

***Strategic Retail Marketing
Through DGP Based Models***

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Abstract

Since most of the retail businesses operate in a non-contractual setting the relationship with the customers poses difficulties in differentiating between the customers who have attrited voluntarily and those who are in the middle of their long cycle transaction behavior. Therefore formulating an effective CRM strategy in retail poses a significant challenge. Following Fader et al (2004 & 2005) this paper tries to propose a DGP (Data Generating Process) based predictive strategy with the past purchase transaction data, which would help the business to improve the overall marketing performance with minimum data requirement. Finally, based on the insights from this analysis, a Retail Strategy Booster (RSB)[®] is developed to guide the business for future customized marketing strategies.

WORKING PAPER 29/2008

March 2008

Price : Rs. 35

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