

USE CASE

Assessing the Likelihood of Subscription

Banks often face challenges in identifying which customers will likely subscribe to a term deposit. By harnessing predictive analytics, they can pinpoint these customers and apply targeted marketing efforts effectively.

Our Approach

Using Qualco Data-Driven Decision Engine (D3E), a bank predicted the probability of its customers subscribing to a new service, enabling precise targeting and efficient allocation of marketing resources. The most prevalent segmentation parameters that lead to segments with homogeneous behaviour, driven by the same factors, are:

- Number of days since the last contact from a previous campaign
- Communication channel

QUALCO D3E IN ACTION

Step 1 Model Development

We built a robust machine-learning model to determine the likelihood of a customer subscribing to a financial service. Key predictors selected by Qualco D3E included:

Customer's age



Number of contacts performed during the current campaign



Number of days since the last contact from the previous campaign



Consumer confidence index



Previous marketing campaign outcome



Communication channel



Step 2 Assess Subscription Probability

The model identified which customers were likely to subscribe to a service or product after being contacted. It also discovered the driving factors that outline the characteristics distinguishing responsive customers from the general population. For instance, subscriptions were:

- **90% higher** among those contacted in the previous campaign

- **15% higher** among those who were contacted only once during the campaign

- **19% higher** among single people

- **44% higher** among those contacted via cell phone

Step 3 Risk Prioritisation & Marketing Strategy

Validations against past contact attempts with known outcomes allowed the client to quantify the expected number of subscriptions and adjust the size of the target group according to his budget and capacity.



A significant proportion of subscriptions can be secured with minimal effort by targeting the right customers

Results

Secured 95% new subscriptions by targeting only 79% of the portfolio.

Minimised expenses by eliminating non-targeted marketing campaigns.



Reduced agents' efforts by 21% by applying targeted contacts.

Improved customer satisfaction and loyalty.



About

Qualco Data-Driven Decisions Engine

Qualco Data-Driven Decision Engine is an integrated decision-making platform that automates every stage of the credit portfolio and collections analytics workflow. It empowers:

- **Data Organisation** to keep track of one's portfolio's changes easily
- **Data Processing** to transform and sequence data for analytical insights
- **Machine Learning capabilities** to understand customer behaviours and segments
- **Tailored Treatments** to customise actions for various customer groups, enhancing performance
- **Strategic Insights** to shape treatment strategies and estimate their impact on profitability
- **Regulatory Compliance**, by generating compliance reports based on analysis results

Designed for any business that manages credit, Qualco Data-Driven Decision Engine equips financial institutions and servicers with the tools to transform raw data into actionable insights. By leveraging advanced analytics and machine learning algorithms, organisations can unlock untapped potential, drive operational efficiency, and deliver exceptional customer value.

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