



Response Modeling Using Analytics

Predictive modeling for customer acquisition campaigns

Challenge

The Global Head of Customer Engagement oversaw a customer outreach program that ran 200+ direct mail campaigns annually to target 3M+ customers and prospects. The response rates were trending negative, leading to a YOY decrease on their marketing ROI which exerted significant pressure on the future of the direct mail program.

The client wanted to improve the ROI of their campaigns by identifying and promoting to those prospects who had a higher propensity to respond to their campaigns. They also wished to automate and self-serve the process for marketing campaign lead list extractions.

Solution

EXL helped the client create a unified view of customers/prospects data in one integrated Customer 360 environment. The data from this setup was used to build look-alike models that identified leads from the prospect database that exhibited traits/attributes similar to the client's best customers.

To accomplish this, EXL used our expertise across the end-to-end data management and analytics spectrum to help the client:

- > Prepare model dataset, using over 20 sources to design 200+ variables for factors affecting the buying decision
- > Conduct correlation analysis, variable clustering and logistic regression
- > Schedule a monthly automatic run on prospect lists, assigning newer propensity scores based on current data
- > Design dashboards to estimate model predictions, get lead lists and monitor models



The Client

A global information services provider in the U.S.

Benefits

The ROI of direct mail marketing campaigns was enhanced by prospect targeting using predictive response models. The solutions enabled the campaign design strategy and generation of leads list using the self-serving tool by the marketing team. The success of the customer acquisition models led to the client expanding their analytics program across the customer life-cycle to improve other KPIs such as cross-sell, upsell, retention and loyalty.

15% Increase in response from direct mailing program

90% Responders captured by mailing 60% prospects