Learning Agenda Example 1: Established Households (EHH)

Bola Ajayi

**BUSINESS** **STAKEHOLDER(S):** Joshua Bunn, Casey Carbone

**HOW** **WILL** **THE** **INSIGHTS/** **ANLAYSIS** **BE** **USED?:** A deeper understanding of the Established Households (EHH) group will help the organization determine strategies for developing this group and driving more EHH behavior. Insight could inform which EHHs are treated as new customers vs returning customers, etc. Insight could also help inform how to find/target for more EHH households among the broader Customer base.

**WHICH** **CUSTOMER** **GROUPS** **ARE** **THE** **FOCUS** **FOR** **THE** **WORK**?: EHHs

**WHAT** **BEHAVIORS** **ARE** **YOU** **TRYING** **TO** **IMPACT?:** Increased flows and/or conversions of these customers to full-fledged, profitable Households

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| **Q#** | **QUESTIONS** **TO** **ANSWER** | **PRELIMINARY** **HYPOTHESES** |
| 1 | (1**) What customers are saying about each Primary Reason category?**  **(2) Are there any topics that are not currently identified as Primary Reasons, but which occur frequently in customer comments?**  **Amica Insurance conducts several customer surveys. Three of the main surveys are the Claims Transactional survey, Relationship survey, and the Sales & Client Services (SCS) survey. The Claims survey is completed by customers who had a claim; the SCS survey is completed by those who had a policy change (change a car, add a driver, etc.), and the Relationship survey is completed by those who have not had a policy change or a claim within a year. In all three surveys, the customer can select a Primary Reason for their satisfaction scores, and make a Comment.** | - EHH group is comprised of multiple sub-groups  - Former customers count for more than half of EHHs  - Some EHH are likely “new” HH in that they had never been part of a prior household |
| 2 | Which sub-groups account for the largest proportion of positive flows from the EHH group? | - Former customers and those who appear to be “new” account for the largest proportion of flows from the EHH group |
| 3 | What trends have we seen with the EHH group over the past 5 years? | - EHH sub-groups have remained constant over past 5 years, growing with the base |
| 4 | What contributes to EHHs bringing in flows? (e.g. direct/email marketing, referrals, etc) | - Marketing, referrals and customer development have all contributed to EHH |
| 5 | How do EHH HHs look “different” from other customers? (i.e., can we identify future potential EHH? | - EHH sub-groups have distinguishable characteristics (e.g., Former customer EHHs have similar trait vs. other types of EHHs) |

Learning Agenda: Amica Survey Analysis

**BUSINESS** **STAKEHOLDER(S):** Amica, Bola Ajayi, Matthew Houde, Eric Zhang, Kathryn Doorley, Wilson Dong, Edmilson Da Moura

**OBJECTIVES** **OF** **THE** **WORK:** Understand the effectiveness of email interactions on sales and asset retention as compared to other forms of interactions. Uncover patterns of interactions that are most effective at driving sales, new client acquisitions and Money in Motion (MiM) opportunity capture, so that the resulting information can be used to inform best practices for Sales Associates

**(1) What customers are saying about each Primary Reason category?**

**(2) Are there any topics that are not currently identified as Primary Reasons, but which occur frequently in customer comments?**

**BACKGROUND:** **Amica Insurance conducts several customer surveys. Three of the main surveys are the Claims Transactional survey, Relationship survey, and the Sales & Client Services (SCS) survey. The Claims survey is completed by customers who had a claim; the SCS survey is completed by those who had a policy change (change a car, add a driver, etc.), and the Relationship survey is completed by those who have not had a policy change or a claim within a year. In all three surveys, the customer can select a Primary Reason for their satisfaction scores, and make a Comment.**

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| **Hypotheses** | **General** **Approach†** | **Milestones** |
| 1. Email is an effective form of interaction for driving incremental sales and enhancing client stickiness  2. In general, any form of Associate/client interaction is better than no interaction at all. However, some forms of interactions are historically more effective than others in driving desirable client outcomes, such as incremental sales and capturing identified MiM opportunities  3. The Prospect-To-Client journey consists of a set of interactions, touches and/or engagements that together drive prospects to do business with us; there is a similar journey for subsequent purchases  4. There exists a set of “best practices” that can be identified among Associates who are most successful at driving sales and loyalty, and converting MiM opportunities  5. Greater Associate tenure and training contribute to better sales outcomes, given similar levels of engagement with clients | **1.** **Lift** **analysis** **and/or** **event** **propensity** **model:**  ➢Disaggregate client populations to group by level of email, phone call, and other forms of interactions interactions  ➢Model change in likelihood and/or size of desirable event (e.g. sales) given level of interaction ➢Estimate effectiveness of each interaction type for incremental sales based on model outputs  **2.** **Pathing/Association** **analysis:**  ➢Uncover patterns of touches/interactions which are associated with successful MiM capture, contrasted with patterns that are not  ➢Use similar approach for understanding which patterns of interactions occur before a prospect become clients, and before initial sales  **3.** **MiM** **Conversion** **Analysis:**  ➢Calculate performance metrics related to MiM such as time to follow-up, last interaction prior to conversion, and conversion % interaction pattern category  **4.** **Analysis** **By** **Subgroup**  ➢Split by sales segment, tenure, job function and level of training\* to determine if outcomes differ by these dimensions | • Finalize Learning Agenda  • Initial data pull and analysis  • Lift analysis / propensity model  • Pathing / Association analysis  • MiM Conversion Analysis  • Storylining and draft preview  • Analysis presentation and wrap-up |

\*If useable data are available

†Actual approach used will depend on nature and availability of data

Learning Agenda Example 3: Unprofitable Households (HHs)

BUSINESS STAKEHOLDER(S): Pamela Leahy, Morgan Freeman, Slobodan Andrejco, Lifeng Dong

OBJECTIVES OF THE WORK: Understand the underlying drivers of unprofitability among unprofitable HHs, and use this to determine what best actions the business can take with unprofitable HHs to increase their revenue, reduce their expense, or otherwise improve their profitability

BACKGROUND: As part of the Git ‘Er Done program, Business Unit X is interested in understanding the nature of unprofitable HHs. By definition, these HHs generate expense for We Da Best, Inc. (WDB), but do not generate enough revenue to fully offset their expense. Furthermore, the impact of these HHs on revenue is often masked by the fact that the Business Unit X portfolio as a whole is profitable. By identifying these HHs and the root causes of their unprofitability, WDB hopes to determine actions it can take to improve their profitability, and thus the profitability of the overall portfolio.

**Hypothesis**

1.Unprofitable HHs are a heterogeneous group; there are subgroups within this population whose unprofitability is driven by different factors than other subgroups, and thus warrant different “best actions”

2.Relative to profitable HHs, unprofitable HHs are heavy users of live channels, are less likely to own certain accounts, have much of their money in less profitable funds, and are at the extreme ends of the age spectrum (who are often less profitable on average)

**General** **Approach**

**1.** **HH** **Exclusions/** **Sub-grouping**

• Set aside key subgroups of the Business Unit X customer population for special consideration/analysis

• Exclude specific HHs from actioning based on their underlying relationship with WDB, or key attribute possessed

3.Some portion of high live-channel usage is driven by outreach (inducement) from WDB; some • Determine impact on profitability of the subgroups excluded from actioning unprofitable HHs may reach profitability by dialing this back selectively

4.While higher levels of activity is typically associated with higher revenue, there are pockets of unprofitable HHs among high-activity traders; their profitability is determined in part by what activities they engage in

**2.** **Exploratory** **Data** **Analysis**

• Cluster analysis or similar to further identify subgroups of unprofitable HHs whose unprofitability is driven by similar underlying factors

5.Middle Tier HHs are more likely to be unprofitable because the revenue generated from their relatively low levels of cash in their accounts cannot fully offset even minor live channel usage

• “Look-alike” model or similar to understand the revenue/expense profiles of unprofitable HHs relative to their “closest” profitable counterparts

6.There is a minimum cash threshold under which a HHs is very unlikely to be profitable, and unlikely to evolve into a profitable HH in the future; best actions for these HHs may be automatic account closure

**3.** **Deep-Dive** **Analysis**

• Detailed analysis on each subgroup as needed to determine behavioralattributes which will inform recommended actions