

Executive Summary

A financial services provider wanted to increase customer retention, but was limited by manual, time-consuming operations and siloed data. Birmingham BPM Practice constructed pipelines that centralized key data elements, trained a predictive model to identify customers in early attrition stages, automated customer segmentation, targeting and messaging, and implemented an AI powered campaign optimization tool. As a result, the company was able to reduce customer attrition 18 percent by personalizing retention campaigns and increasing their cadence to catch customers earlier in their erosion stages.

Background

The company in question was a financial services provider selling life and health insurance policies to consumers nationally. Employing a distribution model, it had built a substantial market share in most of its core regions and had long-term stable relationships with a network of established insurance agents whose expertise regarding the company's portfolio was well regarded.

Attrition rates among middle-aged and older policy holders had been rising steadily for the past four years. The Marketing group approached Birmingham BPM Practice to assist it in retaining as many of these profitable customers as possible, as they represented a substantial part of the company's core customer base.

Problem Statement

The company tracked customer attrition closely, but always in hindsight. Retention dashboards took a historical perspective, which was effective in understanding the scope of the attrition problem but not in preventing it.

Much of this was due to availability of data. A lot of relevant and potentially useful data for measuring various stages of the attrition process was locked in silos across various operational areas around the company. None of it was easily accessible, as it contained personally identifiable information and other confidential elements. Accessing it to produce reports required a string of authorizations and a credentialing process that often took months. This discouraged Marketing staff from attempting to access all but the most essential data to produce historical attrition reports.

Retention campaigns, likewise, were laborious to design and execute. Before each campaign, Marketing staff would compile a list of policy holders from the attrition report

and query profiling data contained in its data warehouse, match it to the list members and create profiles. Marketing communication staff then would draft personalized content from the profiles. These personalized target lists would be loaded into the CRM system, at which point staff would schedule a retention campaign in the marketing automation platform.

The substantial amount of manual work for each campaign severely limited the number of campaigns the Marketing team could complete. In addition, lack of robust access to relevant data reduced the quality of the targeting and profiling, which in turn produced anemic customer retention.

Solution Overview

Birmingham BPM Practice launched a three-tiered retention improvement effort.

Working within the existing technology stack, the consultant first gained access to the various data sources housing relevant data the Marketing team needed and built pipelines to the Marketing data warehouse that automated secure transfer of that data.

Next, the consultant trained a predictive model that identified customers in early stages of attrition to automate list compilation within the CRM system. The consultant also deployed a model to automate segmentation and build granular profiles for customers on the compiled list that would inform personalized content development. To assist with content development, the consultant installed an AI powered content generator that automated and optimized personalization.

Results and Metrics

The three-tiered solution reduced campaign development time from weeks to days and allowed campaign cadence to increase to weekly from monthly, effectively quintupling the number of campaigns in a year. The decrease in development time also enabled earlier intervention with at-risk customers, making the retention campaigns 18 percent more effective and saving the company \$15 Million in potentially lost revenue.