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Case Study

Potential-oriented sales management with PRO-SC Marketing- & Sales Control

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The Sparkasse Zollernalb was founded in 1836. It is a public-law credit institution under the ownership of the Zollernalb district. It is a member of the Association of Baden-Württemberg Saving Banks and thus affiliated to the German Savings Banks and Giro Association.

The Sparkasse Zollernalb is a Savings Bank that operates the universal banking business. It is the market leader in its business area. The Sparkasse Zollernalb had a balance sheet total of EUR 3.377 billion in 2017 and customer deposits of EUR 2.599 billion. It has 50 branches/selfservice locations and 699 employees.

The Sparkasse Zollernalb is part of the Sparkasse-Finanzgruppe and thus also a member of its joint liability. It secures the existence of the institutions and ensures that they can meet all their liabilities even in the event of the insolvency of individual savings banks. The Sparkasse arranges building saving contracts with the regional «Landesbausparkasse», Deka open-ended investment funds and insurances of «SV SparkassenVersicherung». The Sparkasse Zollernalb cooperates with «Deutsche Leasing» in the area of leasing.

Sales optimization

A successful up-selling campaign for credit cards shows how sales potential can be optimally exploited. The Sparkasse Zollernalb used PRO-SC from Prospero to target potential customers. Gaining customers is costly, but losing them is easy. This makes it even more important to recognize additional potential among existing customers and to prevent threatening terminations in good time. But identifying these customers is sometimes like trying to find a needle in a haystack.

The Sparkasse Zollernalb took up the challenge of a targeted up-selling campaign for credit cards. For the first time, the Sparkasse used the PRO-SC tool developed by Prospero to prepare a sales campaign. The goal: to achieve the highest possible closure rate while at the same time keeping campaign costs low and using sales resources efficiently.

Initial Situation

As a first step, the Sparkasse defined its sales targets for the credit card sector. The campaign concept was based on the following target: instead of addressing all standard credit card holders with a high scatter loss, only customers with a high potential for signing up for a gold credit card should be targeted.

In a second step, the data material was viewed and selected for customer analysis. Prospero examined the anonymous customer master data, payment transaction data, turnover data and customer portfolio data provided by the Sparkasse, as well as other relevant data from 12,500 standard credit card holders. This served as the data basis for the creation of the scoring model.

Methodology

With the software PRO-SC developed by Prospero, the data of the credit card holders were scored in order to divide them into different potential classes. First, the attributes of all data sets were weighted in model calculations in order to derive patterns relating to purchasing behavior and the probability of a transaction. Once the relevant patterns had been identified in model calculations, the customer data could be scored. By comparing the data with these patterns, the customers with the highest potential for the up-selling campaign were identified.

UPGRADING WITH INTELLIGENT DATA

«The result of the campaign surprised and delighted us. Even after deducting all expenses for data analysis and the campaign, the result of the upgrading campaign now achieves a significantly higher contribution margin in the credit card business.»

Birgit Schön, Marketing Private Clients
Sparkasse Zollernalb

The use of a sophisticated software tool is mandatory due to the amount of data as well as the variety of patterns to be considered. This is because PRO-SC not only manages the scope and complexity of model calculations within the framework of a data mining analysis, but also takes into account the results of campaigns already implemented. In this way, the tool «learns» permanently and continuously delivers improved analysis results.

Campaign results

The campaign results of the Sparkasse Zollernalb speak for the accuracy of the data mining analysis. In August the selected standard credit card holders received a mailing. In total, almost 20 percent of the customers identified in the scoring process have opted for the gold card within six weeks.

Successful sales control

The economic advantages of an optimized customer approach are obvious. The qualified target group selection with this approach means on the one hand a double cost reduction: through the careful use of resources in sales, which is additionally motivated by the high closing rates and smaller lot sizes in campaigns.

On the other hand, a targeted approach with tailor-made offers leads to greater customer satisfaction and loyalty. The example of this upselling campaign shows that potential- oriented campaign management leads to sales success. Data mining is used for different products and target groups. For example, to identify potentials for investment and pension products. Also, for service products or the lending business. This method was used to determine with over 70 percent accuracy which good customers of an institution are at risk of churn.

Conclusion

With PRO-SC, sales potentials can be effectively identified and used. The instrument offers savings banks and Landesbanken the opportunity to design successful sales campaigns for various business areas in a resource-saving and targeted manner. Within the framework of optimized sales management, the method makes an important contribution to increasing earnings and to the success of the company.

Prospero has been providing predictive analytics-based business solutions since the year 2000. More than 60 clients in 12 countries across the financial, life science, manufacturing, commercial and energy industries streamline their business with Prospero solutions.