

BusinessConnect

A New Era of Smart

06/04/14

Efficiënter prospecteren door predictive analytics

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Key Figures



- Since 1991
- Market leader in Personal Financial Planning
- 15.000 customers
- Expertise:
 - Bank licence
 - Property licence
 - Certified IAB accountant and tax consultant
 - Licence life insurance



Why Optima?



Optima Database Marketing

Telemarketing



Direct mailing inviting to infossessions



Our goals → how → who

- **GOALS:**

Effective and efficient use of our database? Right target?
Check our selection criteria

- **HOW:**

Predictive Analytics: in-house vs proof-of-concept
Seminars

- **WHO:**

Consultancy
Website: ING case, references in Marketing & acquisition
Python Predictions

That's how we started in Q1 2013

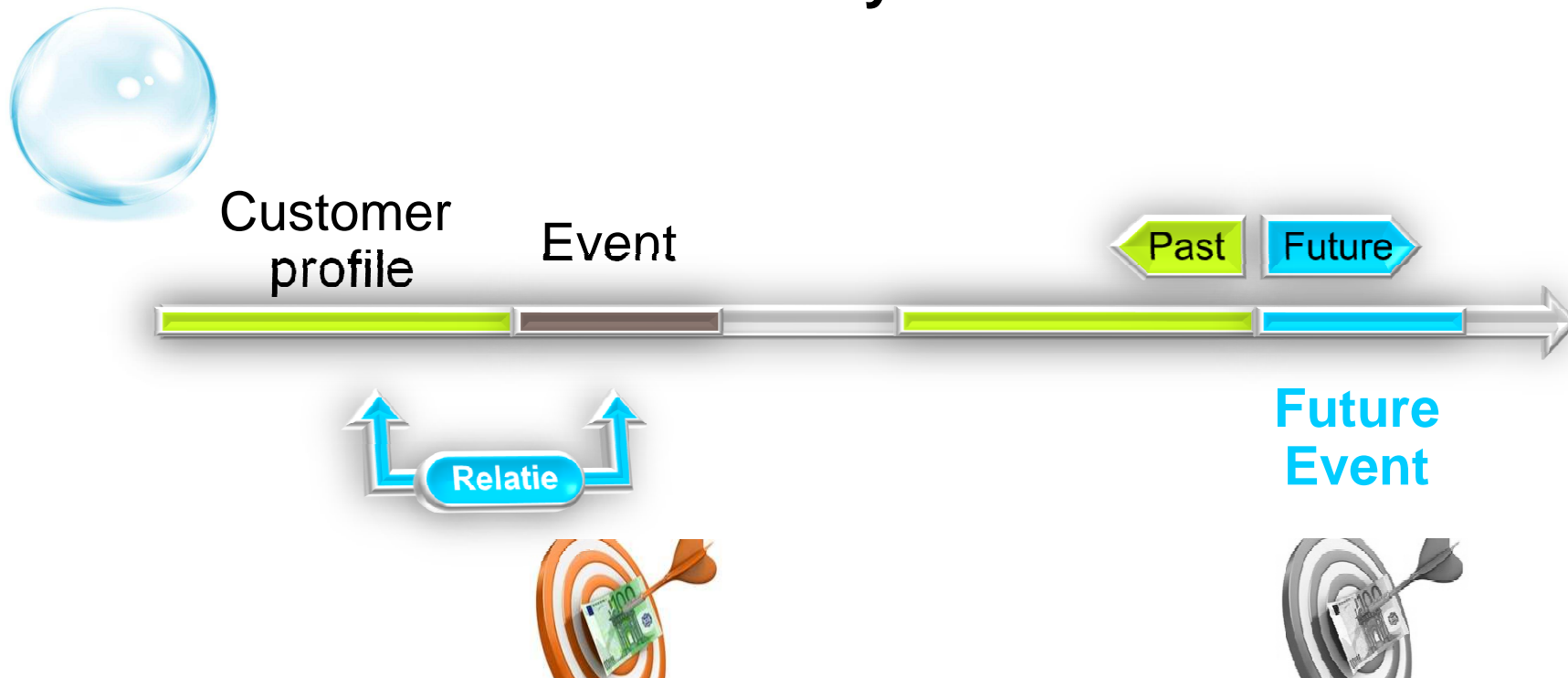


Predictive Analytics Solution



Possible?

→ Re-creation of history



Predictive Analytics in marketing, risk and operations

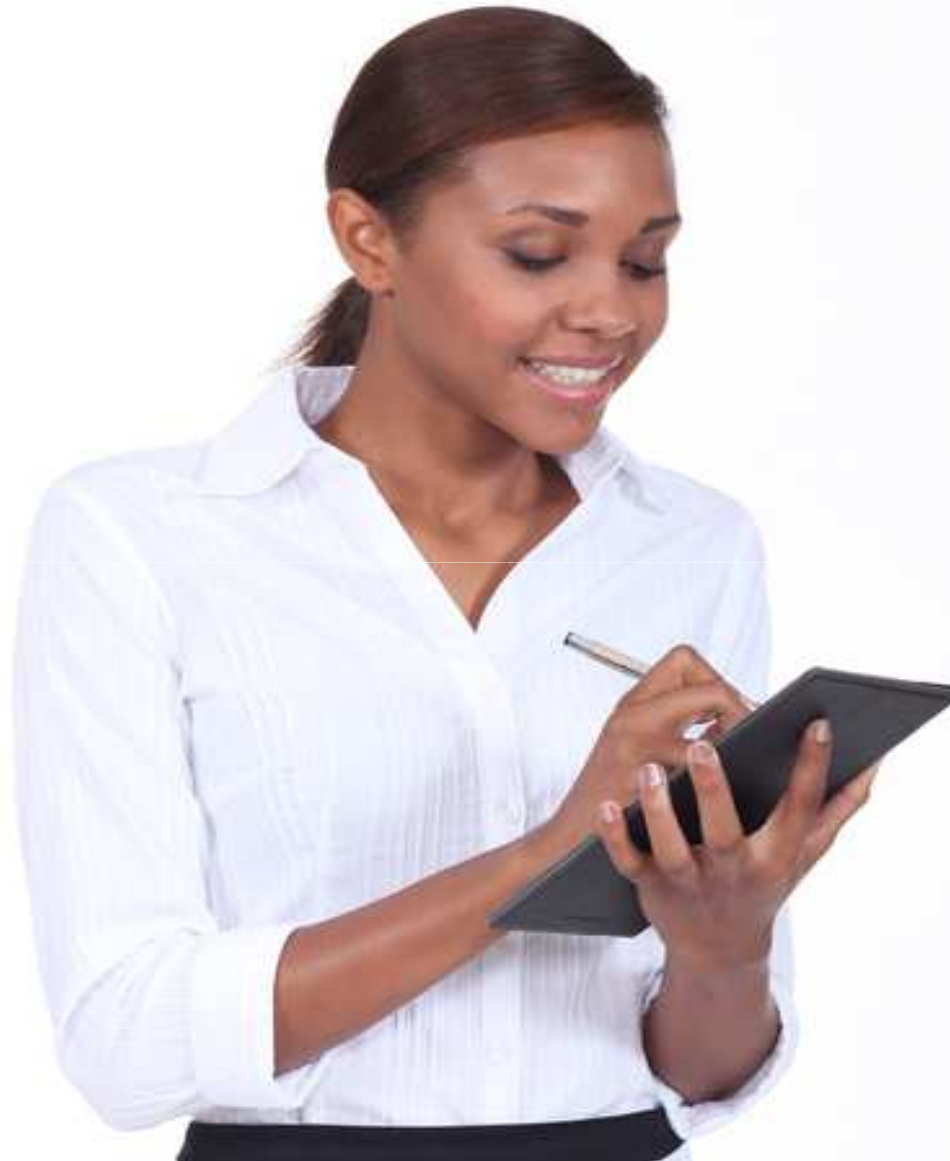




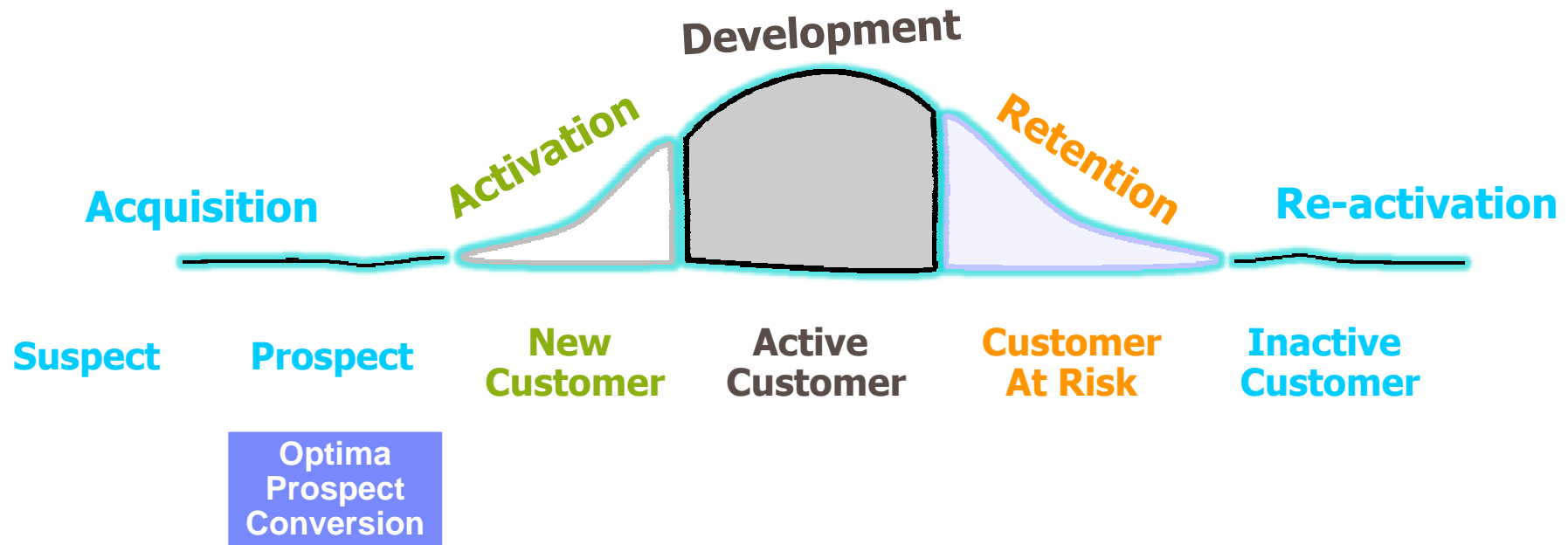
the
process



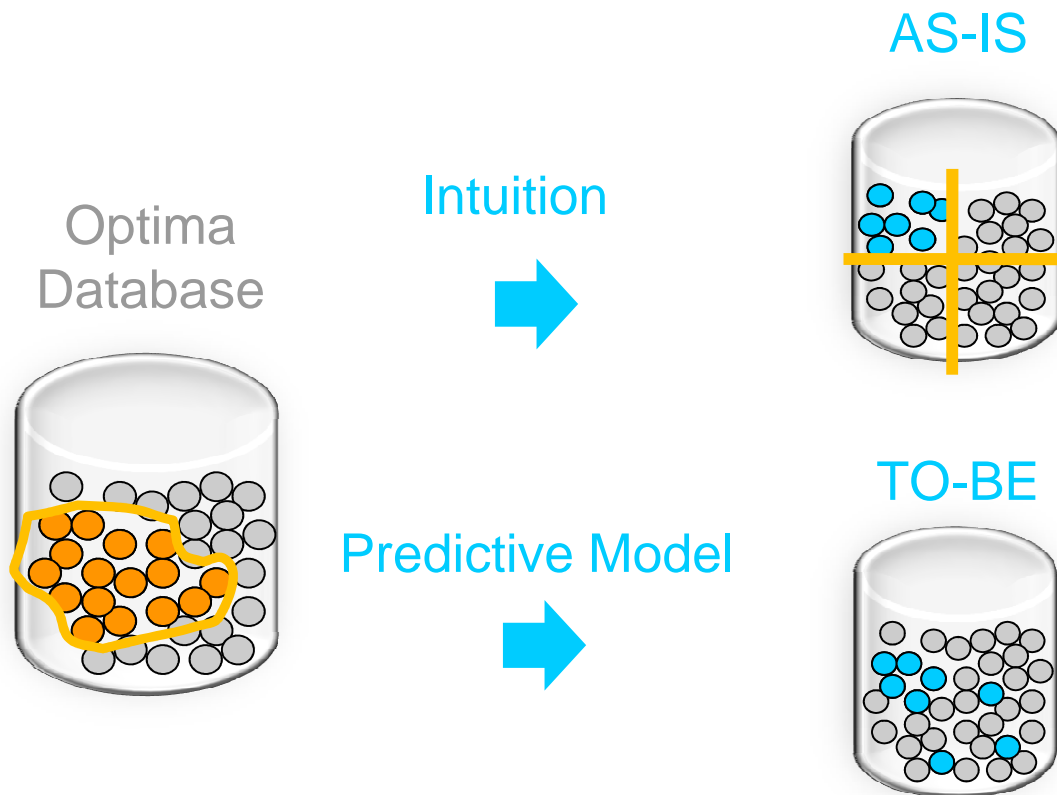
project definition



Analytics and the customer life cycle



Challenge: which prospect to contact?



Action



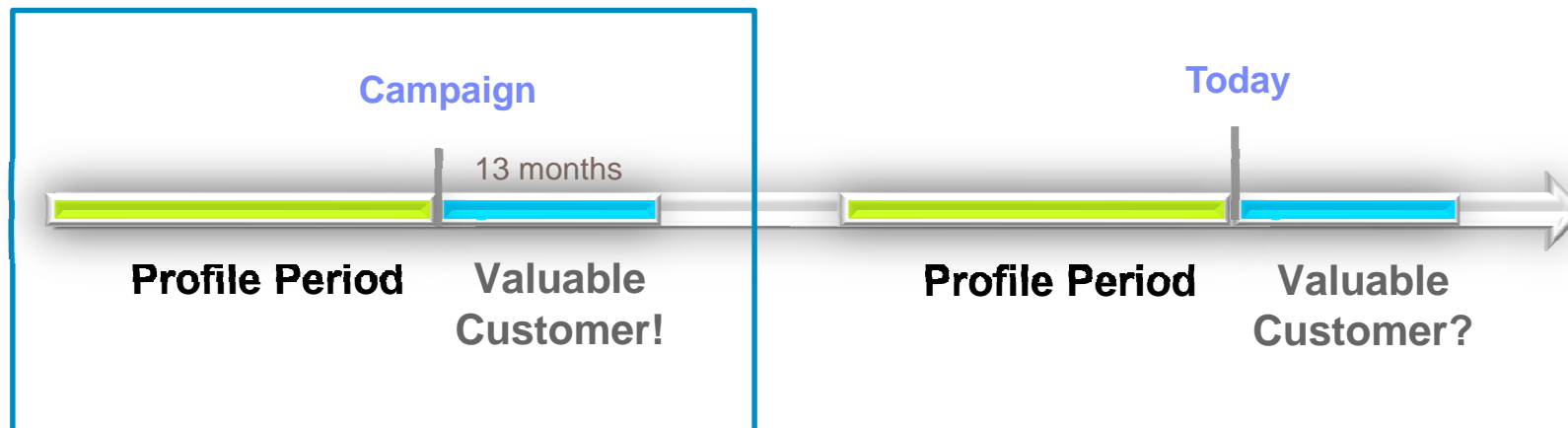
data preparation



Create basetable



- Target
 - Valuable customers within 13 months after a campaign



- Campaigns from mid 2007 → end 2011



Create basetable



■ Predictors

Optima

- Campaigns
- Socio-Demographics
- 106 variables

Regional Information

- Socio-Demographics
- 760 variables

External Data Provider

- Firmographics
- 176 variables



Create basetable



- Fictive Example

| Prospect ID | Age | Garden | # employees | ... | Valuable Customer |
|-------------|-----|----------------------|-------------|-----|-------------------|
| A | 20 | < 50m ² | 5 | | 0 |
| B | 31 | < 50m ² | 30 | | 0 |
| C | 50 | 50-300m ² | 20 | | 0 |
| D | 64 | >300m ² | 200 | | 1 |
| E | 78 | <50m ² | 8 | | 0 |
| F | 35 | 50-300m ² | 1 | | 0 |
| G | 48 | >300m ² | 500 | | 1 |
| ... | | | | | |

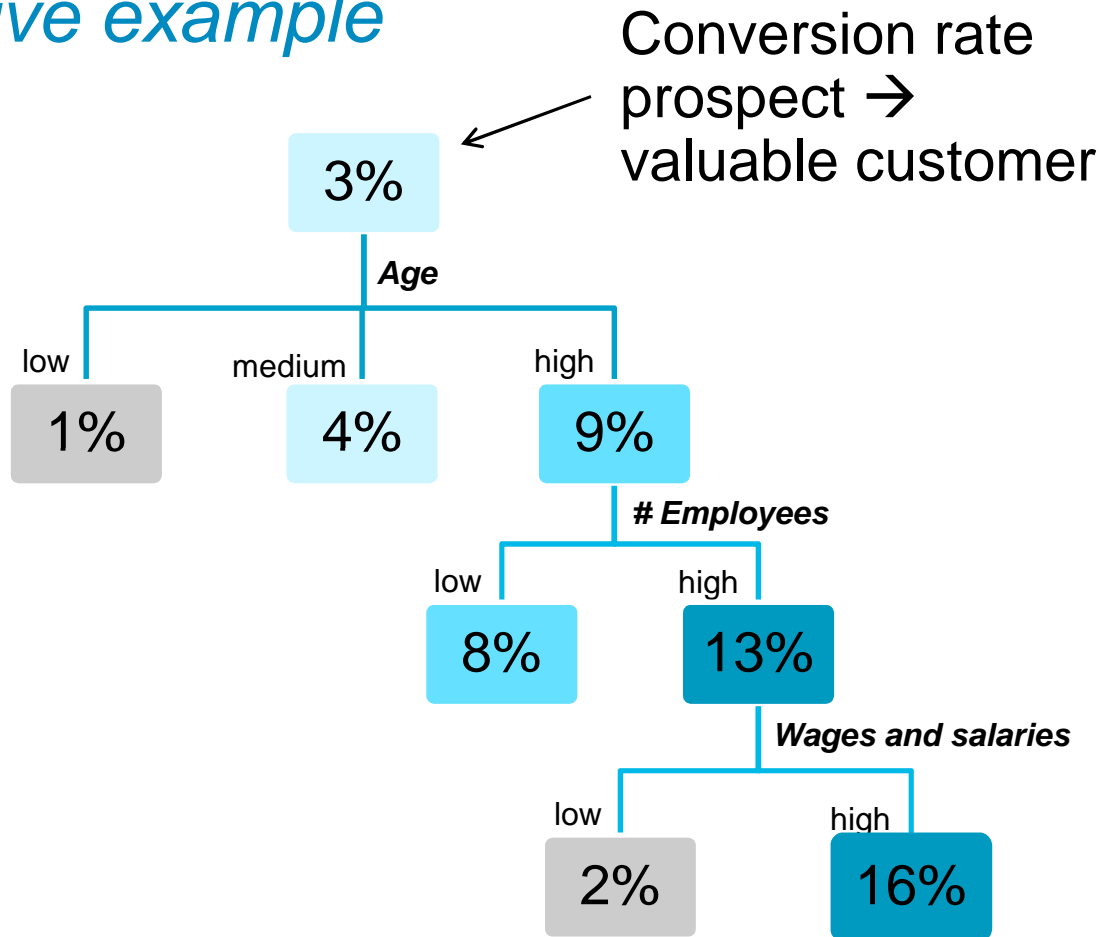


model building



Decision tree

Intuitive example



Final model



Optima

- Campaign info (2)
- Socio-Demographics (3)

Regional Information

- Housing & neighbourhood

External Data Provider

- Company info (2)
- Balance Sheet (2)



Final model scores



| Prospect ID | Age | Garden | # employees | ... | Valuable Customer | Prediction |
|-------------|-----|----------------------|-------------|-----|-------------------|------------|
| A | 20 | < 50m ² | 5 | | 0 | 1% |
| B | 31 | < 50m ² | 30 | | 0 | 13% |
| C | 50 | 50-300m ² | 20 | | 0 | 25% |
| D | 64 | >300m ² | 200 | | 1 | 72% |
| E | 78 | <50m ² | 8 | | 0 | 5% |
| F | 35 | 50-300m ² | 1 | | 0 | 30% |
| G | 48 | >300m ² | 500 | | 1 | 90% |
| ... | | | | | | ... |



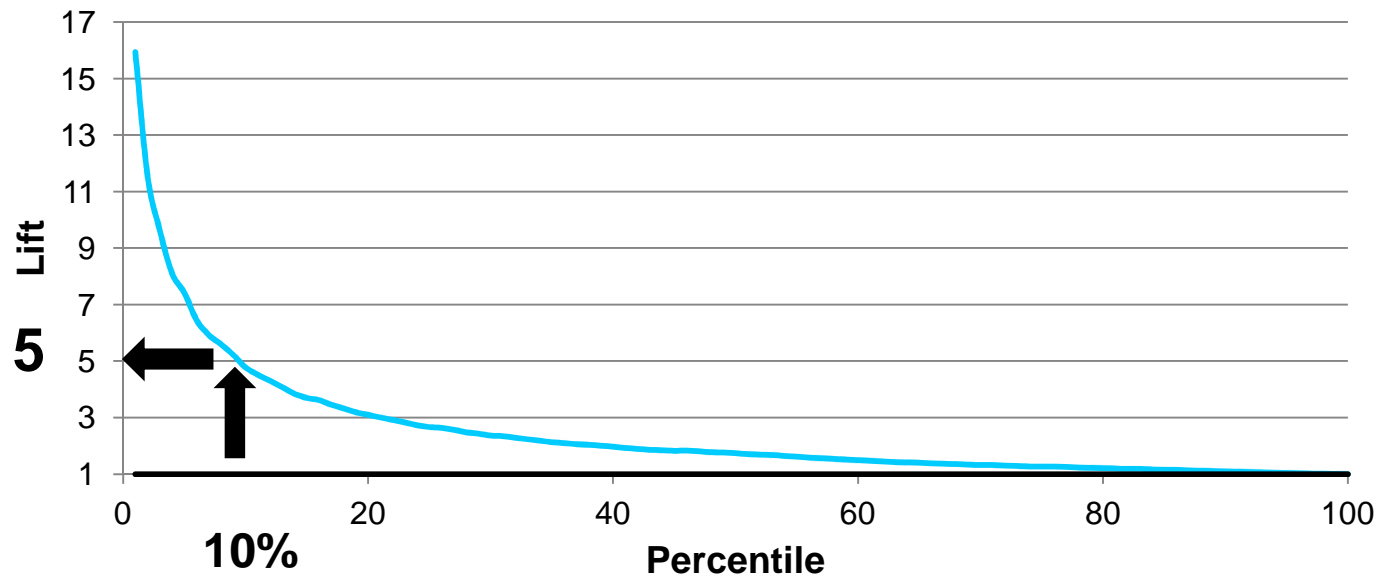
model validation



Lift Graph



- Measures the **attractiveness** of the target group.



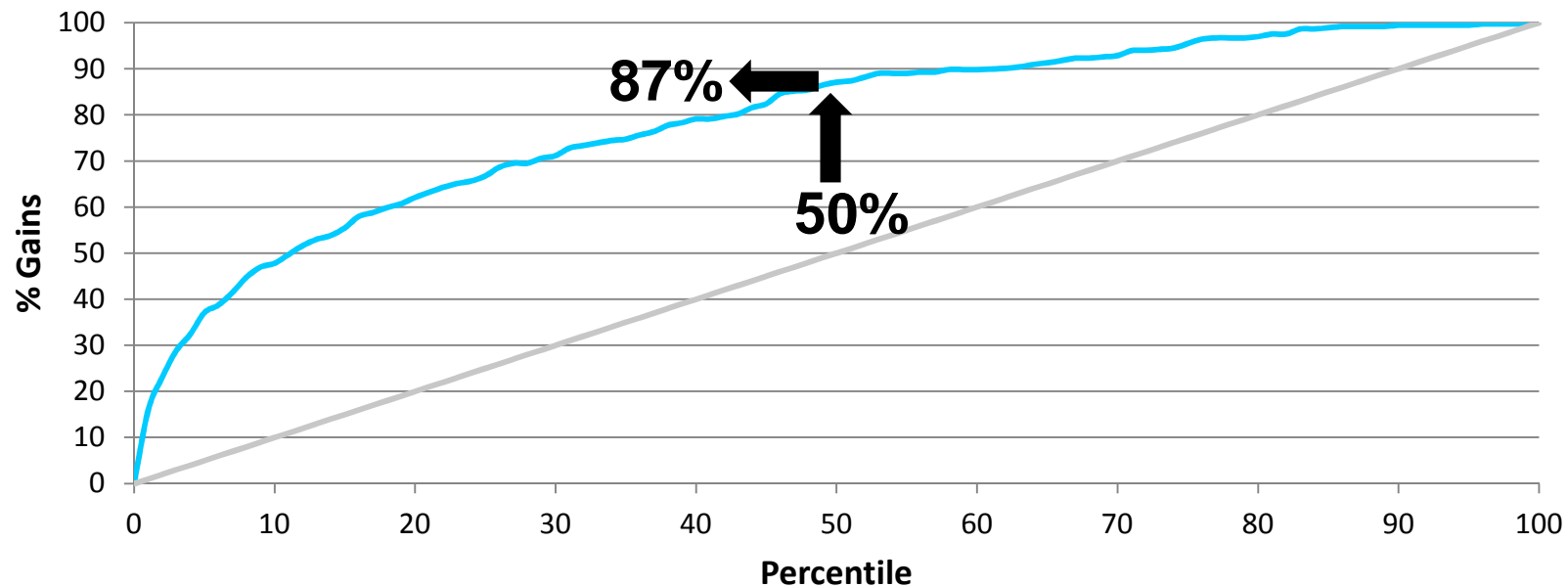
The top **10%** of the population is **5x** more likely to convert to a valuable customer than the average prospect



Cumulative Gains



- Measures the **efficiency** of the target group



Targeting the top **50%** of the population for telemarketing campaigns or meetings results in **87%** of total conversion

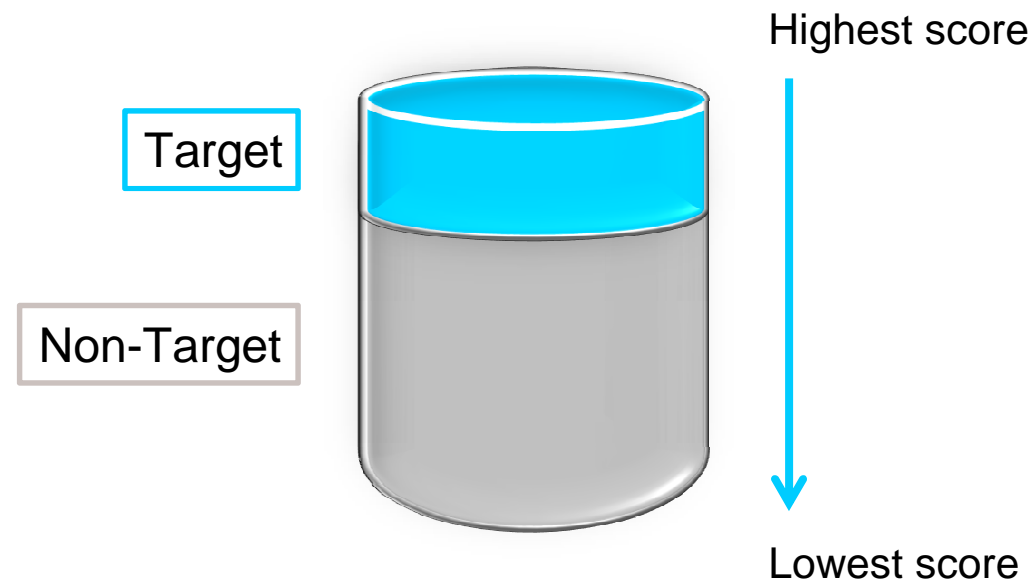


model usage



Implementation of the new model

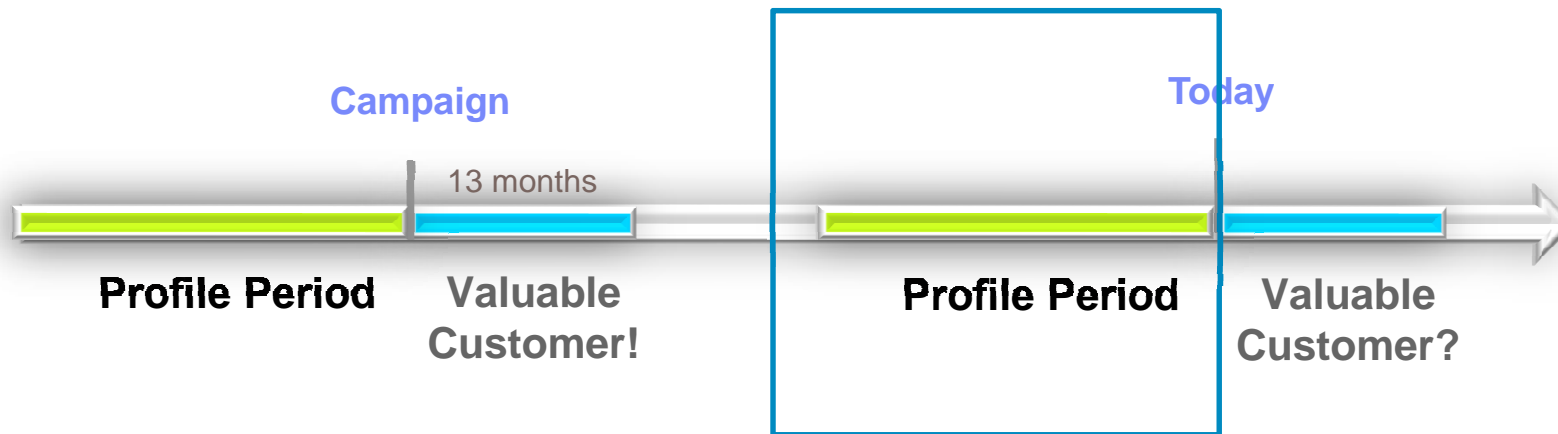
- Scoring of total prospect database
- Profiling of **top 5%** versus **bottom 95%** of prospects



Score prospect database



- Timeline

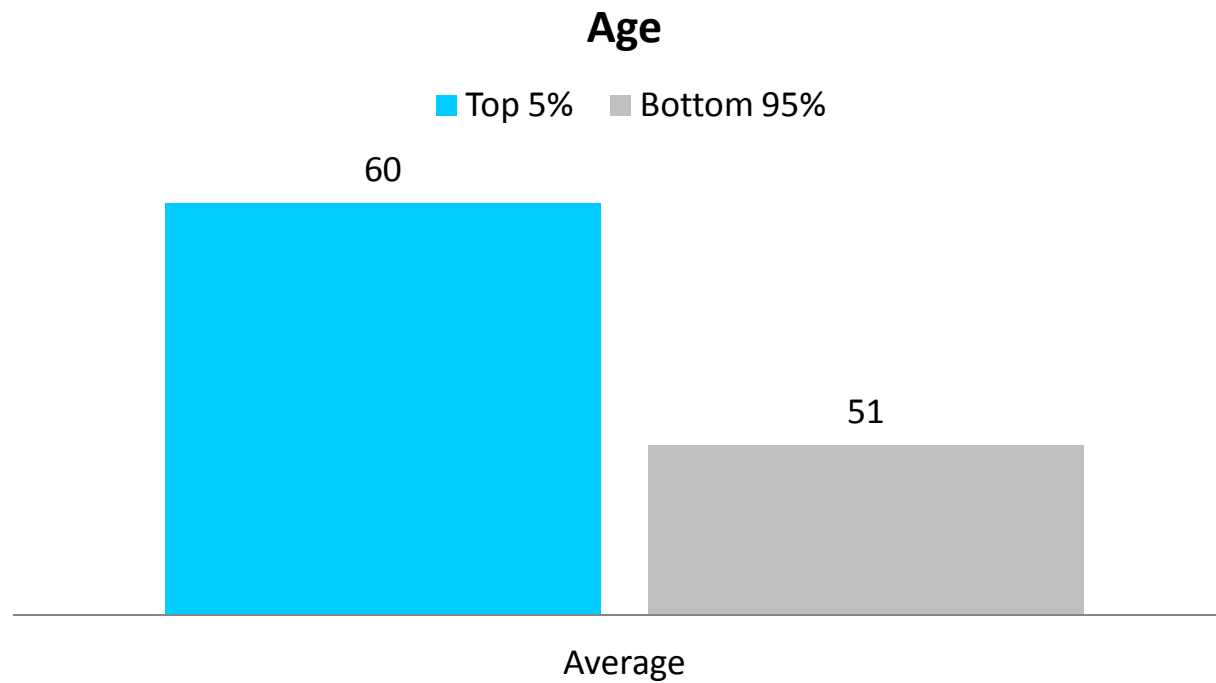


**Scoreset,
based on the prospect profiles
in June 2013**



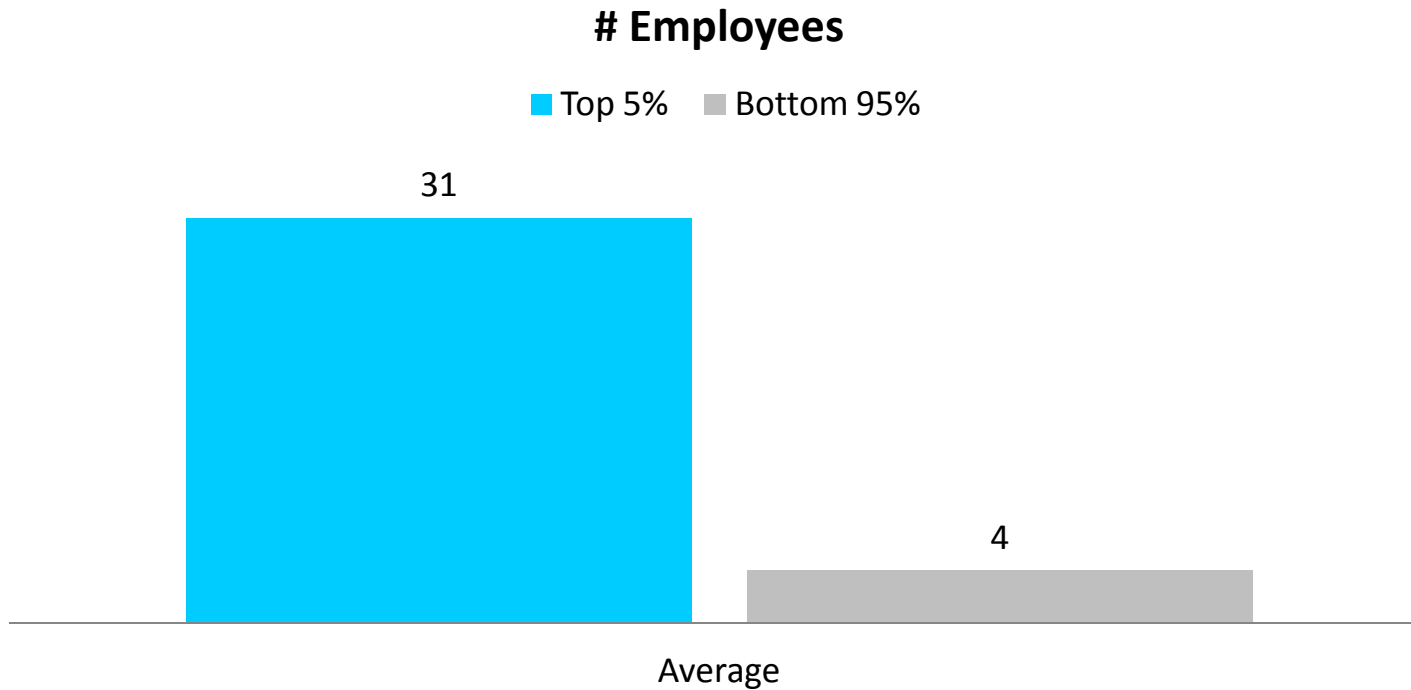
Profiling

- Optima data



Profiling

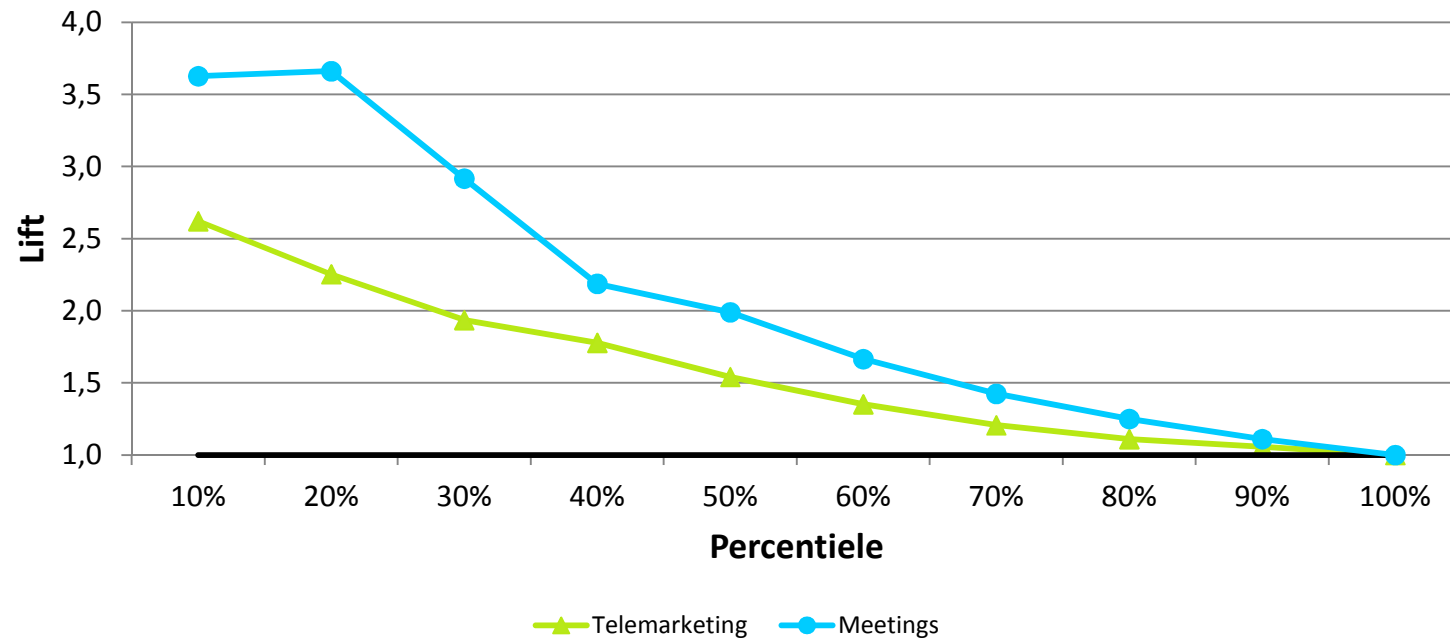
- External data provider data



In-field test results



■ Lift Graph



The top **10%** of the prospects converted **2.5 to 3.5x** more to an Optima customer than the average prospect

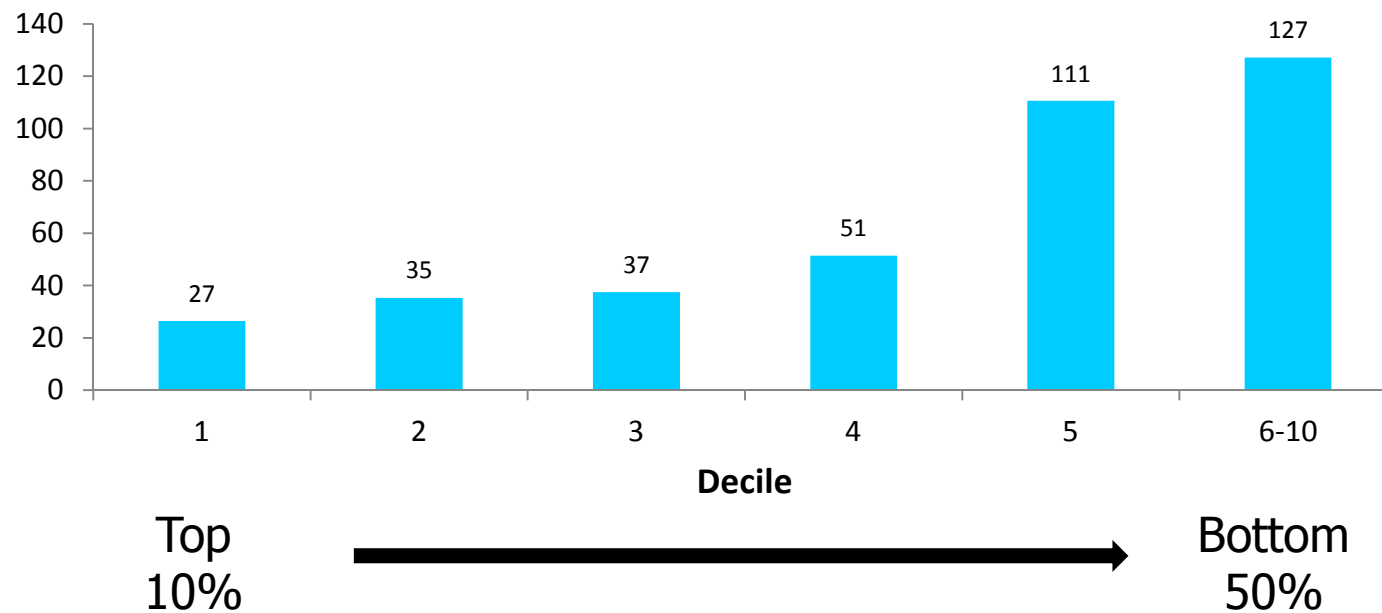


In-field test results



- Opportunities

Opportunities needed for one successful conversion



Conclusion



- **Stable and performing** solution
- Integration of **different data sources** into a **compact Predictive Model**
- Clear **profiling** of the target prospects
- In-field tests with **higher conversion rates**



Next steps

- ~~Optima criteria~~ → Predictive Model
- Usage of top 70% → decrease of 18% costs (mailing, telemarketing)
- Renewal score with lessons learned end 2014
- Next step in customer journey: cross selling to valuable customer



Questions?



Plan uw financieel geluk

Hebt u al nagedacht over uw financiële toekomst? Daar begint u beter nu mee dan later. Onze experts helpen u met het opstellen van een evenwichtig plan met aandacht voor uw inkomen, vermogen, pensioen en nalatenschap. Maak nu een afspraak met uw Optima-expert via www.optima.be.

Vraag geen advies, maar eis een plan.

