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Dunia Case Assignment

Dunia launched in 2008, as a financial services firm that began to grow during the global financial crisis, while other firms were collapsing. In 2012 Dunia was in need of increasing volume and had to decide whether this would be best achieved through bringing in new customers, or cross-selling to existing customers. Dunia has found that profitability from each customer increases, as their length of time as a customer increases, making customer loyalty key to profitability. The firm has developed effective cross-selling strategies for existing customers and has stored large amounts of data on consumer behavior, that can effectively inform business decisions.

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

The UAE experiences a greater operational and credit cost. Unlike the United States, the UAE does not have full-blown credit bureaus and therefore must rely on internal data to grow within the developing market. The UAE also has a smaller population than the United States, leading to less customers, and fewer options for narrowing in on customers with specific criteria. Because the middle east is going through many changes this also leads to many possible risks when doing business. The United States is also able to allow bank managers to become much more specialized within their role, while the banking associates in the UAE must function in a larger range.

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

Analysis of a customer’s patterns and history determined if Dunia would increase the credit granted to that customer. Data relating to each customer was stored Dunia’s data warehouse that included capacity, character, capital, collateral, and covenant. All information, including customer relationship management, was uploaded data to the data warehouse on a daily basis. This allowed Dunia to analyze customer data to determine the optimal CRM decisions moving forward.

1. How would Dunia affect customer lifetime value?

Dunia focused on cross-selling to existing customers and increasing credit card limits. This affected the customer lifetime value as Dunia was able to increase the data that they had on each customer. This contributed to cross-selling being less risky than gaining new customers, as data was already available to determine consumer behavior for existing customers.

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

The main goal set out by the CEO is to increase volumes. At the time of the emergency meeting, it is beneficial for Hurbas to focus on cross-selling to existing customers. This decision is based on the large amounts of data gathered for the existing customer base. Analyzing the existing data is the most effective way to target customers that are likely to respond positively to cross-selling. Because the profitability of each customer increases the longer they remain with Dunia, it is beneficial to cultivate existing relationships to increase profitability. Without data on the behavior of new customers that could be acquired, cross-selling is the less risky marketing decision based on analytics.