

## 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.