



**Creating Actionable Knowledge Via Analytics**

**Analytex improves response rate by 14% over existing response model.**



### **Client**

A top 5 credit card issuer

### **Problem/Challenge**

The client had higher goals for new accounts but had challenges to meet them, thanks to competition and fixed marketing budget.

### **Solution**

Through analysis of past direct mail campaigns at the issuer, Analytex discovered that there were significant differences in the profiles of customers for different products. Based on this information, Analytex developed not just one response model but several response models that were unique for each product.

## RESPONSE MODELING

### **Analytex improves response rate by 14% over existing response model**

**Client:**

A top 5 credit card issuer

**Challenge:**

Credit card industry has continued to see significant declines in response rates via direct mail. The client had higher goals for new accounts but had challenges to meet those goals due to increased competition and fixed marketing budget. The client already used sophisticated models to target customers likely to respond. The additional challenge is in goals for multiple products. The challenge is to improve existing models to improve response by product to maximize the value of marketing investment in acquiring the maximum number of customers.

**Solution:**

Primary data source that was utilized was a credit bureau where the names of pre-approved prospects were obtained. The rules had been built at the bureau based on generic scoring models and other data to identify prospects.

Through analysis of past direct mail campaigns at the issuer, Analytex discovered that there were significant differences in the profiles of customers for different products. Based on this information, Analytex developed not just one response model but several response models that were unique for each product. The product pricing was also included as a factor in the model. This allowed the issuer to evaluate the sensitivity to price in response for a customer and develop optimally priced products.

Analytex delivered a lift in 14% in the models over the existing ones used. In other words, the issuer was able to increase new accounts by 14% for the same marketing investment.

