

Balance Build Up Strategy (Retail Liability) of Large Indonesian Bank

• Situation & Challenges

Our client, based in Indonesia (largest private bank), is a progressive leader with an aggressive growth record. Client was facing yearly attrition of 10% and total savings account (SA) balance was depleting by about 35% over one year period. We helped the client to set up an analytics driven proactive strategy to build up the balance of customers by deciding on timely marketing stimuli.

• Our Approach

(A) Attrition Scorecard

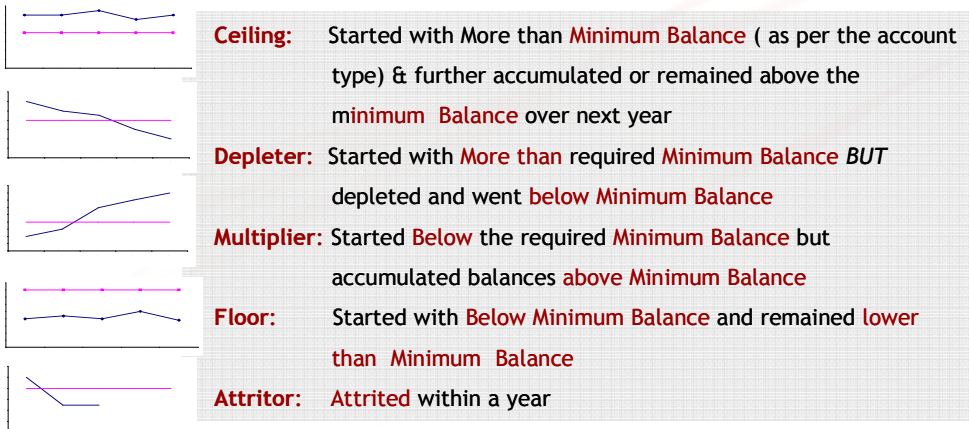
We helped the bank implement proactive retention programs, through which they could identify customers likely to close their saving account and contact them with retention offers.

We took a sample comprising attriters and non-attriters and extracted data containing behavioral and demographic information. This information was used to develop scorecard that would predict a customer's probability to attrite in a time period of 60 days.

The attrition scores are being used in conjunction with the AQB of customer to decide the offers to retain the customers.

(B) Balance Build-up Model

We divided the customers into 5 distinct segments basis the initial Balance and its movement over next 12 MOBs to understand the current status of the portfolio and formulate strategy to achieve the business objective.



We observed 'Multipliers' and 'floors' for 3 months to predict the customers' probability to become multiplier.

Basis the historical data, we identified the products which has stimulous effect on saving account balance and then mapped purchase pattern of 'Multiplier' customers over different MOB's to identify the product sequence that helps to build up the balance .

• Result

(A) Attrition Scorecard

The attrition scores are being used in conjunction with the AQB of customer to decide the offers to retain the customers.

(B) Balance Build-up Model

The bank is using the scorecard to X-sell right product at right time to build up saving account balance .