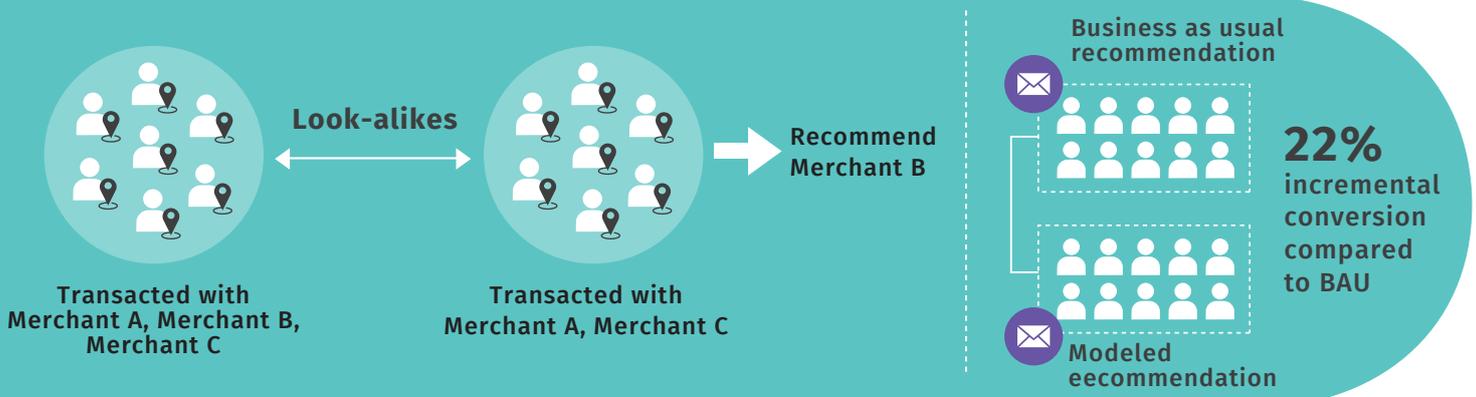


A Malaysian Loyalty Program sees uplift upto 22% in cross-sell revenues using predictive analytics



CHALLENGE

63% of transacting members were using the loyalty card with only one merchant. The client was looking for a way to increase cross-merchant transactions by identifying prospects who are look-alikes of members transacting with multiple merchants.

SOLUTION

- Member profiles were created basis their demographics, points management behaviour & derived features of the merchant's transacted with.
- A machine learning based look-alike model was implemented to identify single brand members who had an affinity to members transacting with multiple merchants in terms of demographics, RFM segments & marketing channel response behavior.
- To identify the next best merchant to be for the look-alikes, an association rule algorithm was implemented which recommends the prominent merchant based on the association between brands that are most likely to go together.
- To measure the effectiveness of the model Netcore created two segments, i.e. 1) High affinity & Low-Affinity basis the proximity of single merchant profiles to multi-merchant profiles.
- Further, each of the two segments were divided into two stratified samples of 50/50, wherein one half received an offer to induce conversion & the other half, i.e. control group received a regular email.

RESULTS



In the High-Affinity segment, the offer based campaign led to an incremental conversion uplift of 22% as compared to the control group.



In Low-Affinity segment, the offer based campaign led to a marginal conversion uplift of 3% as compared to the control group which gave an insight to the client to change the offer proposition for this group.