

A National Financial Services Company **Uses Predictive Tools to Optimize Direct Marketing Programs**

The Problem

A national retail bank had been managing a weekly new mover customer acquisition program in support of its nationwide network of retail branches. Throughout the year, available funding for this program varied. During periods of reduced funding and subsequent marketing expenditures, acquisition activity decreased accordingly due to lower volumes of direct mail. The bank was dissatisfied with overall program results and was specifically concerned about reduced levels of customer acquisition activity during periods of low funding and reduced marketing expenditures.

The bank required a solution that would improve overall new mover program results and would enable more effective management of new customer acquisition efforts during periods of limited funding and marketing expenditures.

The solution

Speedeon recommended that the Bank implement MoverExact - Modeled New Mover program, which would enable the bank to both categorize the rank and the performance of new mover customer prospects into performance “deciles” and to identify key predictive demographic and geospatial attributes driving underlying response.

MoverExact - Modeled New Mover program combines Multivariate Regression Analysis and Speedeon’s New Mover Data using Zip+4® Data Models – effectively leveraging the concept of the “homogeneous neighborhood”. The result is a highly predictive marketing tool through which offers can be tested, measured, and modified – driving continuous improvement in your marketing programs.

The Results

By mailing to the top 6 prospect deciles, **the program attained a 24% increase in relative redemption rate with 44% fewer records mailed – generating annual program savings of \$510,000.** At the same time, the bank was able to more effectively manage new mover acquisition efforts during financially constrained periods.