# Marketing Analytics: Assignment 1

**Submitted by: Surabhi Asati April 6th, 2017**

**Dunia Finance LLC**



**Introduction**

Dunia Finance LLC was launched in 2008, as a financial services firm that began to grow during the global financial crisis. In 2012, Investors at Dunia wanted to increase customer volume. Hurbas - Head of strategic Analytics unit, had to decide whether this would be best achieved through bringing in new customers, or cross-selling to existing customers. Dunia figured that profitability from each customer increases, as its length of time as a customer increases, making customer loyalty key to profitability. Dunia leveraged analytics with self-generated data to manage customer relationships and drive targeted cross-selling.

**Problem**

Kakar, Founding CEO of Dunia Wants to increase volume and reward the good customers. To do so, does it make sense to focus on bringing in new customers, or would ramping up cross selling efforts to existing customers offer the volume Kakar needed to satisfy the investors.

**Questions**

1. **What are the differences in banking between the United States and the UAE?**

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| **No.** | **UAE** | **United States** |
| **1** | A banking associate/manager in developing markets is required to have a broader coverage in his/her function and have a strong understanding of various other functions to be effective | The United States allow bank managers to control a much narrower area and become specialized within their function |
| **2** | The UAE experiences a greater operational and credit cost than US | It’s easier to do business in US with its well-developed credit bureau |
| **3** | Reliance on internal data as there is little or no data available with credit bureau | US have full blown credit bureau systems that facilitate US banking systems with very large volume of data to profile and target customers |
| **4** | Higher business risks due to reliance on internal data and transient expat work population | Much lower risks due to robust credit bureau and detailed information about customer/non-customer’s whereabouts |
| **5** | UAE has small population that challenges segmentation of customer on specific criteria and leads to very few options for narrowing customers. | US has a large population so it’s easy to segment and target customers for specific banking services |

1. **How does analytics affect customer relationship management at Dunia?**

At Dunia, Analytics was aligned with the business model and UAE market conditions. This worked as strategic asset that provided growth in the period of financial crisis. The data was self-generated in the company.

Each customer’s expectations from the services, past purchase history and product and service usage patterns were generated and stored daily in a data warehouse including capacity, character, capital, collateral and covenant. Dunia leveraged it internal customer data to make optimum customer relationship management decisions.

1. **How would Dunia affect customer lifetime value?**

Dunia focused on deepening relationship rewarding customers through cross-selling of financial products and increasing credit card limits. The strategy as to sell multiple products to existing customers to increase Dunia’s earnings and customer balances. This enhanced the customer lifetime value as Dunia could gather more data on each customer and therefore reduced risk. This concluded cross-selling of multiple products to existing customers less risky than acquiring new customers, as data was already available to determine consumer behavior.

1. **Is it the right time for Hurbas to focus on cross-selling or should he focus on new customer** **acquisition?**

As stated in the problem, The CEO’s goal is to increase customer volume to satisfy investors. This is the right time to focus on cross-selling of multiple products to existing customers as it has a strategic advantage over acquiring new customers. Dunia’s analytics are well aligned with its business model, leveraging it to deepen customer relationship by cross selling multiple products to existing customers based on their data is effective way to generate volume and profit utilizing resources optimally. Also, UAE does not have a Federal Credit Bureau that can provide clear information on customers, Dunia does not have a reliable data source to collect information on new prospective customers. Therefore, Hurbas – Head of strategic Analytics unit, should first focus on cross-selling and later new customer acquisition.