SUCCESS STORY

Fractal®

CRM Analytics increases customer satisfaction

Fractal's CRM analytics solution helped a large bank increase customer satisfaction and reduced retention efforts down to 40%

SUMMARY

Client
A large retail bank*

Challenge
Client was facing rising silent attrition in its Liabilities portfolio and wanted to develop counter strategies to increase retention and increase customer satisfaction

Solution
Fractal's advanced attrition management solution

Result
Client was able to determine the ideal pricing and promotion strategy for most popular SKUs and identify competition threats and develop counter strategies

The Business challenge

The biggest problem staring any growing retail banking outfit is that of Silent attrition, especially in the Liabilities Portfolio as active closure very rarely happens unlike a credit cards portfolio. Higher attrition meant significant reduction in balances, thus adversely affecting the profitability of the bank as Fund Based Income is the largest source of revenue for the bank.

Deploying of customer retention executives was not very viable as active closure was not a very common phenomenon. Thus, the bank needed an attrition model which could help to predict the customers likely to attrite well in advance so that suitable steps could be taken to prevent them depleting their balances.

The Solution

Fractal helped implement a proactive retention program that would identify sufficiently in advance, those customers at risk of silent attrition. This gave product managers enough room to intervene with programs and services thus reducing the probability of lost customers.

The solution involved use of past data of saving account customers. The data was used to develop a predictive model - one that would assign a score to each and every customer. This score would indicate the customer's propensity to leave in a defined timeline. This score would allow managers to assign the right resources to the right people - with stronger efforts assigned to customers with high propensity to leave and yielding high profits to the organization. Input data for modeling included key demographic, behavioral information and other relationship information.

Customers could now be scored for their likelihood of attrition. The attrition scores, would be used in conjunction with other critical information about the customer such as past revenue generating capability, relationship with the bank to help prioritize efforts towards those customers with highest potential together with highest risk of attrition.

Benefits

The model that was built in order to predict attrition enabled to achieve a tremendous lift by capturing 75% attriters by going after just 30% of the population. This would help tremendously as the efforts would be prioritized only at the top propensity customers and would result in significant reduction in costs incurred in targeting the potential segment.

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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