# Making connections

This credit association knew the key to generating customer value but didn't have it...yet.

## SUMMARY

This credit association knew they needed analytical models to support best-practice decisions, but siloed and incomplete data were making it impossible to evaluate customers accurately. They turned to ICC to implement householding and a single view of the customer so that they could know who to contact, and when.

## OPPORTUNITY

This financial institution faced the most common challenge of them all: growing revenue. Two specific tactics would make a substantial impact on the bottom line, but the credit association struggled to execute them effectively. First, they needed to convert low-value customers into high-value customers, and secondly prevent those high-value customers from attriting.

These are simple goals, but ones that require a deep understanding of the company's customers:

- Who are my high-value customers, and why?
- What is my retention rate, and who is likely to leave us?

With these insights in place, it would be possible to make predictions around lifetime value and future revenues, but the client lacked a firm grasp on this information.

A handful of environmental factors further complicated this initiative. Another strategic partner set the course for these revenue goals but failed to execute on the strategy. As a result, ICC was under pressure to deliver and demonstrate our ability to partner with the client's on-site team. This project would prove to be a test of flexibility, partnership, and performance.

## WHY IT MATTERS

### 22%
of customers think banks are all the same

### 83%
of customers find it easy to switch to a different financial services provider
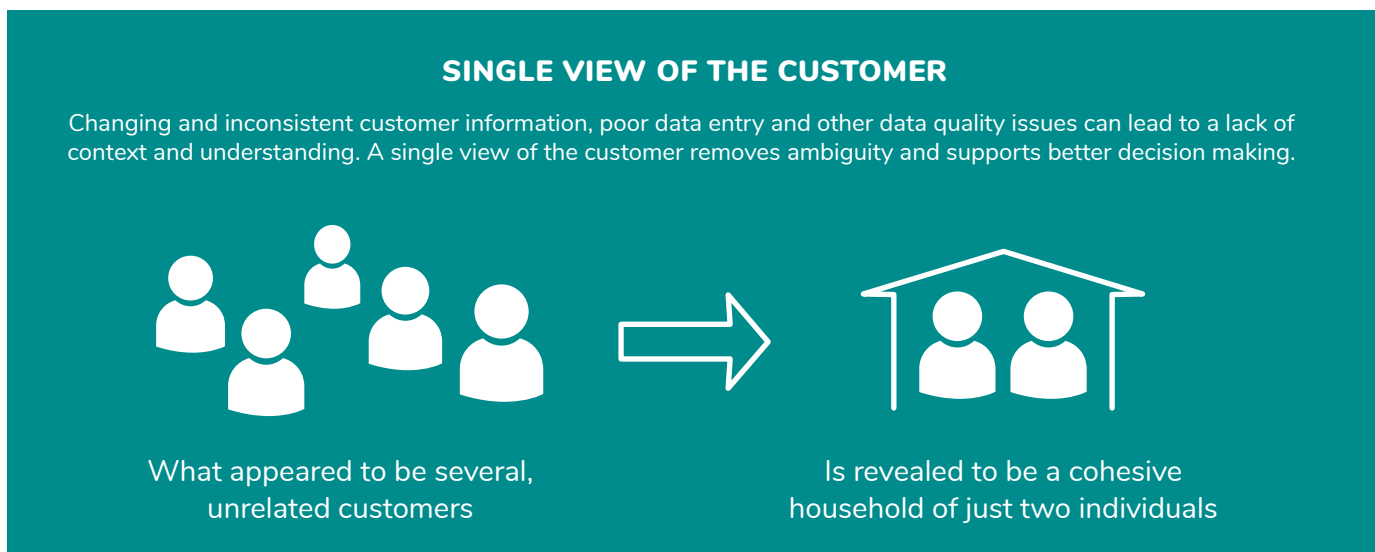
## SOLUTION

ICC was selected to build analytical models that predict conversion factors of low-value customers to high-value customers, and the likelihood of high-value customers to attrite. We accomplished this in two principal stages:

- Using the right data

- Applying the right science

While predictive models typically get the glory, much of the heavy lifting laid in engineering the appropriate data. The credit association maintained records in siloed product systems: checking accounts, life insurance, healthcare, etc., hampering their intelligence. For example, the checking team knew that Chris Miller was a customer, and the HSA team knew that Chris and Claire Miller were both customers, but no one knew that Chris had both HSA and checking accounts, or that he lived with Claire. To be successful, our client needed to market themselves effectively, but they didn't have the visibility to their audience to do so.

ICC was able to collect these datasets, enrich them with missing information, and aggregate them into a quality dataset suitable for analytical models. Once we had a single view of the customer, we aligned that data to their appropriate address, so that the client could market to a specific household efficiently.

### SINGLE VIEW OF THE CUSTOMER

Changing and inconsistent customer information, poor data entry and other data quality issues can lead to a lack of context and understanding. A single view of the customer removes ambiguity and supports better decision making.



What appeared to be several, unrelated customers

Is revealed to be a cohesive household of just two individuals

This process takes a rich understanding of data governance and careful curation of third-party insights. To inform our predictive models, we added location intelligence, life stage, wealth, and numerous other demographics and attributes to our client's existing data. No longer would a customer be mistaken for lost business upon changing her name or address.

Once we armed the client with a clear view of their customers and how to reach them, we uncovered who needed their attention. To achieve this, we developed predictive models to test relevant variables until we formed the most accurate algorithm.

## RESULTS

The project provided the client with an iron-clad understanding of their customers, precisely who is in danger of attriting, and which customers are ripe for upselling, by name.

With the hand-off of our predictive models, this financial institution was empowered to serve their customers better, and their bottom line will see the difference. These methods yield smarter marketing, more effective targeting, and more efficient use of resources.