
On the value of incorporating sequential information into predictive analytics classification models for analytical CRM

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Abstract. This keynote talk gives an overview of different methods to incorporate sequential information into classification models for predictive analytics in marketing. More specifically, we zoom in on SAM (sequence alignment methods), Markov, MTD, MTDg, and Markov for Discrimination, and Survival analysis.

It has been shown time and again that sequential data adds value to predictive models in marketing. We discuss applications of these techniques in financial services, fast-moving consumer goods (FMCG), and home appliance. Sequential data captures two aspects: 1. Order, 2. Timing. We show that sequential information is useful for cross-sell modeling (PRINZIE et al. 2006b, 2007) as well as customer churn modeling (MIGUEIS et al. 2012a, 2012b; PRINZIE et al. 2006a) in analytical customer relationship management.

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Keywords

PREDICTIVE ANALYTICS, SEQUENCE ANALYSIS, ANALYTICAL CUSTOMER RELATIONSHIP MANAGEMENT