sees any surprise in the billing or price. How to explain that?