



Know the customer. Know the company.

CLV Ultra

Ask Me Anything

Learn more about CLV Ultra and join the pilot

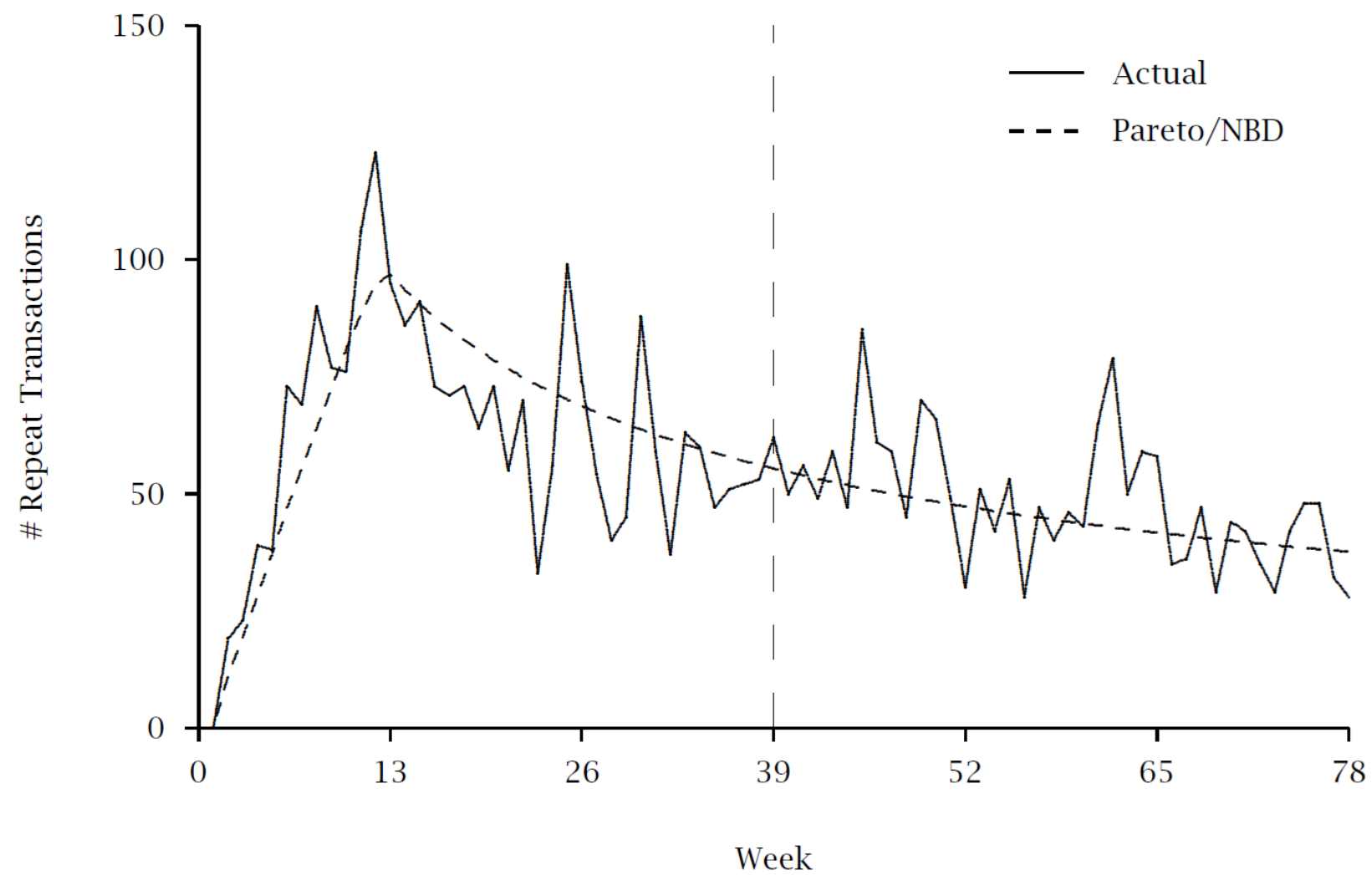
Read about CLV Ultra:

- [How CLV Ultra can help you boost your marketing ROI](#)
- [Technical introduction to CLV Ultra](#)
- [Why is model accuracy important?](#)

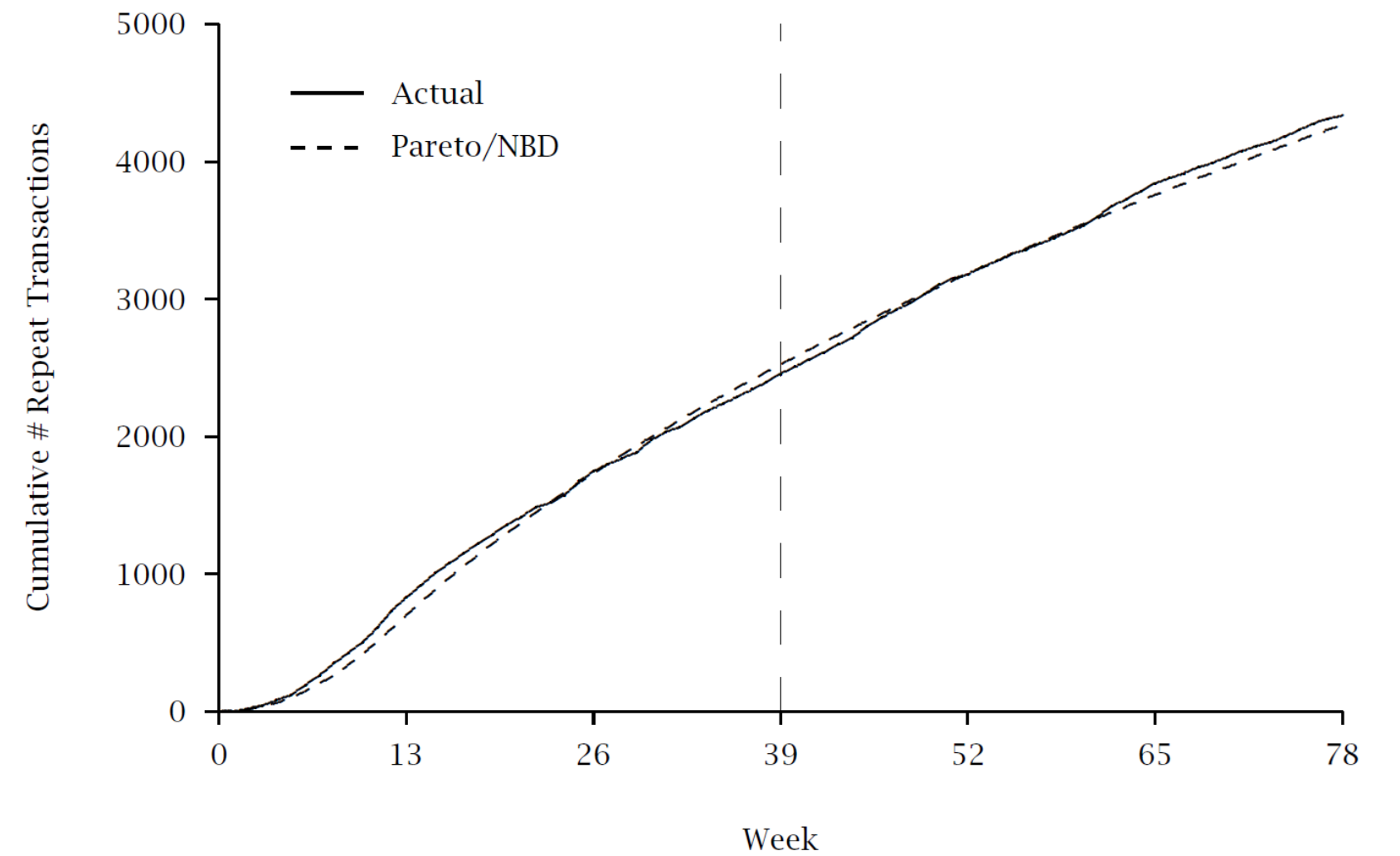
[Join CLV Ultra Pilot](#)

For comparison, Pareto/NBD model performance

Tracking Weekly Repeat Transactions



Tracking Cumulative Repeat Transactions



CLV Ultra is Theta's breakthrough CLV model that combines unprecedented accuracy with a high degree of automation

RFM-based Models

Pros:

- Easy to use
- High automation

Cons:

- Low accuracy
- No covariates (e.g., seasonality or business dynamics)
- Can't value new customers

BTYD Models (publicly available)

Pros:

- More accurate than RFM
- Reasonable way to model customer behavior

Cons:

- Highly manual
- Limited covariates (except for some proprietary models)
- Additional effort required to value new customers

Next Generation: CLV Ultra

Usually, there is a tradeoff between accuracy and automation

But we have created a model that **automatically and simultaneously:**

- Detects seasonality and other covariates
- Jointly estimate all cohorts to capture cross-cohort effects
- Accurately values new customers

CLV Ultra

Highly accurate

Automated

Scalable

CLV Ultra combines customer behavior models with advanced machine learning to automatically detect and decompose covariates

CLV Ultra

Highly Accurate

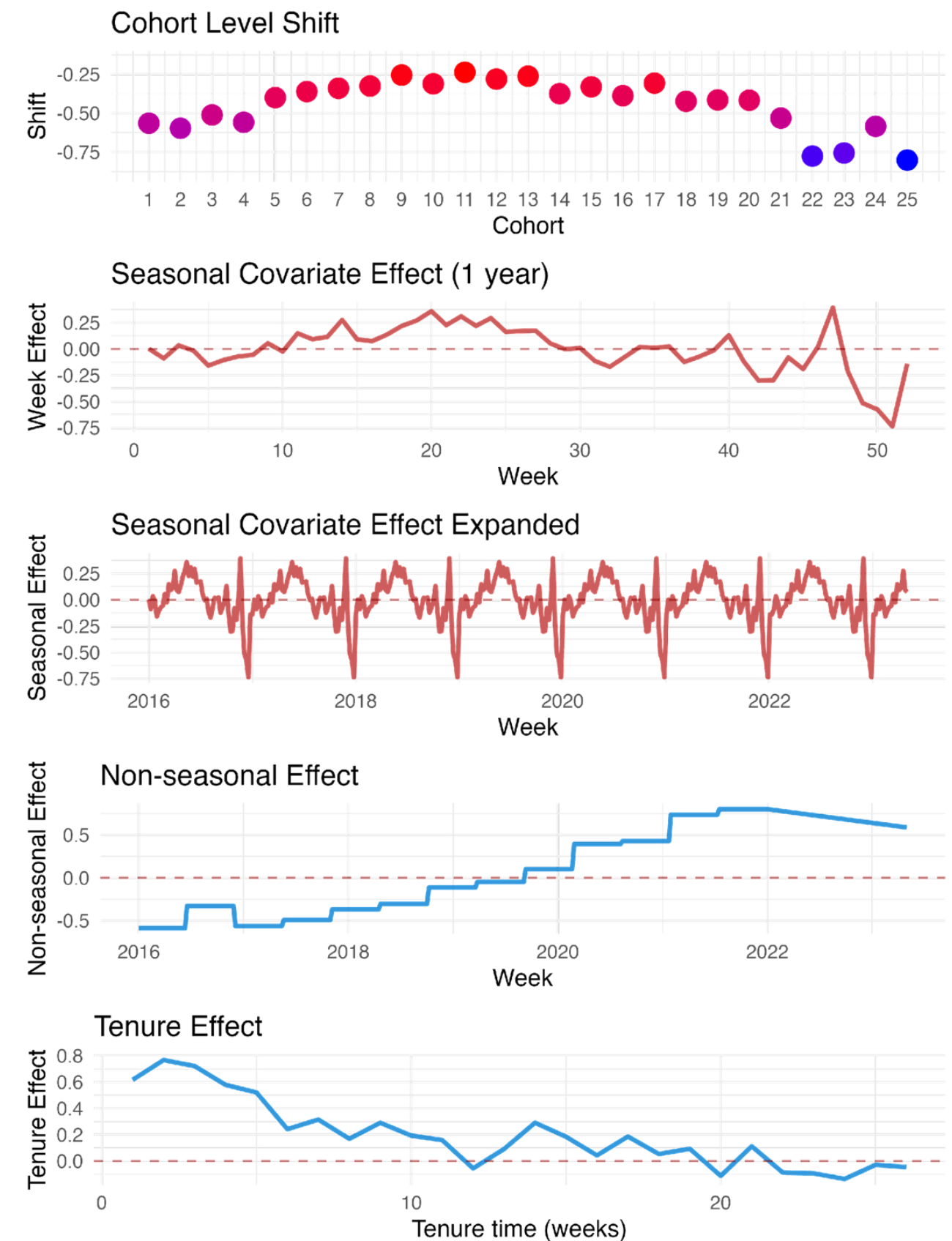
- Estimates cohorts jointly, more accurately capturing cross-cohort dynamics and customer behavior evolution
- Detects and decomposes covariates into seasonal, non-seasonal, and tenure effects
- Can incorporate a wide variety of covariates all the way down to the customer level

Automated

- Fully automated, dramatically reducing the time to validate the model and generate insights

Scalable

- Efficiently processes data for hundreds of millions of customers, making it ideal for large-scale applications



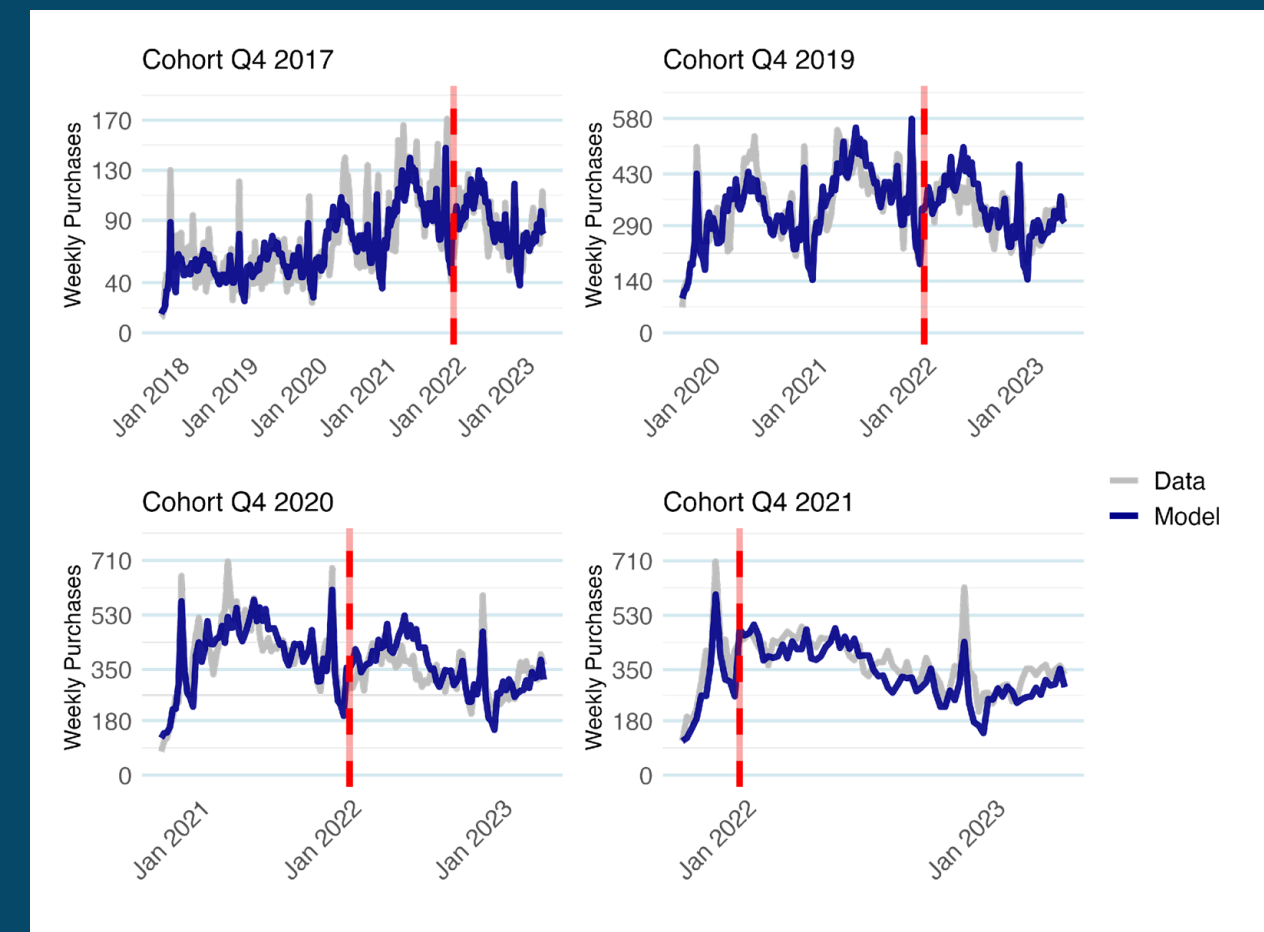
This results in quicker and even more impactful CLV improvement opportunities

Much more easily accommodates managerially relevant decision variables

Better accuracy, especially for newer customers (very important for growing companies!)

Substantially shorter turnaround times

Model outputs that are easier to interpret, showing critical business dynamics and CLV drivers

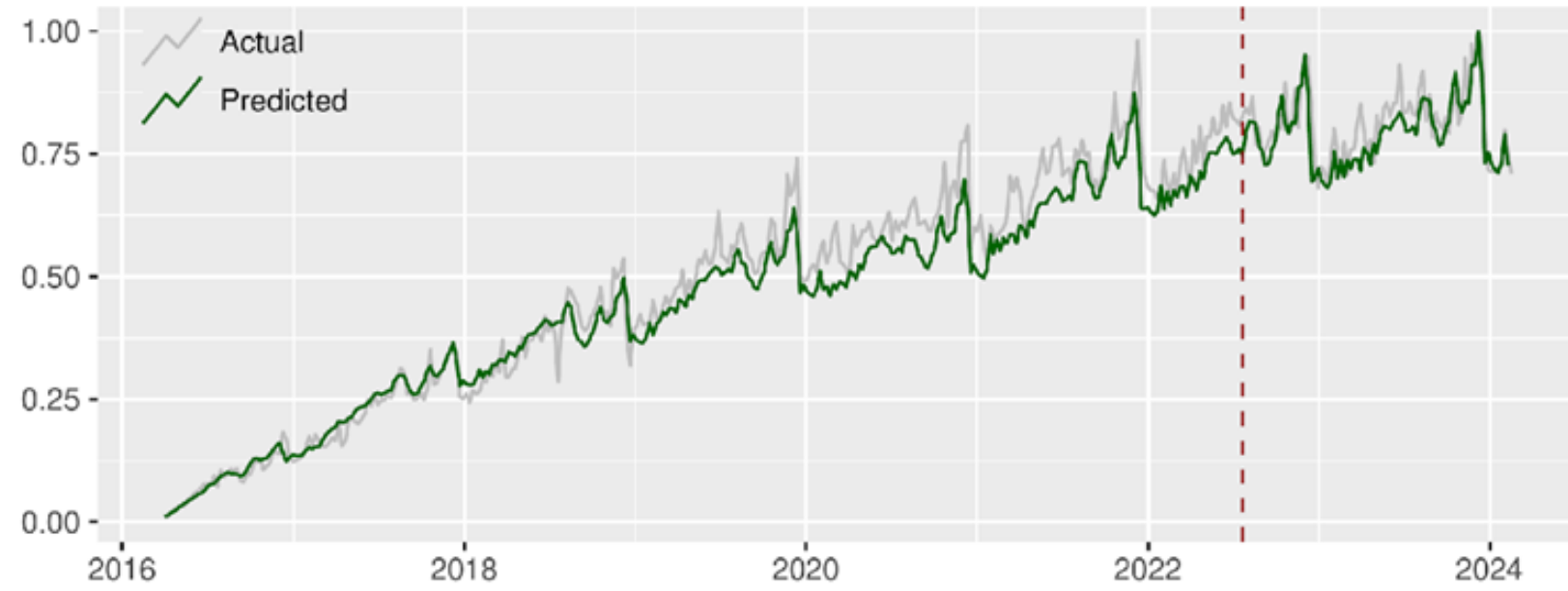


Let's see it in action!

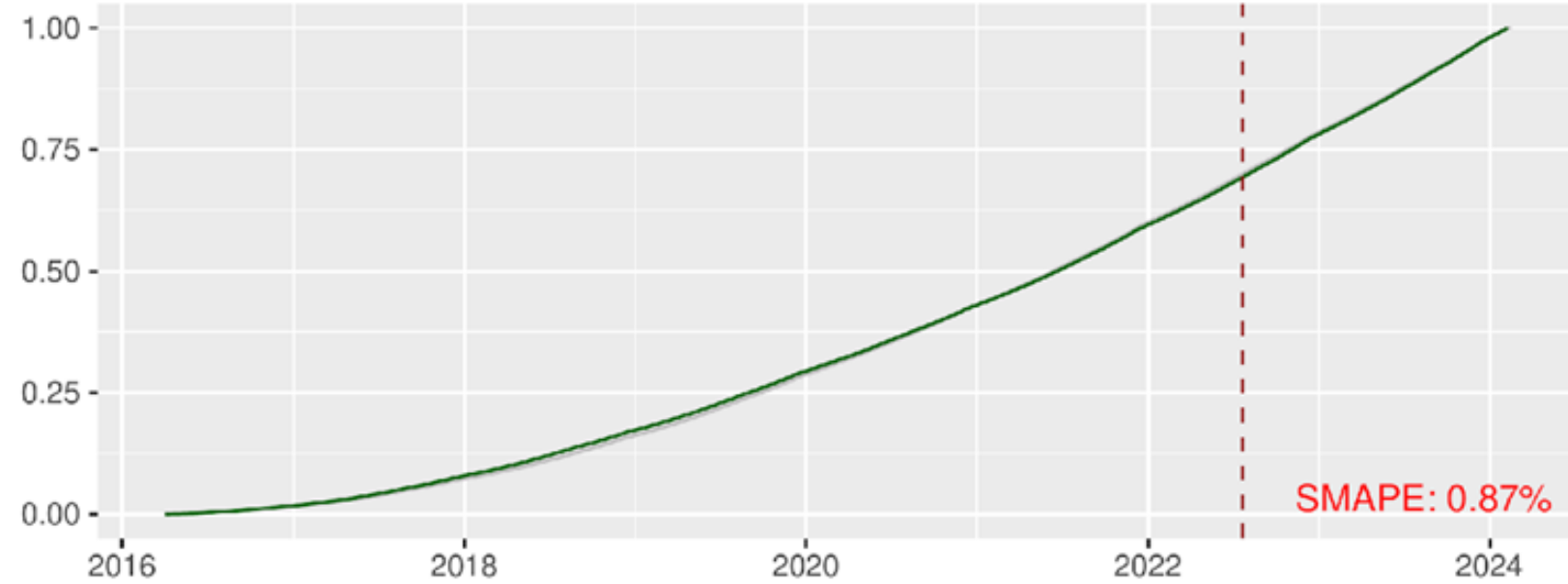
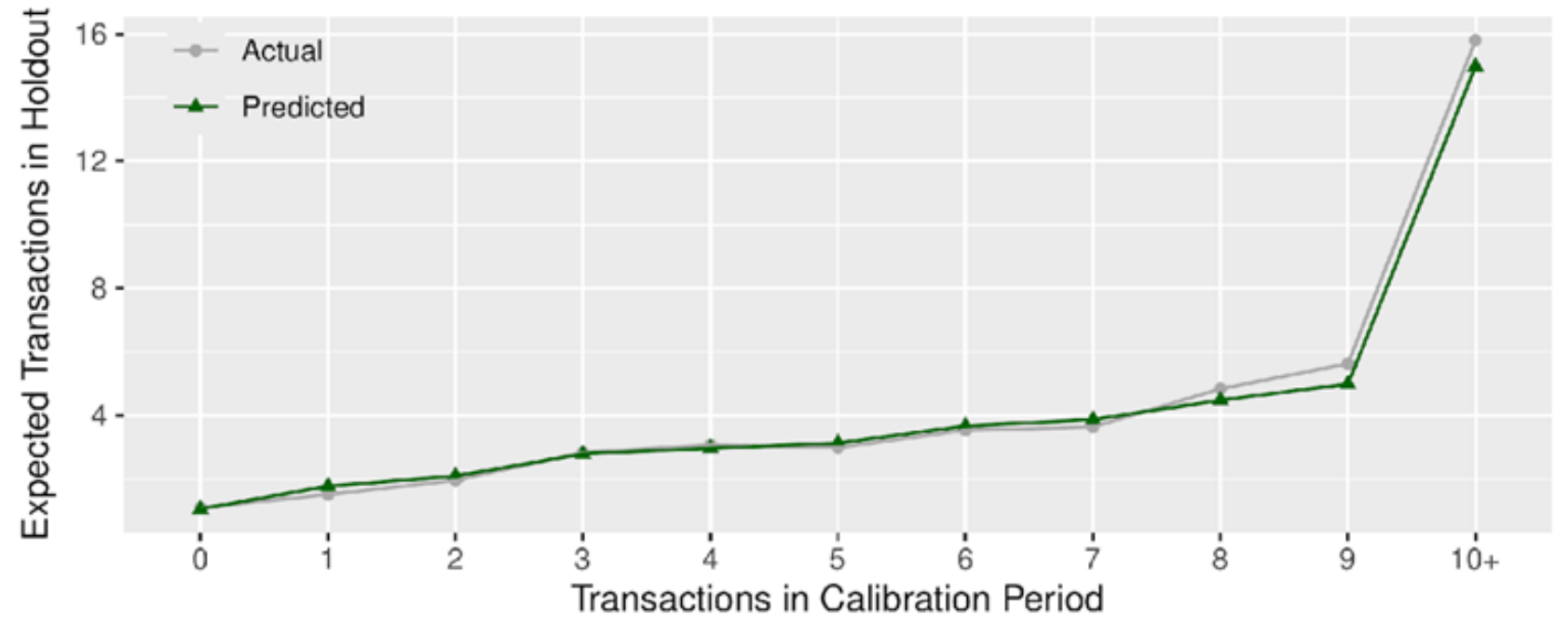
CLV Ultra

Tracking Plot

Repeat Purchases (Normalized)

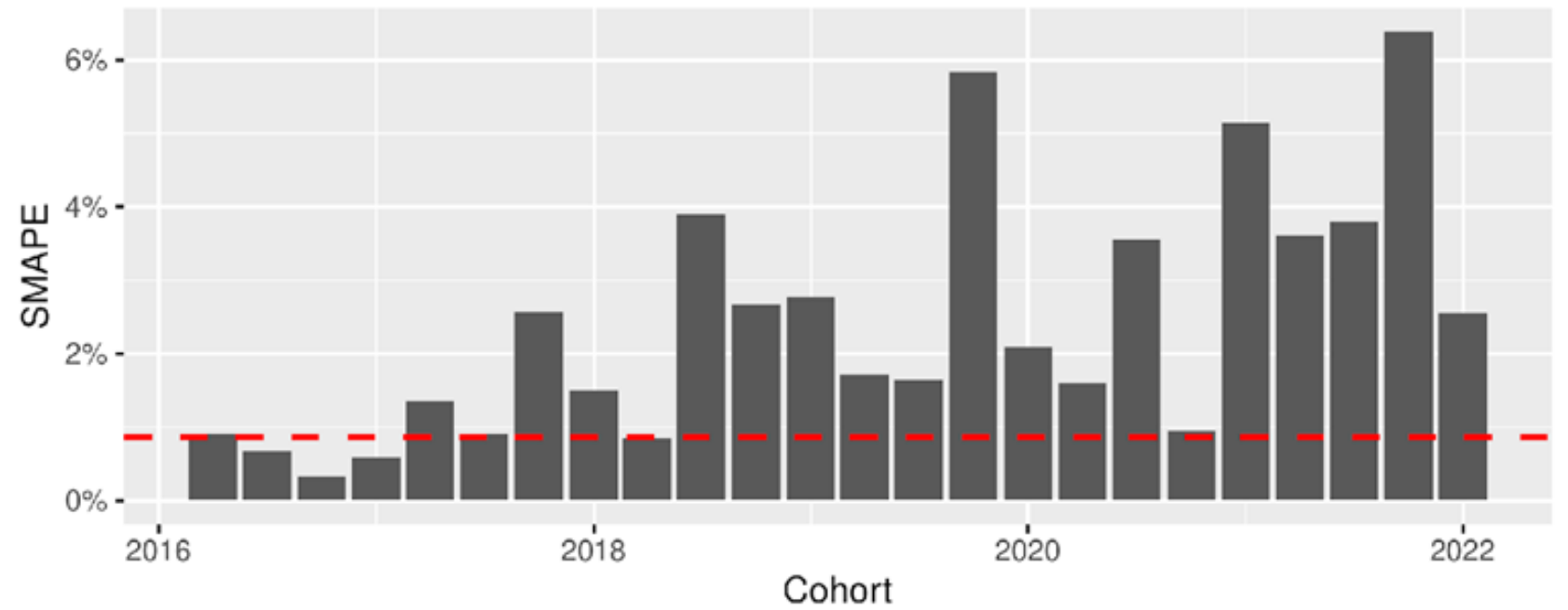


CEs (82 week holdout)



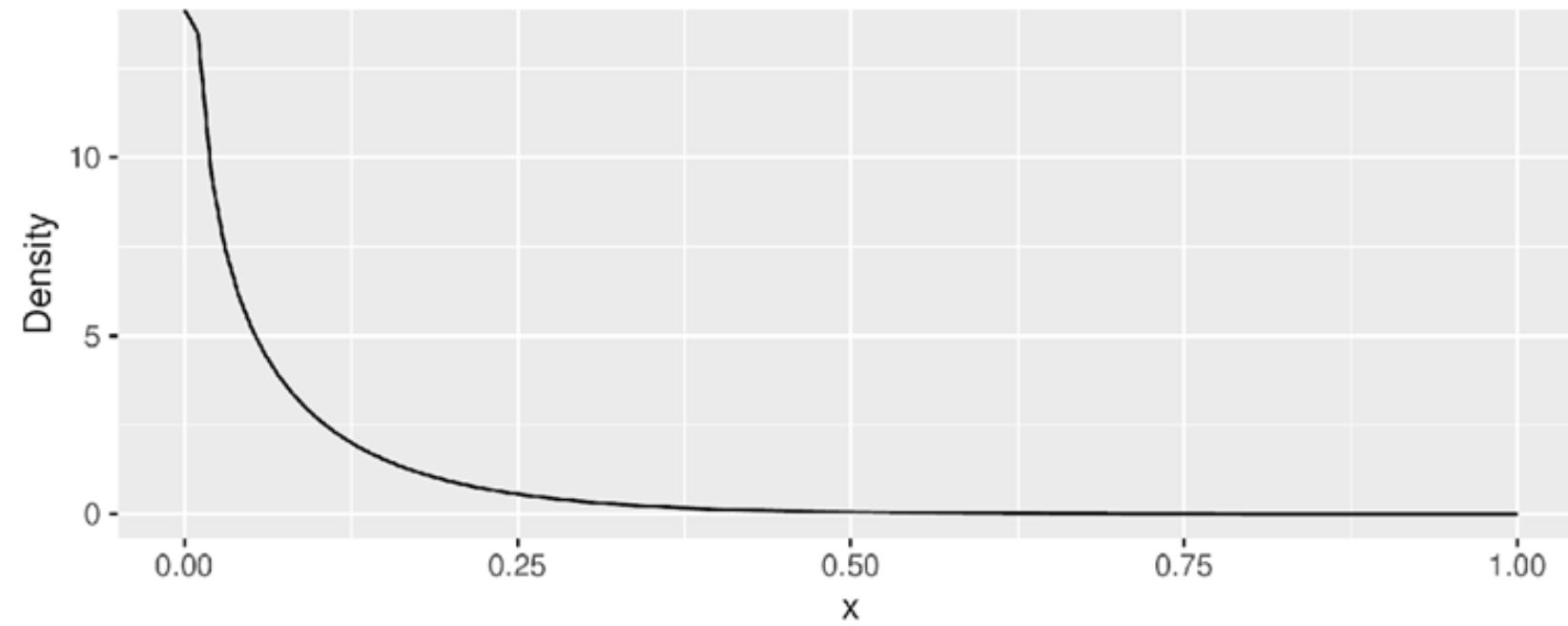
SMAPE

Cumulative Tracking Plots



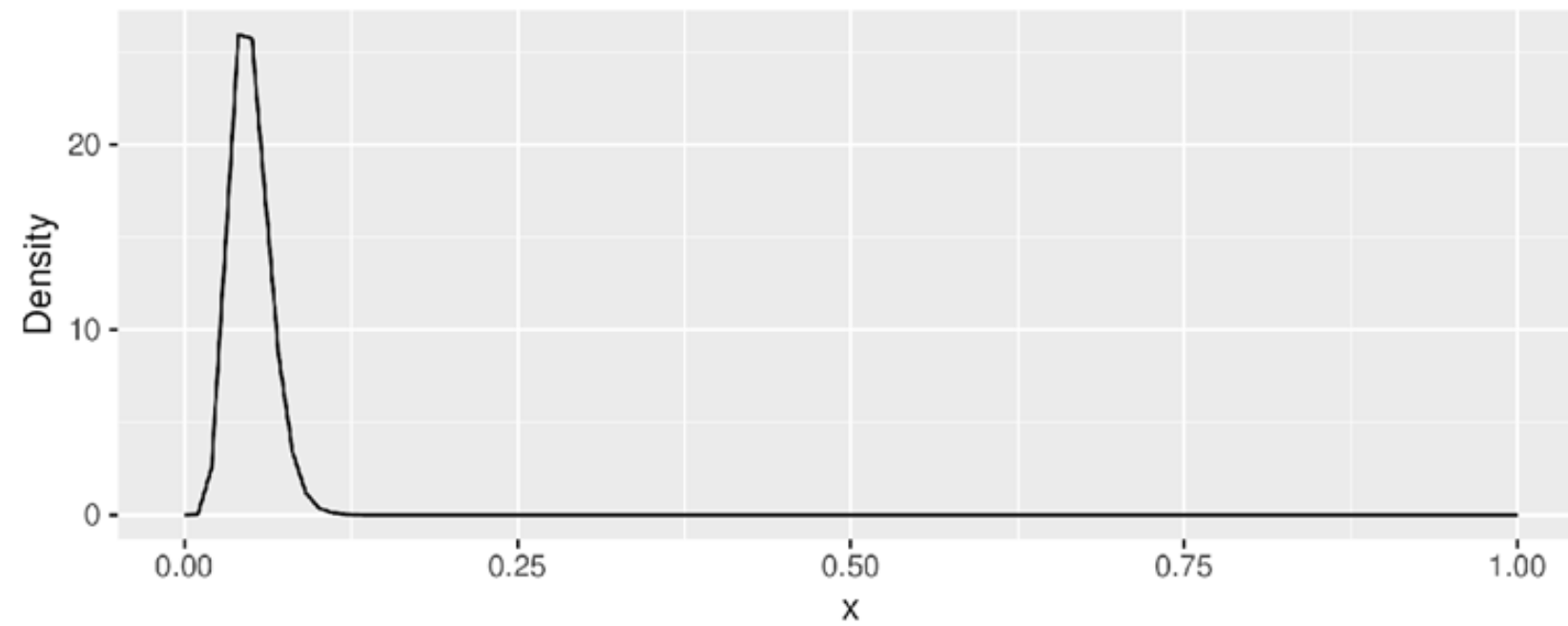
Purchase Rate Distribution (Gamma)

$r = 0.61, \alpha = 8.05$



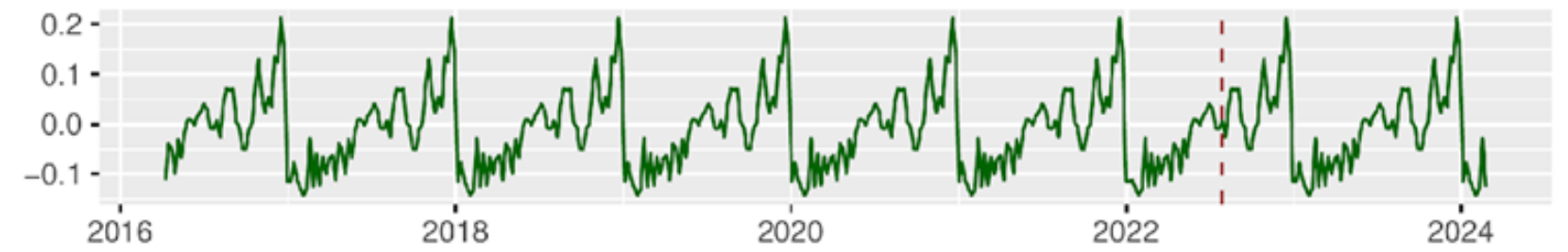
Churn Distribution (Beta)

$a = 10.26, b = 197.1, \tau = 52$

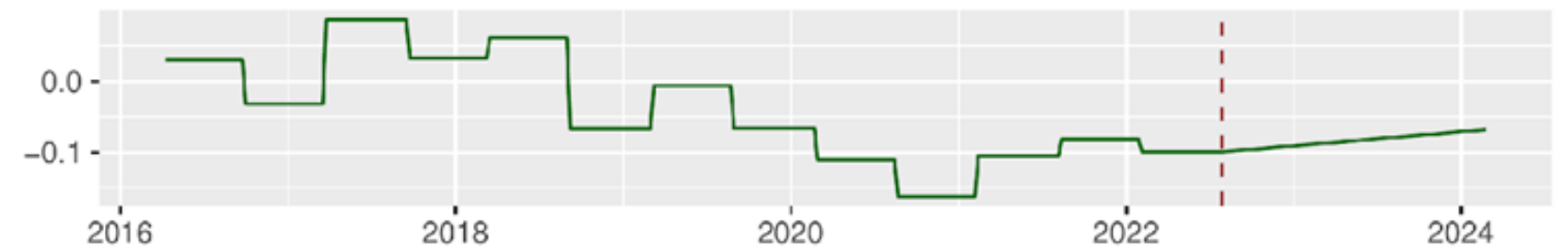


Covariate Effects

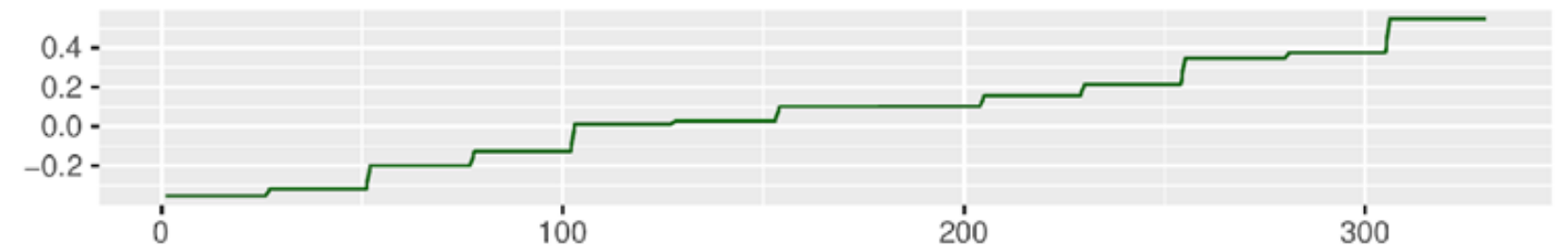
Seasonal



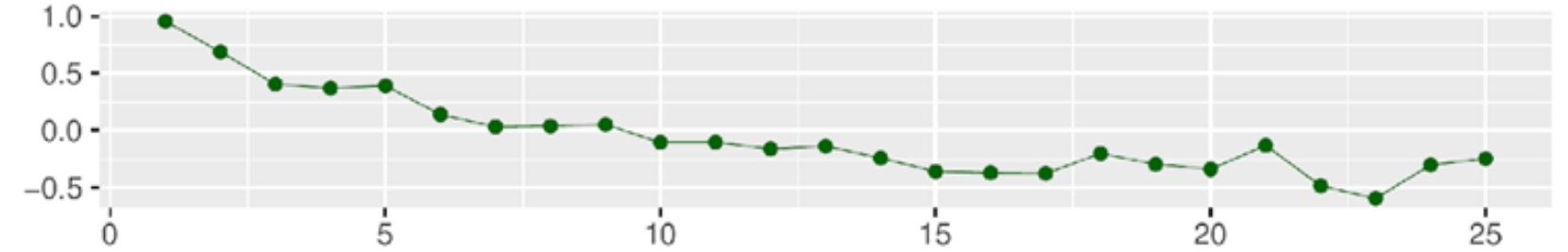
Non Seasonal



Tenure

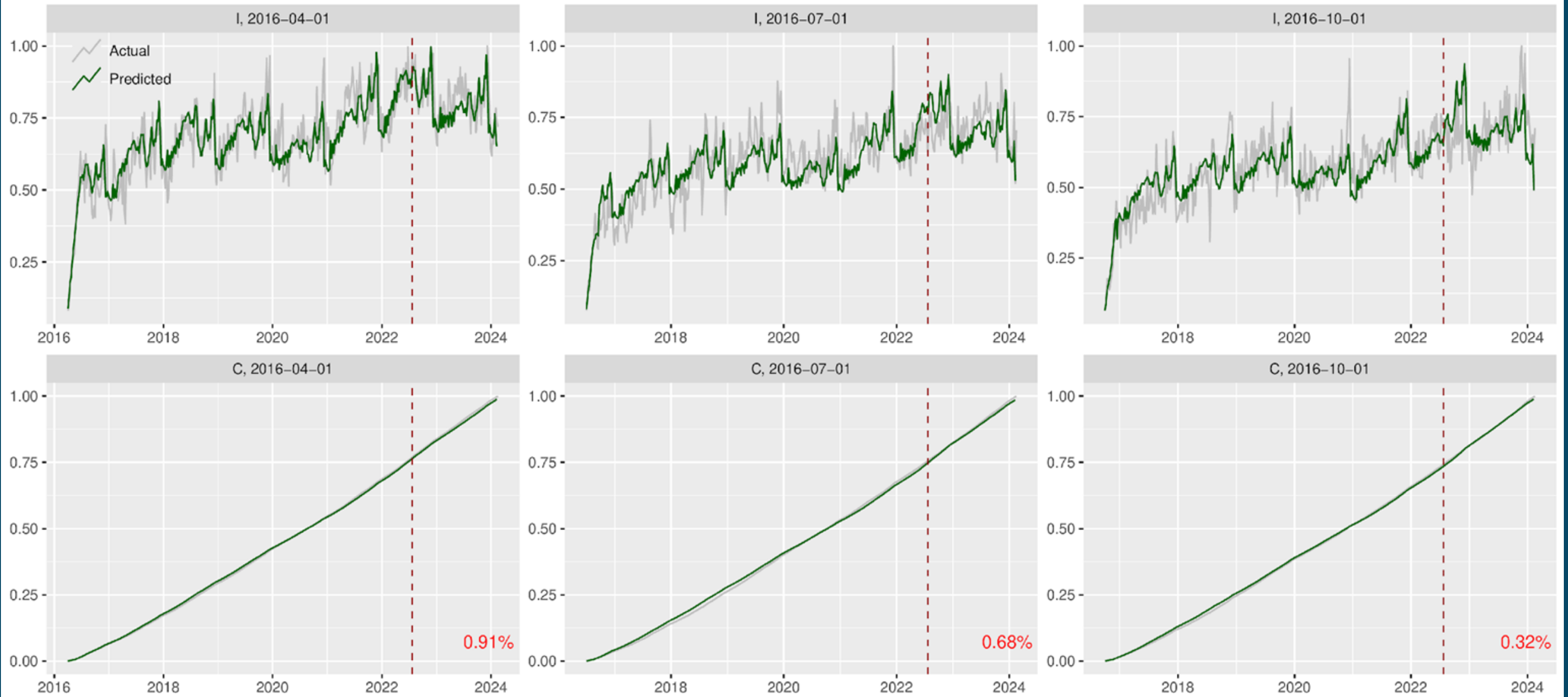


Cohort



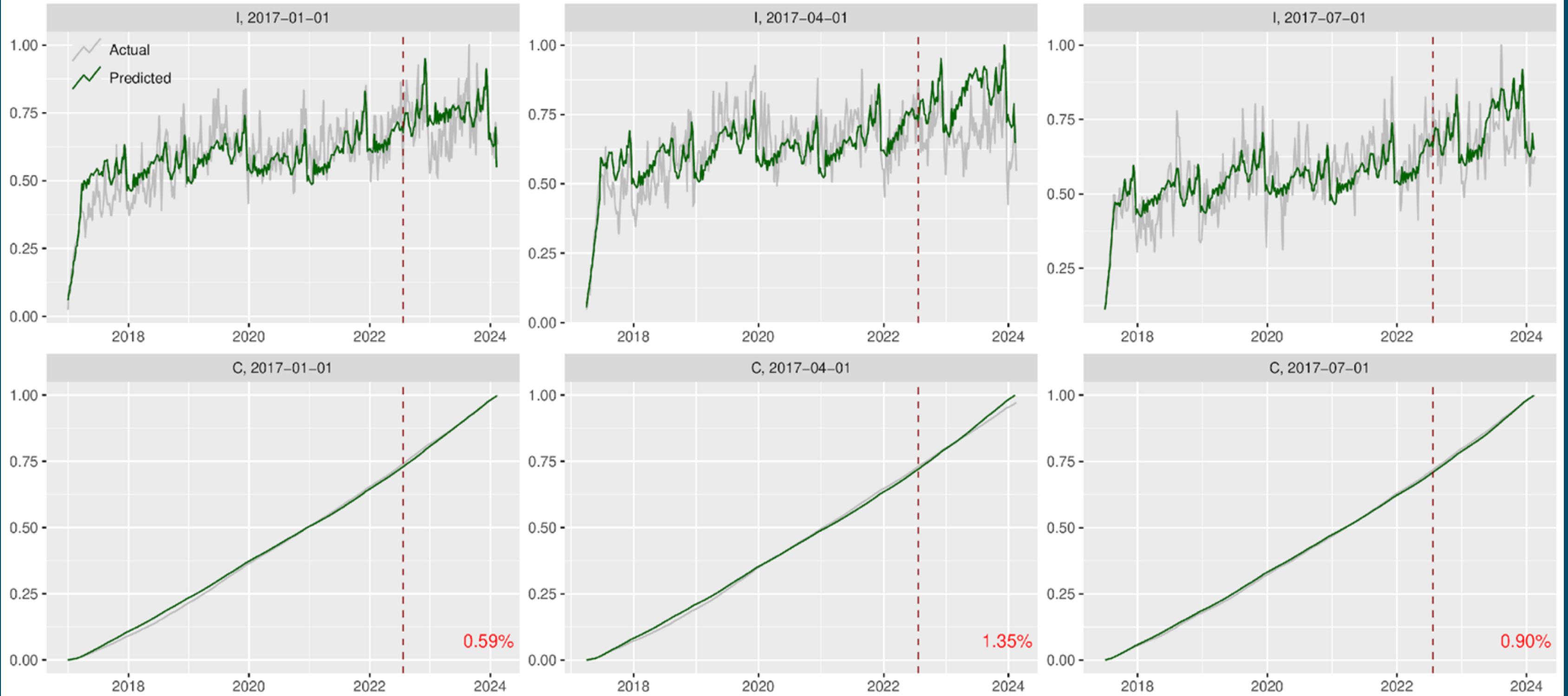
Tracking Plot

Repeat Purchases (Normalized)



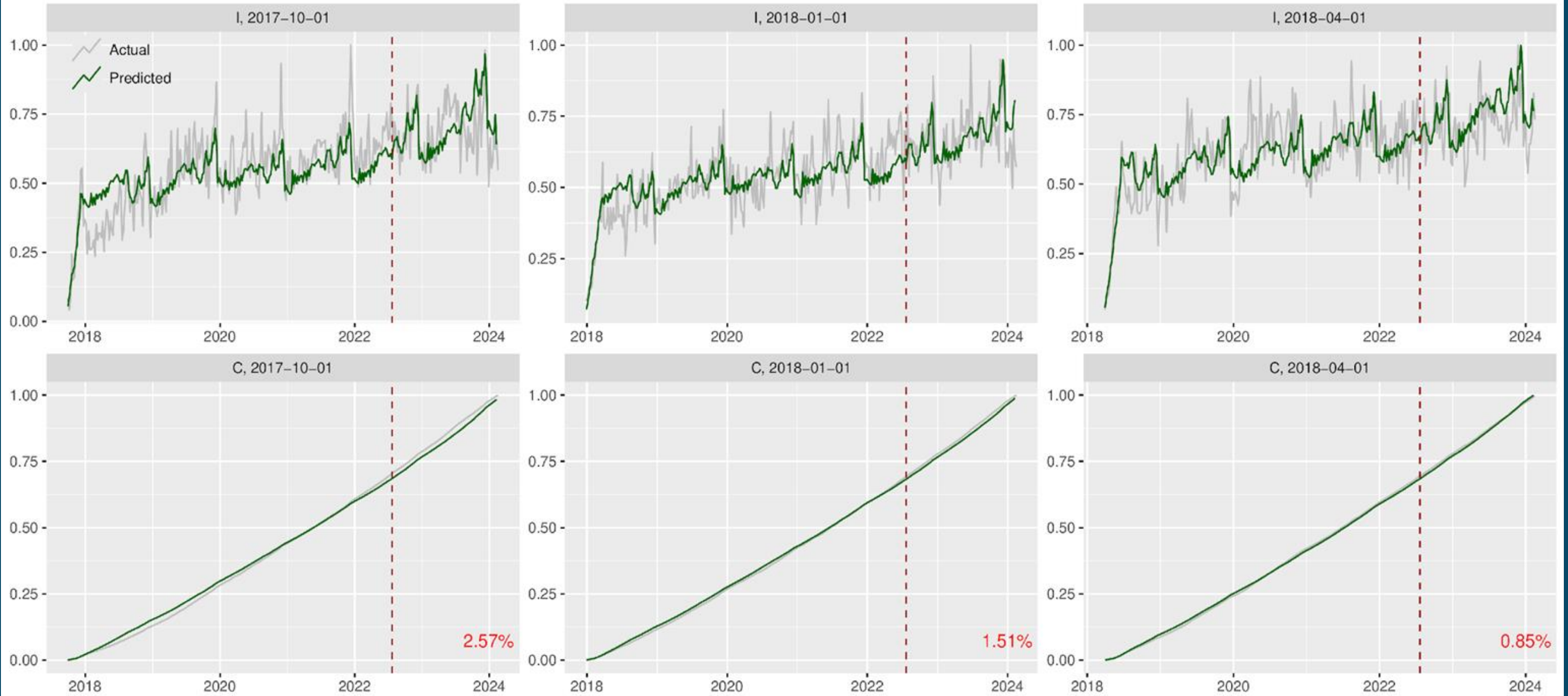
Tracking Plot

Repeat Purchases (Normalized)



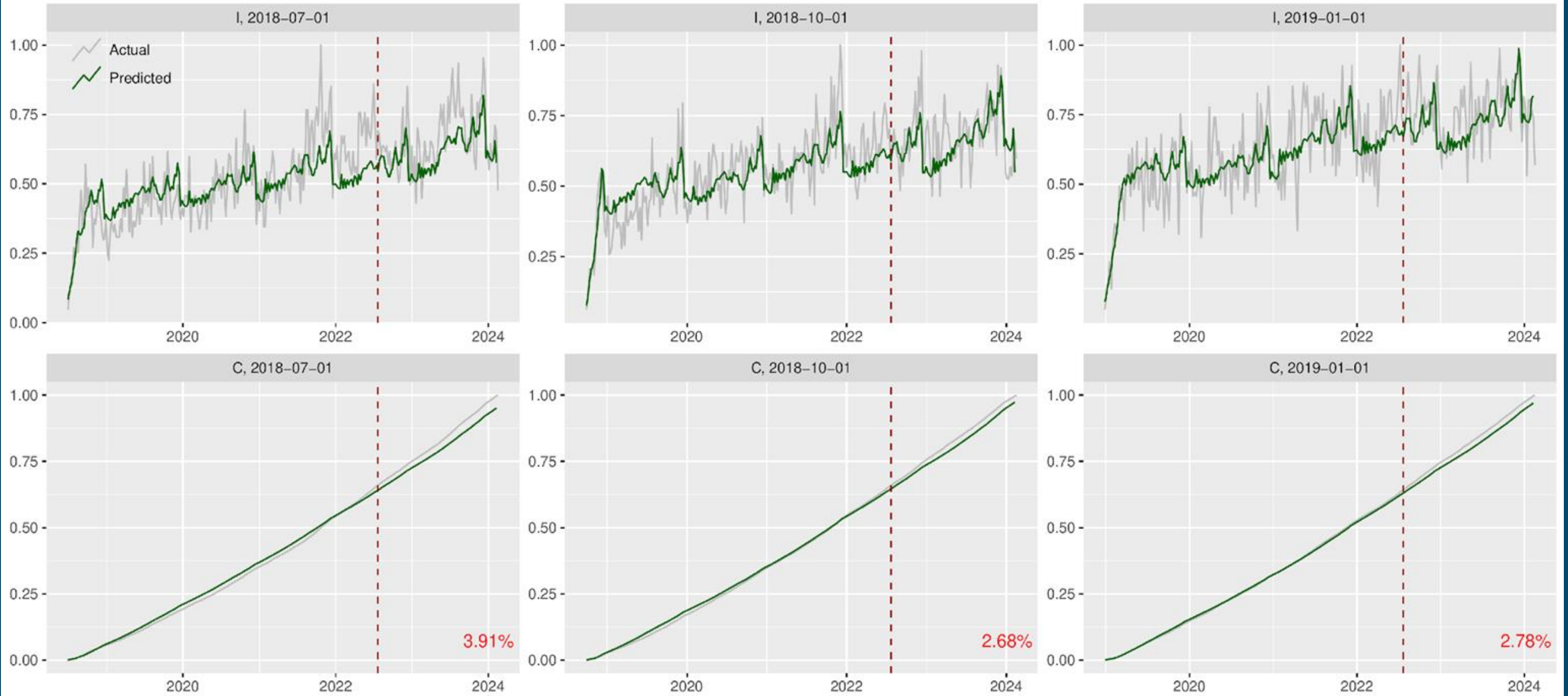
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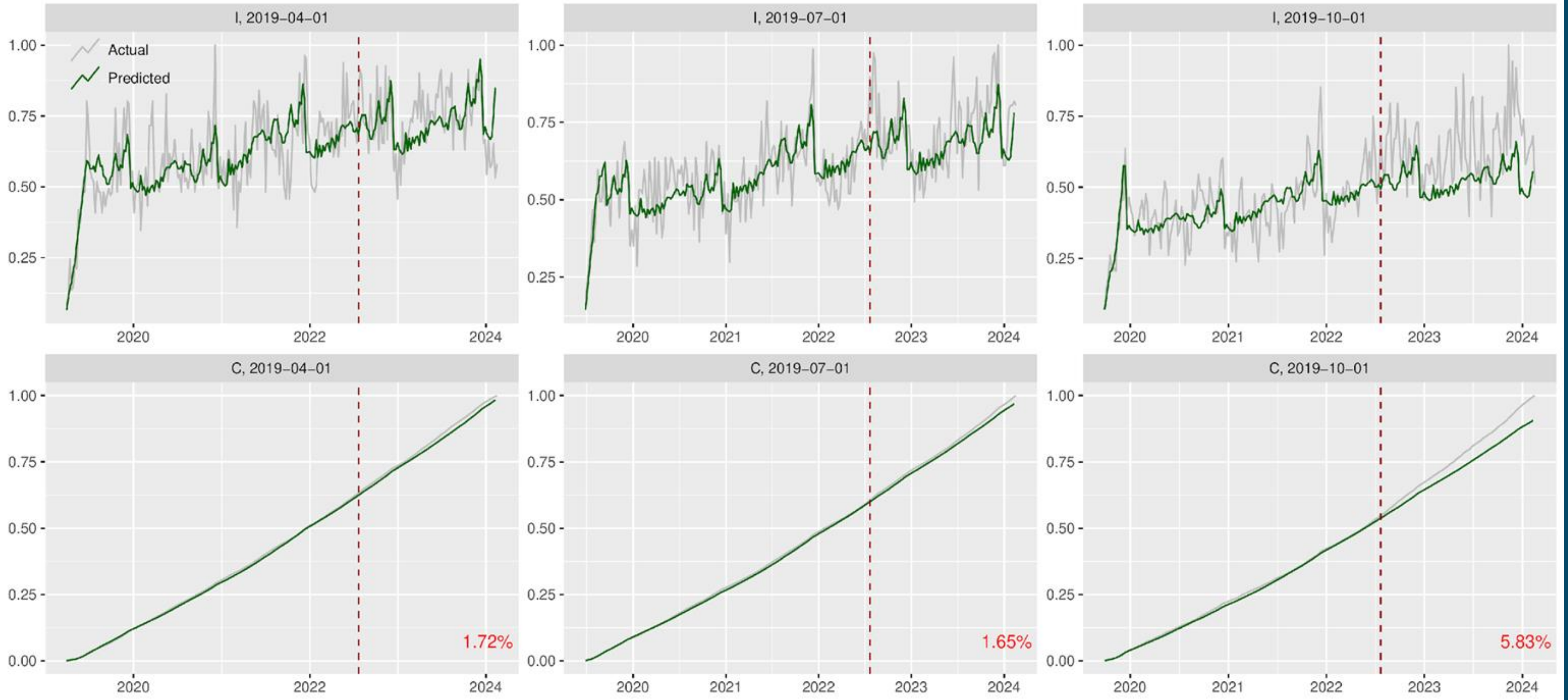
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Repeat Purchases (Normalized)



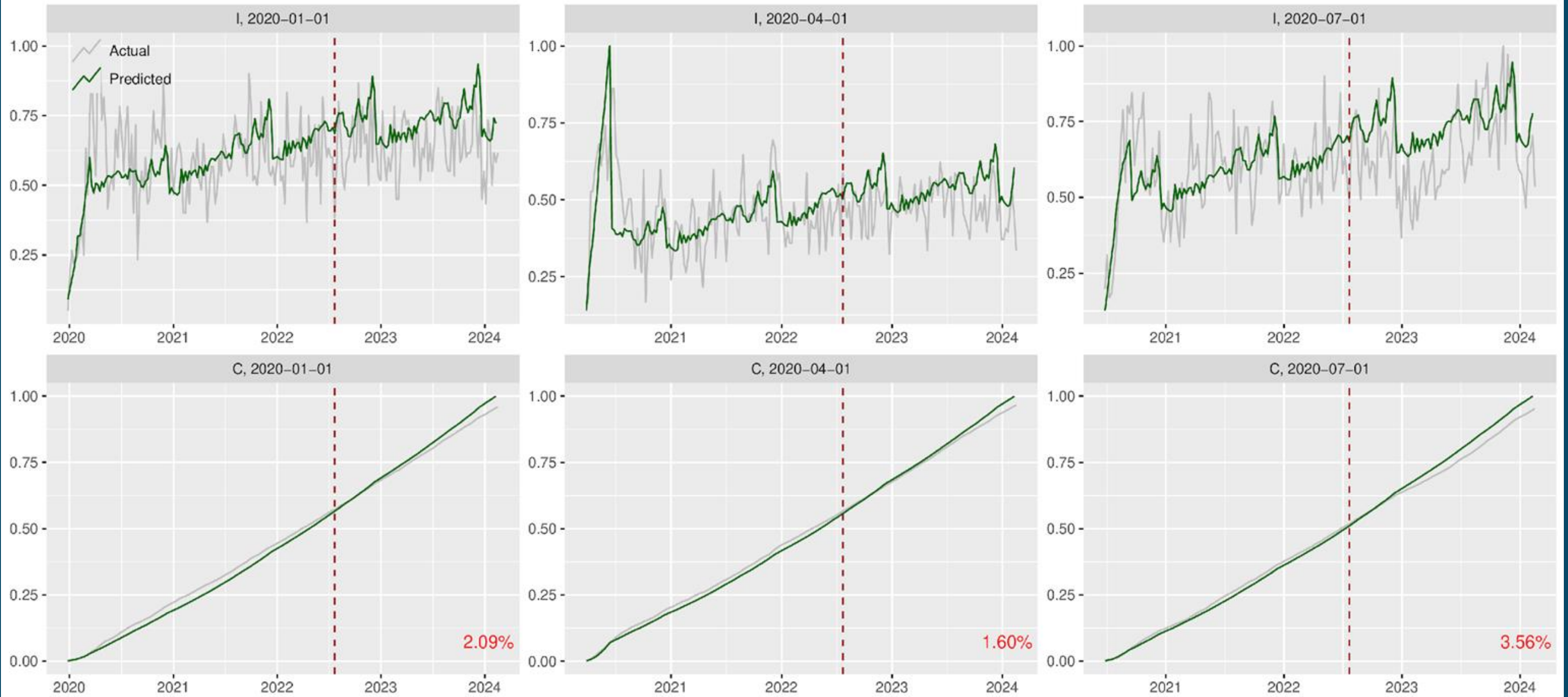
Tracking Plot

Repeat Purchases (Normalized)



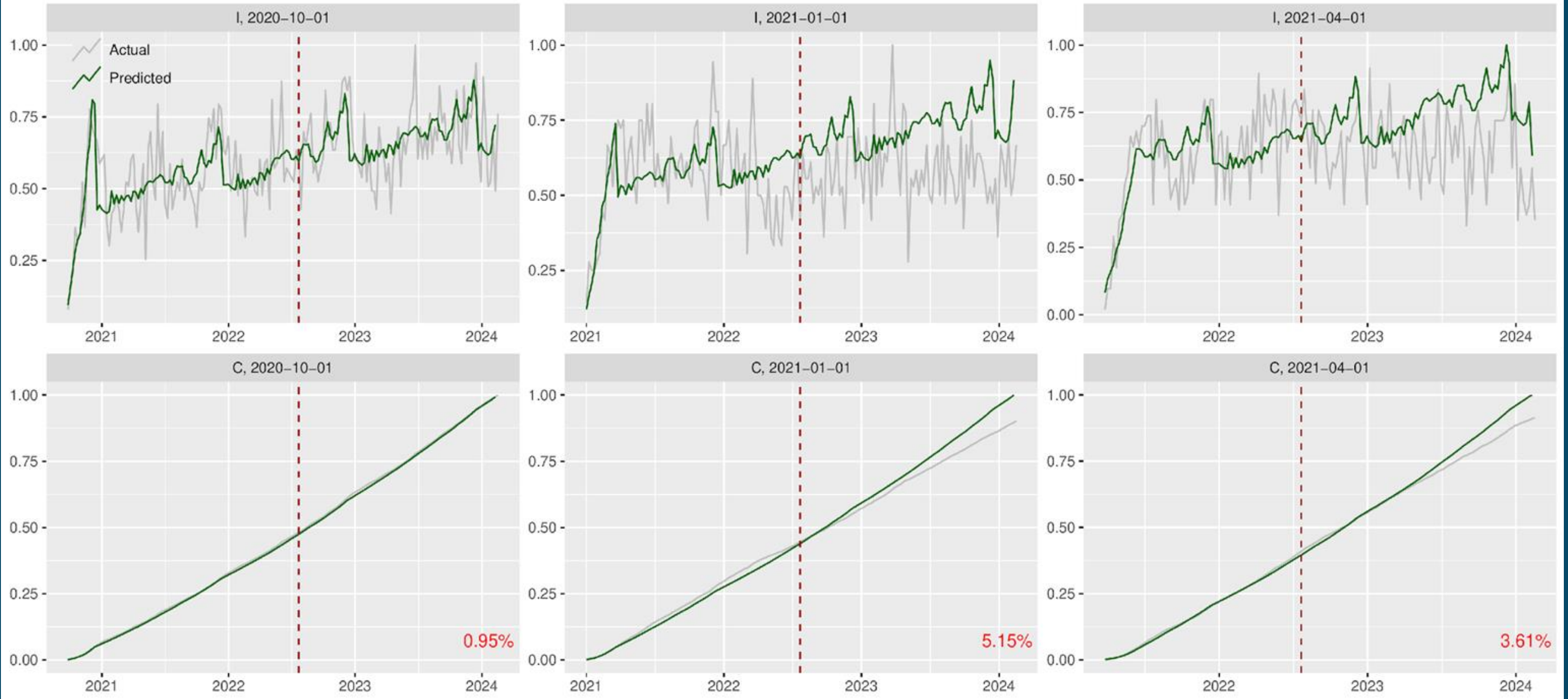
Tracking Plot

Repeat Purchases (Normalized)



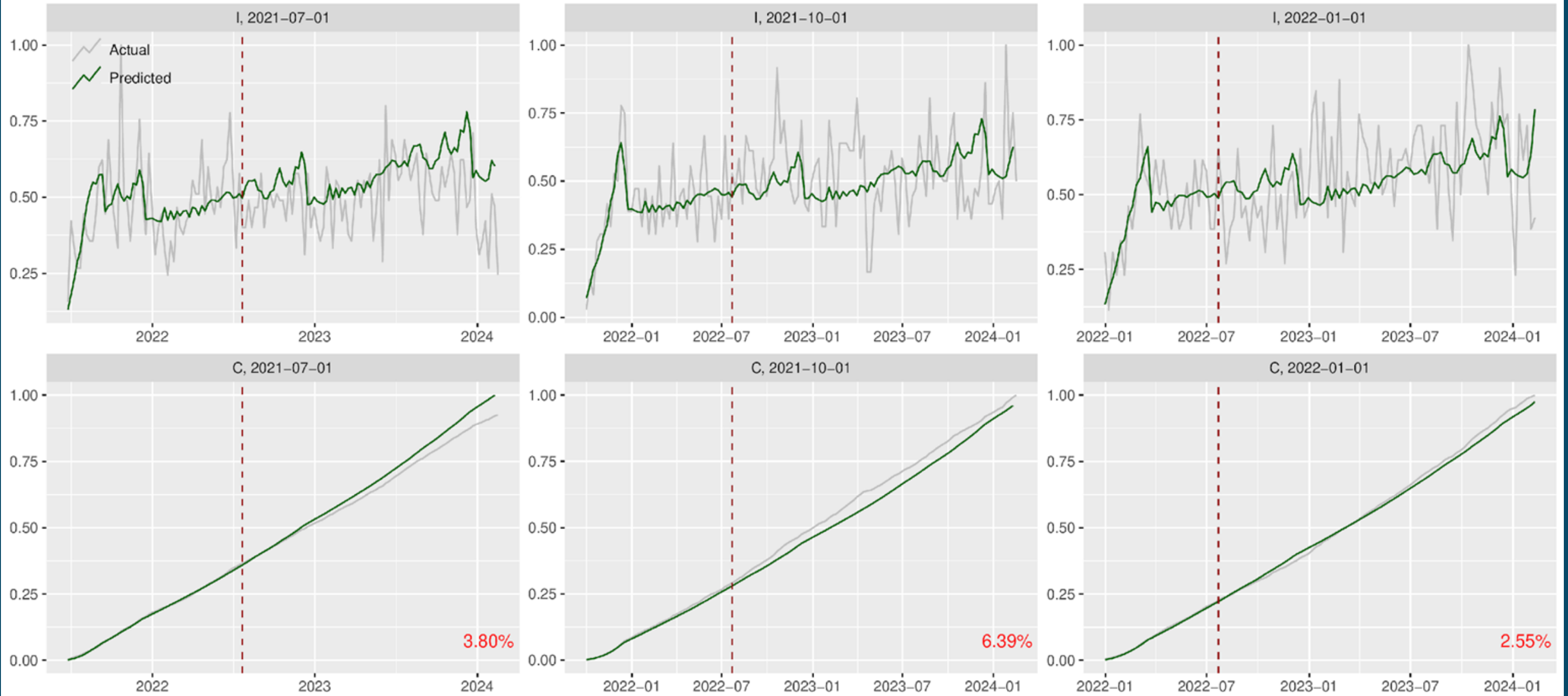
Tracking Plot

Repeat Purchases (Normalized)



Tracking Plot

Repeat Purchases (Normalized)



Q&A

About Theta

Theta (www.ThetaCLV.com) is a **predictive customer value analytics company co-founded by world-renowned customer-value experts** and professors Peter Fader and Daniel McCarthy.

We focus on **building the worlds best models for predicting what customers are going to do in the future and how valuable they will be to a business.** We use that insight to help firms understand their overall financial health and how to make better business decisions over time to improve financial performance.

