

# CLTV PREDICTOR

VALUE VS **POTENTIAL**



# MERKLE ANALYTICS. GUIDED BY OUR BELIEFS

## **Dream. Do. Deliver.**

We have a growth mindset for our people and our clients.

## **We believe**

That the future of business is customer experience.

In crafting experiences so personal and valuable that you never have to shout to make customers listen.

That data, technology and creativity hold the power to create experiences that make our lives better, easier, more meaningful, the power to make winners out of smart companies, and losers out of others.

*But that's not what makes us Merkle.*

## **We believe**

The future belongs to those who care, with fervent empathy, about the human truths in the smallest specks of data and who build experiences from that.

But that's not what makes us Merkle.

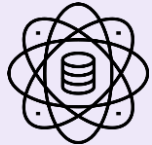
These things we believe.

But you know what they say about faith without works...

We do more than just 'believe'. We drive progress.

*And that's what makes us Merkle.*

# We help our clients to put data at the heart of what they do



## Harness your data

Capturing, storing and accessing your data in the right way

- Optimise technology setup
- Cloud service engineering
- ML Ops and IoT



## Learn from the past

Driving actionable insights from yesterday for a better tomorrow

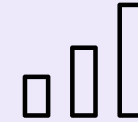
- BI and visual Analytics
- Investigative Analytics



## Predict the future

Go beyond that has happened in the past, predict what will happen next and take informed actions for the best outcomes

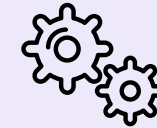
- Data Science and AI



## Prescribe better outcomes

Understanding the best course of action to optimise all areas of your business

- Marketing Optimisation
- Experience Optimisation
- Business Optimisation



## Embed the practice

Build, nurture and grow best in class teams

- Build your analytics team
- Training

## Drive the direction

Navigate the right path on your analytics journey



Analytics Maturity and Roadmaps

# CLTV Predictor overview

## What is it?

### Objective:

We combine sales data with marketing and acquisition costs and then overlay Geodemographic segments to give a 3 year forecast of your customers future value to identify and describe future high value groups.

### Use Case:

Geodemographic segments can be used to identify pockets of populations with low penetration or high value in order to acquire more of the customers you want.

## Value Add

### Who is it for:

B2C businesses whose customers typically make multiple purchases within an annual period.

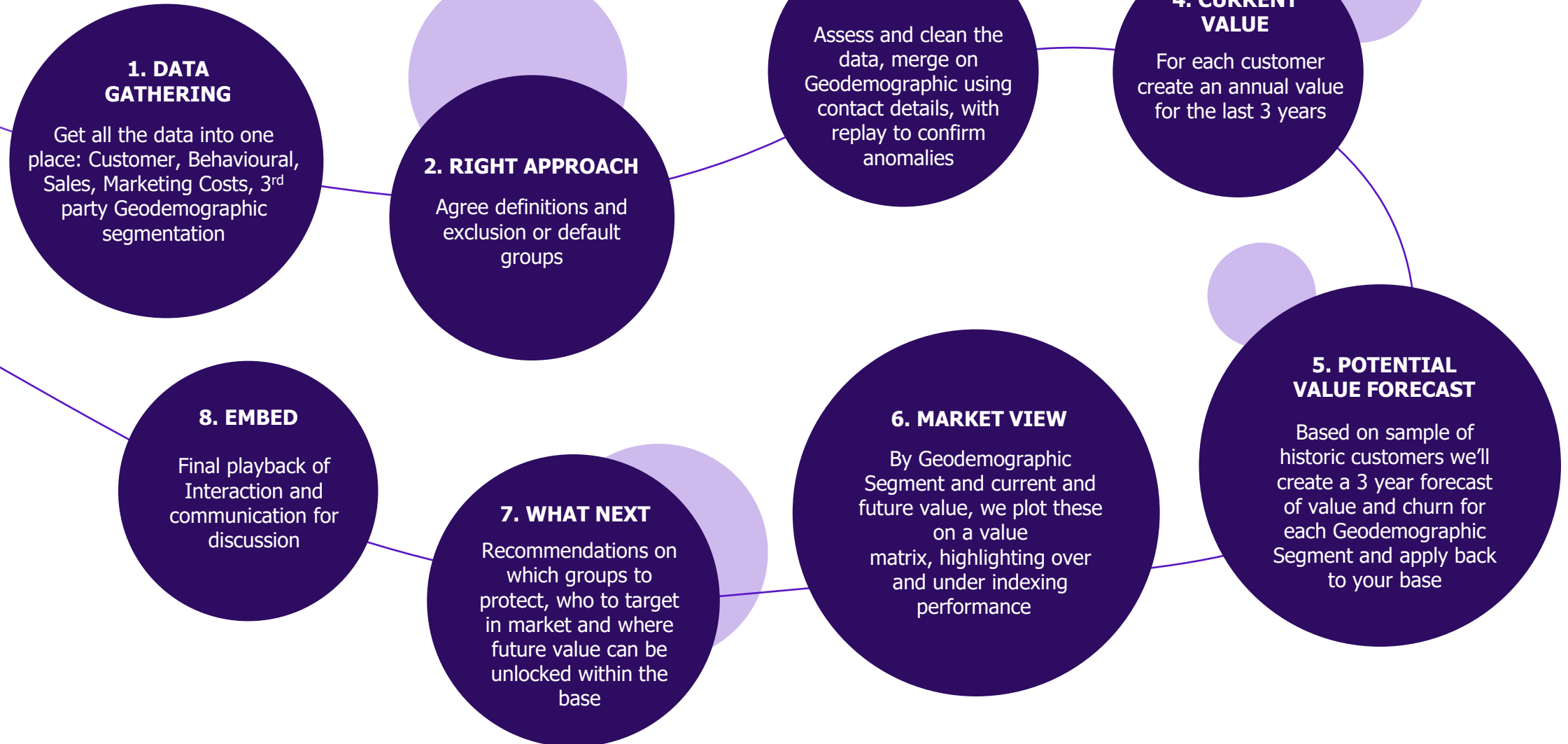
### Pros for you and your business:

Combine with your digital media activation to activate for prospects, quick turnaround, actionable insights, optimise ROI, budget & direction focus.

## Why do you need it?

The **CLTV Predictor** enables you to Identify high value customers; under-performers and pockets of future value. With this lens on your customers you can identify your target markets and the size of opportunity, ensuring you focus your budgets on areas of greatest potential and grow your customer base in the right way.

# How do we do it?



# Next steps

1

## What do I need to do?

We will need access to three years of customer level data including Contact details, Sales and Relationship length.

For appending Geodemographics Segments we'll need to merge using contact details, typically only a postcode, this is done separately to the rest of the analysis to minimise access to PII.

2

## What's included and what will I get?

- Stakeholder workshop
- Merge of Cameo
- Analytics data assessment
- Customer Value Equation
- Future Value Forecast
- Geodemographic Segment Report
- Recommendations & focus areas
- Playback sessions

3

## How much does it cost?

£50k, one off configuration fee for customer value + £16k annual UK Geodemographic licence\*. £3k per month for maintenance, hygiene checks, value refreshes and annual Geodemographic rematch. Exclusive of VAT.

4

## How long will it take?

6-8 weeks

5

## What might you consider next??

- Enhanced CLTV
- Customer Health
- Valued based Scenario Planner
- Campaign Analysis

# Meet the team



**Dan Wigley**

**Analytics Practice Lead UK**

Dan is responsible for leading a team of 250+ specialists. He has over 13 years' experience in a wide variety of Data and Technology platforms, with an expertise in analytics and website optimisation. He has a proven track record and experience across a broad range of verticals having worked with over 100 of the UK's biggest brands'



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**Alice Hodgson**

**Head of Analytics Delivery**

Expert knowledge in the application of data science techniques such as propensity modelling, segmentations and text analytics in business contexts, with particular specialism in CRM and operational analytics



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## Finding the Opportunities

### Business challenge

The insurance market revolves around the date when insurance policies come up for renewal. In order to retain customers, our client like many insurance brokers, needed to create effective marketing communications. They wanted our help to identify the customers, which if contacted at the right time with the right offer, could be persuaded to stay.

### Merkle solution

We built a technical uplift model to predict the incremental impact of a marketing treatment. The complex model was able to refine the contact strategy – focusing resources on ones that could be influenced, and taking care around those who would be more likely to buy if left alone.

### Client outcome

Improved marketing effectiveness, as renewals are optimised based on conversion and profit purchase paths. By applying the technique, we identified £20m increased income in a 12-month period with negligible impact on customer attrition.



