

Analytical function to drive acquisition, retention & value management programs

Fractal builds the analytical function for a large Korean bank, enabling it to drive acquisition, retention & value management programs

SUMMARY

Client

A leading Korean bank*

Challenge

To increase the profitability of credit card division by increasing acquisition rates, checking attrition rates and identifying gaps in current processes and marketing strategy

Solution

Fractal's expertise in Analytical HealthCheck and customer acquisition and retention strategies

Result

Achieved 25% increase in revenues for the client through increased acquisition rates and reduced attrition rates

* This case study is based on a Fractal client that has requested anonymity

The Business challenge

The client's credit card division was facing increasing attrition rates, stagnant acquisition rates and declining spends per customer. The client wanted to improve its performance through optimization of its marketing strategies, processes and intelligence functions.

The Solution

The Fractal team conducted an "Analytical HealthCheck" to assess the bank's processes and skill sets to carry out CRM (Customer Relationship Management) initiatives. The HealthCheck engagement identified and analyzed the gaps in the current systems, processes and strategies of the credit card division when compared to established benchmarks. We then designed and implemented a revised marketing organizational structure that would support the analytical initiatives of the bank.

At the completion of this engagement, key business areas requiring immediate attention were identified and the need for a continuous analytical support was established. We recommended a BOT (Build Operate Transfer) engagement to tackle all the challenges faced by the credit card division. This engagement consisted of:

- Customer segmentation model
- Attrition model (short term & long term)
- Activation model
- Revolve increase response model
- Cash advance usage model for varying CA rates
- Merchant scoring model
- Establishment of an analytical MIS reporting system

An integral part of the engagement consisted of training and knowledge transfer for the above mentioned solutions, to build an in-house business intelligence team capable of handling the complete set of proactive and ad-hoc analytical activities independently.

■ Result

Fractal's "Analytical HealthCheck" and subsequent recommendations on marketing and acquisition strategies helped the bank yield higher return on marketing investment. The bank realized an increase in active portfolio growth rate and reduced attrition. The achievements included:

- 25% increase in revenue from the main marketing segment in the subsequent quarters
- 3% increase in active portfolio acquisition rate in the period post analysis
- 4% decrease in attrition rates

➤ About Fractal

Fractal is a leading provider of customer analytics to consumer banks, credit card issuers, CPG companies and telecom companies.

Fractal's analytical solutions have helped companies across the globe enhance profitability by powering their customer management efforts with scientific decision making.



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