DS223 Marketing Analytics
Group Project: Application Scenarios

Group 5 - CLV Prediction for Internet Service Provider Company

The CLV predictor will be used to segment customers into four categories:
  Lost Cause (CLV score below first quantile)
  Free Rider (CLV score between first and second quantiles)
  Vulnerable (CLV score between second and third quantiles)
  Star (CLV score above third quantile)

Application Scenario 1: Enhancing customer engagement strategies

Lost Cause: The company will focus on providing basic automated support and affordable plans to prevent further losses.

Free Rider: The company will provide targeted promotions and opportunities for upselling, encouraging these customers to increase their engagement.

Vulnerable: The company can introduce loyalty programs with discounts to ensure these customers stay engaged and continue to be valuable to the company.

Star: The company will assign dedicated account managers, and access to premium customer support, which will maximize revenue generated from these customers.

Application Scenario 2: Introducing efficient marketing budget allocation

Lost Cause: The company will direct minimal marketing efforts toward these customers, with a focus on basic retention messages and cost-effective plan promotions.

Free Rider: The company will start target marketing campaigns for these customers, showcasing upsell opportunities and promotions to drive increased value.

Vulnerable: The company will allocate marketing resources to nurture these customers with emphasize on retention and loyalty-building campaigns.

Star: The company will introduce personalized marketing campaigns for these customers, highlighting premium services and loyalty rewards to reinforce their value.

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