

Retail Bank Data and Customer Analytics

Bank managers are often inundated with data. Translating that data into actionable insights has proven difficult for many. Capital Performance Group is helping our clients change this. Our consultants have built a suite of analytical products designed to help bank managers make better decisions based on data. Our data-driven solutions can help your management team to:

- ✓ Identify opportunities to improve performance and profitability;
- ✓ Understand the emerging trends in the industry and their strategic implications; and
- ✓ Improve the evaluation of market, customer, and competitive data to support more confident decisions.

We have listed categories below related to Retail and Customer Analytics. We welcome the opportunity to explore which of these are most relevant to your business needs.

Customer and Market Segmentation

New Household Growth

Existing Customer Penetration

Offer & Pricing

Customer Experience

Channel Adoption & Engagement

Existing Customer Retention

Retail Bank Resource Allocation

Retail Bank Data and Customer Analytics

Customer and Market Segmentation

- Business and Consumer Segments and Opportunity by Geographic Market
- Existing Customer Segment Penetration and Profit by Segment
- New Household Segment Composition and Profit
- Lifetime Value Analysis

Customer Experience

- Net Promoter Score and KPIs
- Pain Point Root Cause Analysis
- CX Improvement Benefit Analysis
- Customer Engagement Measurement

New Household Growth

- Target Segment Definition
- Look-Alike Modelling
- Sales Attribution from Media to Online Application
- Online Account Opening Conversion Analysis
- Marketing Mix and Cost Per Acquisition Optimization
- Branch Goal-Setting and Performance Mgmt. on Individual Market Opportunity
- Competitive Market Position and Competitive Opportunity Analysis

Channel Adoption & Engagement

- Channel Usage Analysis
- Digital Channel Usage Propensity Modelling using Third Party Data
- Improvement Plans for Specific Customer Segments and Individual Households
- Channel Performance Measurement and Analysis

Existing Customer Penetration

- Share of Wallet Analysis using Third Party Data
- Purchase Propensity Modelling
- Targeted Marketing and Response Analysis
- Branch Goal-Setting and Performance Management Based on Individual Branch Customer Potential

Existing Customer Retention

- Attrition Root Cause Analysis
- Attrition Early Warning Detection
- Preventive Action Measurement and Reporting

Offer & Pricing

- Customer Segment Preference Analysis
- Price Elasticity Analysis
- A/B Offer Testing
- Offer and Price Testing
- Improvement Benefit Analysis
- Competitive Research Scans

Retail Bank Resource Allocation

- Staffing Levels by Position by Market
- Channel Performance Analysis and ROI
- Branch and ATM Coverage Mapping
- Marketing Spend Optimization by Market and by Media

Developing Actionable Insights with CPG Analytics: A Case Study

Overview

CPG was engaged by a large regional bank to identify and evaluate opportunities to improve the overall performance of its Retail Bank in its nine regional markets and potential expansion markets. In its current markets, questions persisted regarding remaining growth potential and the cost structures required to protect, grow, and optimize the franchise. In potential expansion markets, questions arose regarding: (1) which market(s) provides for the best opportunity for expansion and (2) what would it take to be successful?

Analytic Approach

We used our proprietary market opportunity analytics to assess the vitality of more than 30 MSAs, including those in the Bank's current footprint and potential expansion markets. For each MSA, we leveraged Retail Bank customer/ performance data and third party market data to determine growth potential, competitive opportunities/challenges, and costs to do business. The data was used to identify priority MSAs for performance improvement and viable markets for entry. For each of the priority markets, we completed a deep dive market assessment: market segmentation, competitive positioning, competitive share-of-voice, brand awareness and consideration, branch/ATM/ITM coverage, digital engagement, channel preferences, and spend by channel and media. CPG overlaid the results of the data analysis with industry best practices to create a game plan for successful market entry.

The Results

The analysis resulted in management being able to confidently identify priority markets from which to increase attention as well as specific recommendations to optimize them. The analysis served as the backbone of a hands-on consulting engagement that identified specific Retail Bank and Marketing recommendations to:

- **Reduce the cost per Retail household acquired in priority markets by 15-40%;**
- **Profitably increase household acquisition rates by 20-80%; and,**
- **Decrease the overall cost of operating in the markets by 10-35%.**

The analysis also set the stage for the development of tracking mechanisms to track ongoing success and test new initiatives.