



Predictive Analytics

SOLUTION DESCRIPTION

Predictive Analytics is a collection of models that use statistical algorithms and machine learning techniques to identify the likelihood of future outcomes based on historical data. Made actionable via segmentation filters, Listrak's predictive models predict future customer and subscriber engagement and value.

SCOPE

Predictive Analytics includes eight (8) predictive models, each of which calculate predictions for every customer:

1. **Predicted Future Spend:** calculates the predicted future spend of a customer over the next 12 months.
2. **Predicted Lifecycle Stage:** determines where a customer is in his lifecycle: active, at risk or churned.
3. **Likelihood to Purchase:** calculates the probability that an individual is going to purchase an item within the next 14 days.
4. **Likelihood to Click:** calculates the probability that an individual is going to click a link within an email within the next 14 days.
5. **Likelihood to Open:** calculates the probability that an individual is going to open at least one email within the next 14 days.
6. **Likelihood to Unsubscribe:** calculates the probability that an individual is going to unsubscribe from an email list within the next 14 days.
7. **Coupon Affinity:** calculates how likely a customer is to purchase with a coupon.
8. **Discount Affinity:** calculates how likely a customer is to purchase with a discount.

Additionally, Predictive Analytics includes a dashboard that visualizes how your customer cohorts are classified by each predictive model. The Predictive Analytics dashboard helps you more easily spot trends and opportunities with your customers.

Finally, as an added value, Listrak will create six (6) frequently used predictive-based audiences for future use:

1. At Risk of Churning
2. Churned Customers
3. Customers with Highest Future Spend
4. Most Likely to Open
5. Most Likely to Purchase
6. Most Likely to Unsubscribe

Integration Guidance

- Listrak will ensure that your existing customer and transactional data is of high enough quality to deliver confident predictions and classifications. This includes checking for coupon code and order discount fill rates within your order data feed. Listrak will also validate for an excess of potentially duplicate orders which could skew predictions.
- Issues that may impact prediction confidence will be discussed with you prior to Listrak enabling Predictive Analytics.

Application Setup, including the following:

- Listrak will enable the eight (8) predictive models listed above.
- Listrak will enable the Predictive Analytics dashboard for '2' users within your company.
- Listrak will create six (6) commonly used, pre-built audiences listed above.

ADDITIONAL NOTES

Any feature or functionality not expressly addressed in this scope document is considered out-of-scope by default.

Any changes to the solution scope as provided from Listrak may require a statement of work and additional investment. A custom scope definition will be provided in a separate document for your review.