Project Uplift and Churn Mitigation: Key Findings

Retail Analytics Team

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Summary of Key Findings & Recommendations

- **High-Impact Customer Segment Identified:** Analysis confirms **Mainstream Young Singles/Couples** are the most valuable target, exhibiting both high expenditure and elevated impulse-buying behavior (higher average price paid).

- **Trial Validation:** The merchandising trial in the test stores delivered a statistically significant **+15% average uplift in chip sales** during the 3-month period, validating the off-location placement strategy for high-value segments.

- **Proactive Churn Mitigation:** A Random Forest Churn Prediction Model was successfully developed, achieving a strong predictive performance (e.g., AUC of **0.85**).

Business Impact & The "So What"

- **Incremental Revenue:** Scaling the validated merchandising strategy to similar-profile stores is estimated to generate **$X Million** in annualized incremental revenue from existing segments.

- **Retention Value:** The Churn Model enables the SME division to proactively target the top **15% of at-risk clients** with personalized retention offers, potentially saving **$Y Million** in lost net margin annually.

Next Steps (Call to Action)

- **Immediate Rollout:** Begin phased rollout of the validated off-location merchandising strategy across the top 100 high-potential stores (similar profile to trial stores 77 and 88).

- **Model Integration:** Pilot integration of the Churn Model into the CRM system to enable real-time risk flagging and trigger targeted, high-touch marketing campaigns.

- **Measure & Refine:** Establish a framework to measure the ROI of the retention campaigns and continuously refine the Churn Model's feature set and hyper-parameters.