



## Leading Retail Bank

Leading Bank Proactively Identifies DDA Customers for Retention

- *Proactive retention of DDA accounts*
- *Improve and monitor customer service*

### **Business Need**

With the high cost and strong competition for new accounts, our client had identified the need to actively identify and retain valuable customers at risk for attrition. In the banking business, customers often have several related services in addition to their DDA account. Customers closing a DDA account might very well close down other accounts (savings, loans, etc.), causing a ripple effect of loss revenue.

In addition, the bank had done a recent survey on attrition suggesting that branch efficiency or employee performance may have prompted account holders to close their accounts. The bank wanted to use attrition information to target areas in the branches where a review of current practices was needed.

**Our client's goal was to improve retention while determining if current practices were motivating account closures.**

### **Solution**

Austin Logistics' highly predictive, analytic models and strategy consulting.

### **Operation**

An Attrition model was built and accounts were rank ordered according to their probability to attrite. Using this ranking, the bank was able to determine which accounts to address with retention incentives versus accounts where no action would be taken.

As well, these models were used as a forecasting tool, allowing for segmentation at the branch level. By assigning the appropriate "probability to attrite" to each account, actual performance of each branch was compared to what should be "expected" given the type of accounts.

The models used were composed of data from traditional sources; transactional data (amount, type, date, vendor), checking and non-checking data sets, month-end master file, and non-traditional sources; demographic and credit bureau data.

## Results

Findings from the attrition model helped our client develop a series of customer-oriented retention strategies. Customers were proactively contacted using outgoing telemarketing and statement inserts. Proposed actions were as simple as a customer service call to determine the customer's satisfaction, waiving certain fees, offering general additional features, or offering other DDA products.

Using the analytical models as a forecasting tool enabled the bank to pinpoint areas of customer dissatisfaction in the branches. Branch offices, where attrition was the greatest, were monitored and encouraged to train employees on handling customer interactions and on retention strategies.

## Summary of Success

Our client was able to proactively increase retention by targeting customers for incentives and by pinpointing and eliminating areas of customer dissatisfaction in the branch locations.

## Analytic Models

Austin Logistics has built tens of thousands of Analytic models for Blue Chip clients across many industries. The models are created by aggregating disparate data and applying advanced analytic techniques. Our models help you take proactive, profit-focused actions across the lifecycle of an account, in areas such as prospecting, customer loyalty, originations, account management, risk and fraud, and collections.

In today's world you cannot afford to let customer data be underutilized. Austin Logistics helps you to rapidly put that data to work.



## About Austin Logistics

Austin Logistics is a leading provider of analytic software and custom modeling solutions that use predictive intelligence to drive more profit from every customer interaction.

Austin Logistics determines the optimal treatment for each transaction by collecting disparate data from multiple sources and applying advanced modeling techniques. All Austin Logistics products are designed to deliver a six-month Return On Investment.

Austin Logistics, established in 1992, is headquartered in Austin, Texas. The company maintains business and development offices throughout the United States and in Asia.

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