

CASE STUDY

Customer Analytics in Banking Helps an American Bank to Improve Customer Acquisition Rate by 17%



Engagement Summary

The shift from product-centricity to **customer-centricity** in the banking sector is almost tangible, however, the challenge still lies in engaging with the customer effectively and efficiently right when they sign up or even before they decide to. The focus in the banking industry for the last few years has been client life-cycle management. When it comes to having actionable insights into their customers, banks are ahead of the curve as compared with any other industries. The issue lies in the fact that these actionable insights are often not shared across the organization. Customer analytics in banking helps banks gain granular insights on current and upcoming requirements of their customer base. The client, an American financial services provider company, approached Quantzig to leverage its expertise of customer analytics in banking. Quantzig's customer service analytics experts delivered on the client's expectations and helped them improve their customer lifecycle management

About the Client

The client is a financial and banking services provider headquartered in California with branches across the United States. It is one of the largest banks in the globe by market capitalization and total assets.

Business Challenge

This banking industry giant was facing predicaments with fraud detection. The client, in the year 2018, faced severe fraud. Thus, they approached Quantzig to leverage its expertise in customer analytics in banking to understand and analyze the spending pattern and financial history of their customers. The client's main challenges included –

Problem statement 1

Fraud detection – The client, in the year 2018, faced fraud activities close to a million US dollars. They approached Quantzig to leverage its customer analytics solutions for the **banking industry** to identify and stop fraud activities.

Problem statement 2

Customer segregation – The client wanted to segregate their customers according to their age, gender, behavior, and interest. This would help the client to analyze the spending pattern of their individual customers and offer them personalized services.

Problem statement 3

Customer acquisition – Customer analytics in banking sector helps banks and financial service providers identify high-value customers who are most likely to respond to the services. For the past one year, the client was facing low acquisition rates. Thus they were keen to deploy a customer service analytics solution to improve their customer acquisition rates.

Solution Offered

The primary objective of the client was to identify fraudulent activities and customers who posed such threats. Massive digitization across the globe has paved the way for fraudulent activities in the banking and **financial sector**. It is now even more important for banks to have special and intelligent systems to detect and deal with fraudulent activities. By using customer service analytics, banks can easily identify fraudulent activities. Our experts deployed a framework to help the client identify threats and also designed an analytics-driven dashboard to understand patterns that ring alarms before threats even arise.



Business Outcome

With the objective of helping this American banking giant to enhance the value of their customer base, Quantzig's **customer analytics experts** captured and analyzed the complete potential of their customer base using customer profiling and segmentation solutions, which helped the client to deliver the perfect mix of solutions to their customers. The key business outcomes of the engagement were –

1. Improved customer acquisition rate by 17%
2. Enhanced customer retention rates by 54%
3. Reduced financial frauds which further helped in saving US\$2.5 million in the FY 2019
4. Personalized customer interaction and enhance cross-selling opportunities