



CUSTOMER SEGMENTATION

MAJID AL FUTTAIM - NAJM

Capstone Review Phase 1

AGEND A

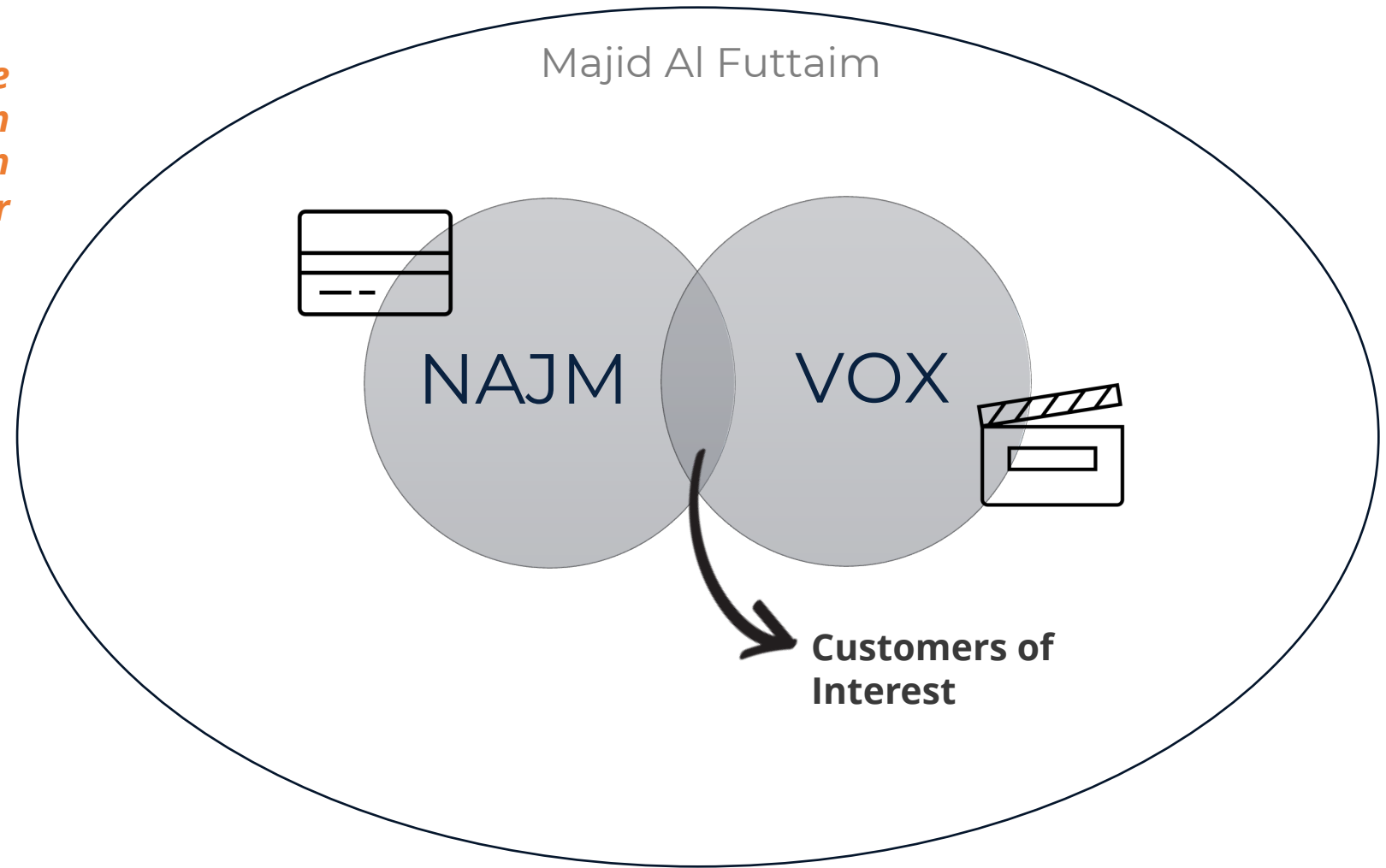
- Introduction
- Industry Understanding
- Client Understanding
- Problem Breakdown
- Next Steps



INTRODUCTION

PROBLEM AT HAND

The credit card business of the company (NAJM) is interested in capitalizing untapped acquisition potential within its movie customer base (VOX).



MAF AND ITS HOLDINGS

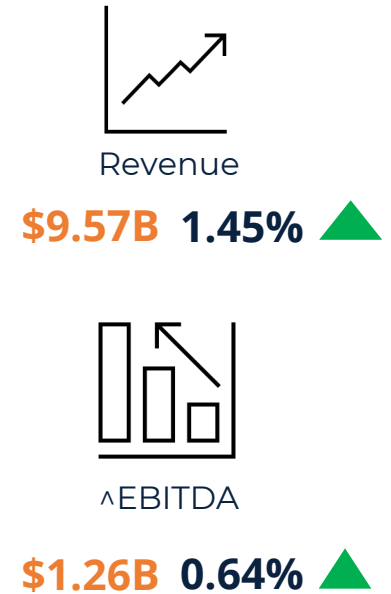
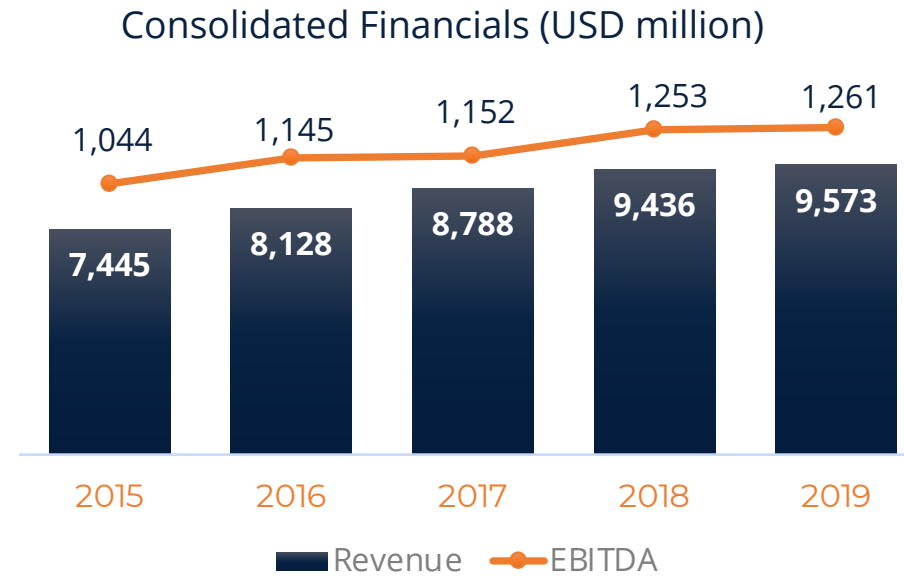
“Great Moments
For Everyone
Everyday”



MAF - CURRENT STATE



- Spread over 15 locations across MENA
- Focus on diversification
- Established track record, reputation and brand



26
Shopping Malls
200M
Customers
(As of 2020)

42
*New Carrefour Stores
306
Total Stores

146
*New VOX Screens
511
Total Stores

* - From 2019 to 2020



INDUSTRY UNDERSTANDING

GLOBAL INSIGHTS ON CREDIT CARD INDUSTRY



2.8B
Cardholders
worldwide

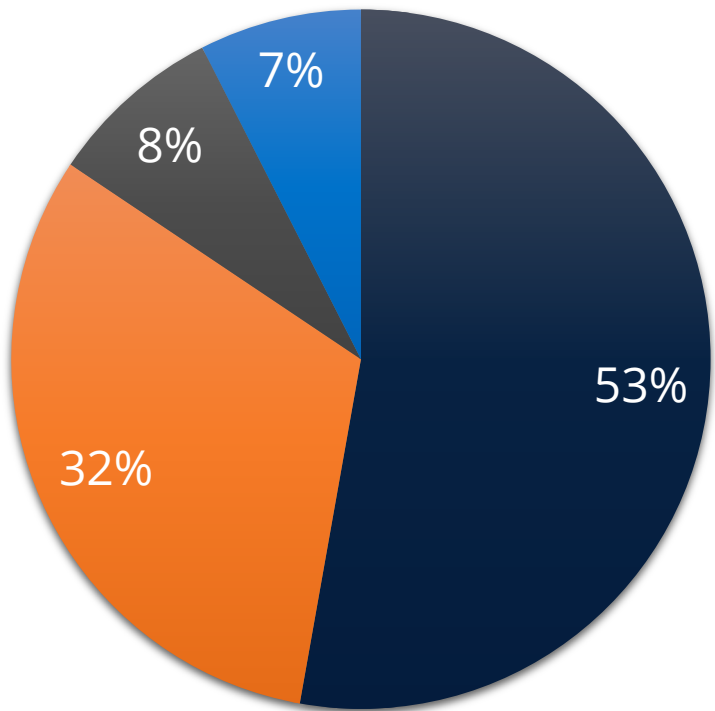


Gen X
Prefer Credit Cards



4
Average No. of Credit
Cards per American

Credit Card Networks - Market Share



■ Visa ■ Mastercard ■ Discover ■ American Express

Data source: [Shift Processing](#)

CREDIT CARD INDUSTRY IN MENA REGION

Data source: [Veriskfinancialresearch](#)



1/3rd

Of MENA's CCs is in UAE



1 in 3

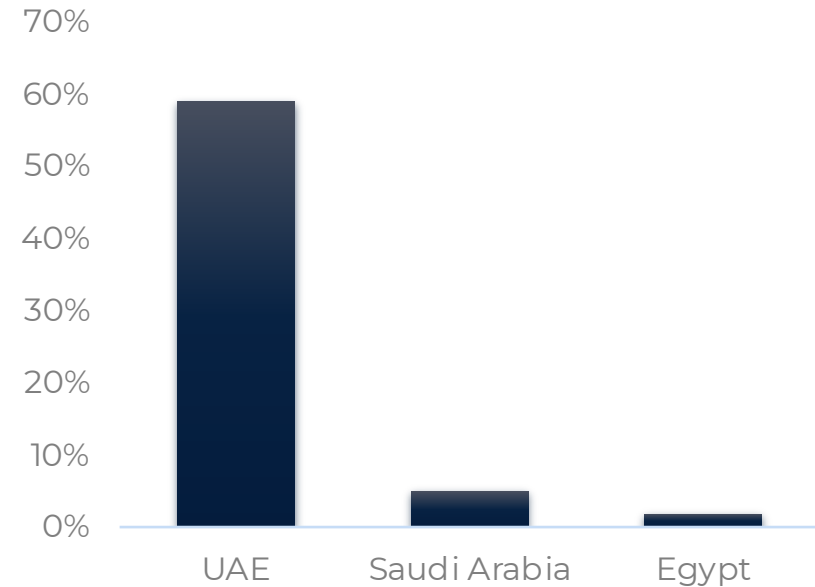
People have >1 CC in UAE



\$209

Pre-tax profit in UAE
(per customer annually)

% of Population having Credit Cards



The figures underline the UAE's importance in the region's credit card industry despite its relatively small population

**BUY NOW, PAY
LATER**

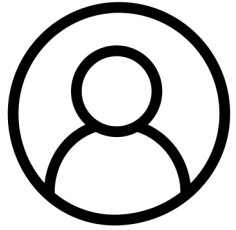
Data source: [Gulf News](#)

**Do you know how a credit
card transaction
happens?**



**Let's get an
overview!**

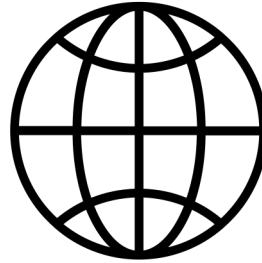
STAKEHOLDERS – CREDIT CARD TRANSACTION



Cardholder



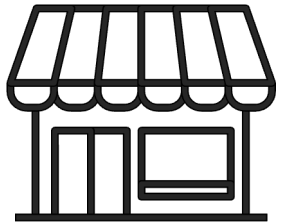
Issuing
Bank



Card
Network

Transaction Cycle

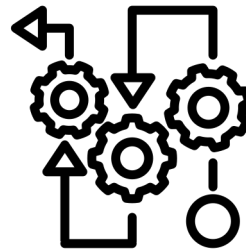
- 1 Authorization
- 2 Funding & Settlement



Merchant



Merchant
Bank

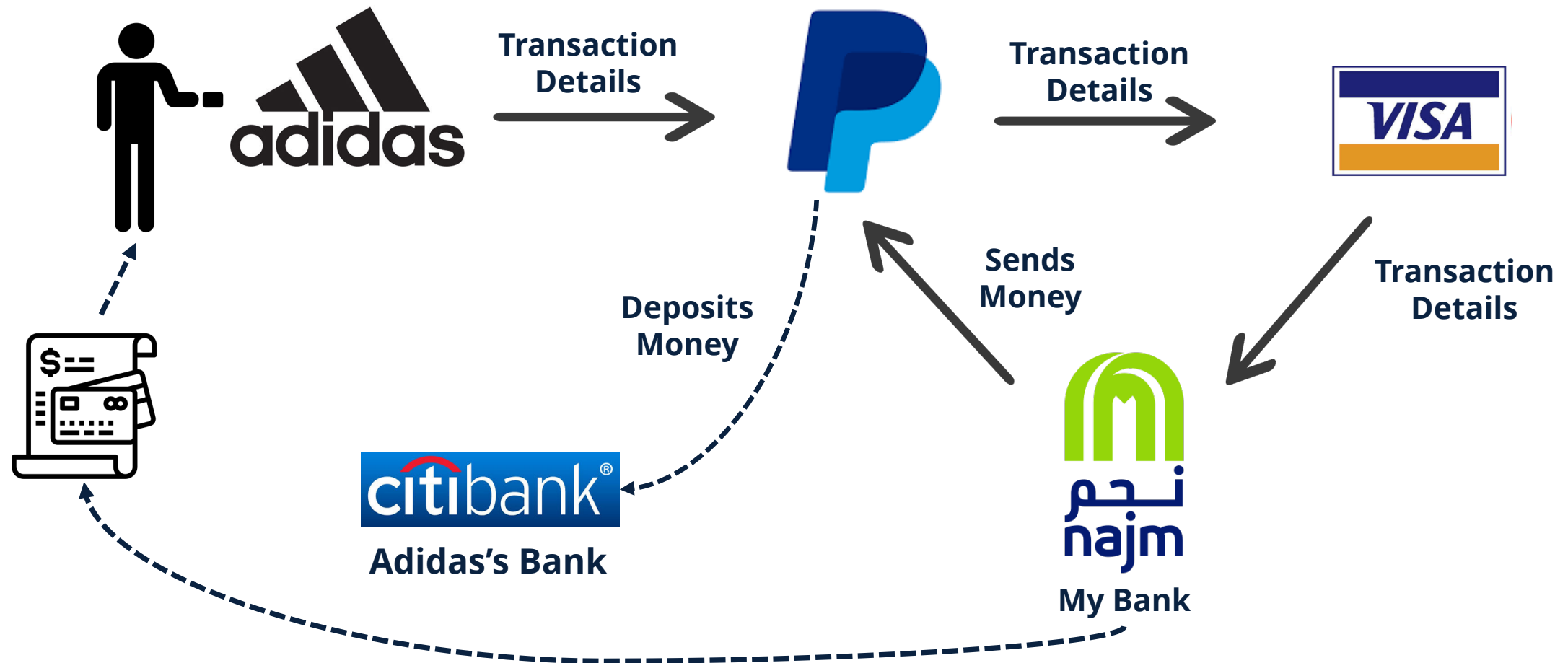


Processor

TRANSACTION CYCLE - AUTHORIZATION



TRANSACTION CYCLE – FUNDING & SETTLEMENT





HOW DO CREDIT CARD COMPANIES MAKE MONEY?

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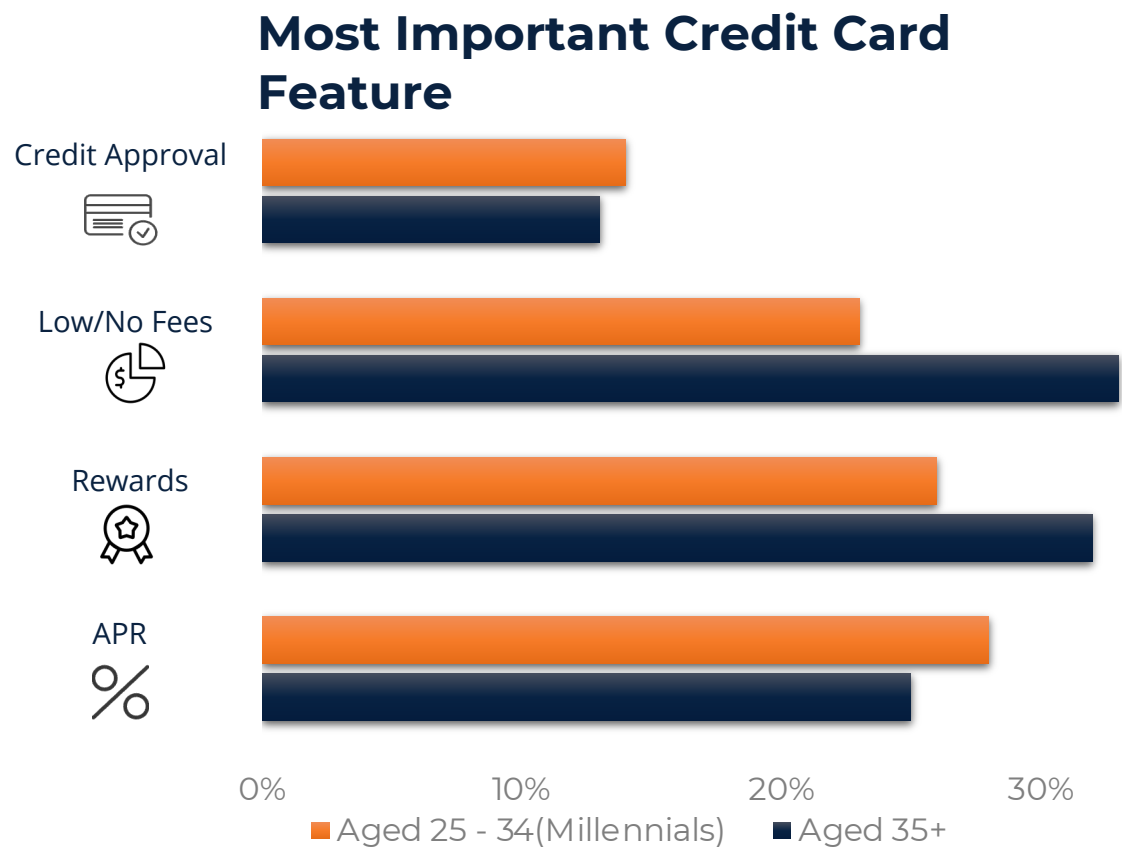
SOURCES OF INCOME

Interest
Charges

Interchange
Fee

- ✓ **Annual Fee**
- ✓ **Foreign Transaction charges**
- ✓ **Cash advance Fee**
- ✓ **Conversion of outstanding amount**

TACTICS USED TO TARGET CUSTOMERS



TARGET CUSTOMERS

High Income

Cash-back
Point-rewards
Mileage offers

Low Income

Low introductory APR

Add source



CLIENT UNDERSTANDING



NAJM - STATISTICS



- Financial Services & Solutions
- MENA Region
- Top choice - Travelling



Customers

110K



Employees

500+



Credit Cards

175K



Pre-paid cards/Day

2000



Spends

\$3B

NAJM CREDIT CARDS

• Salary Range	• AED 7000 – AED 15000
• Annual Fees	• AED 0 – AED 499
• Cashback	• YES
• Balance Transfer	• YES
• Interest Rates	• 3.25% per month
• Offers	<ul style="list-style-type: none"> • 10% cashback • Up to 50% on dining & movie ticket bookings • Reward points on every AED spent
• Top Credit Cards	<ul style="list-style-type: none"> • NAJM Platinum Cashback CC • NAJM One Cashback CC • NAJM Platinum Plus Cashback CC • NAJM Voyager Signature CC



SWOT ANALYSIS





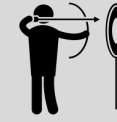
PROBLEM DEFINITION

CURRENT STATE



- Desired customer acquisition goals set by NAJM was not achieved
- NAJM's business revenue and growth was stagnant
- Interested in acquiring profitable customers
- Wants to target pre-existing MAF customer portfolio
- Finds high customer acquisition potential within VOX movie customer base

STRATEGIES



- Acquire profitable customers from VOX customer base into the NAJM chain
- Defining factors to deem customers as profitable
- Identifying appropriate customers to target based on the relevant metrics
- Grouping them based on similar characteristics
- Tailoring acquisition campaigns that would best fit the segmented groups
- Delivering unique selling point to the customers

FUTURE STATE



- Profitable acquisition campaigns
- Enhanced business performance
 - Higher conversion rates
 - Expansion of current customer base
 - Increased revenue and cross-sales ratio
 - Innovation
- Rise in brand value and awareness
- Preferred payment partner in VOX industry

CO.DX PROBLEM DEFINITION

Business Opportunity

- Acquire potential customers from VOX to NAJM
- Ability to cross-sell NAJM cards to VOX customers

Analytics Problem

- Design a framework to identify target group of customers who will purchase NAJM credit cards
- Getting insights on customers who use NAJM CC for payments at VOX

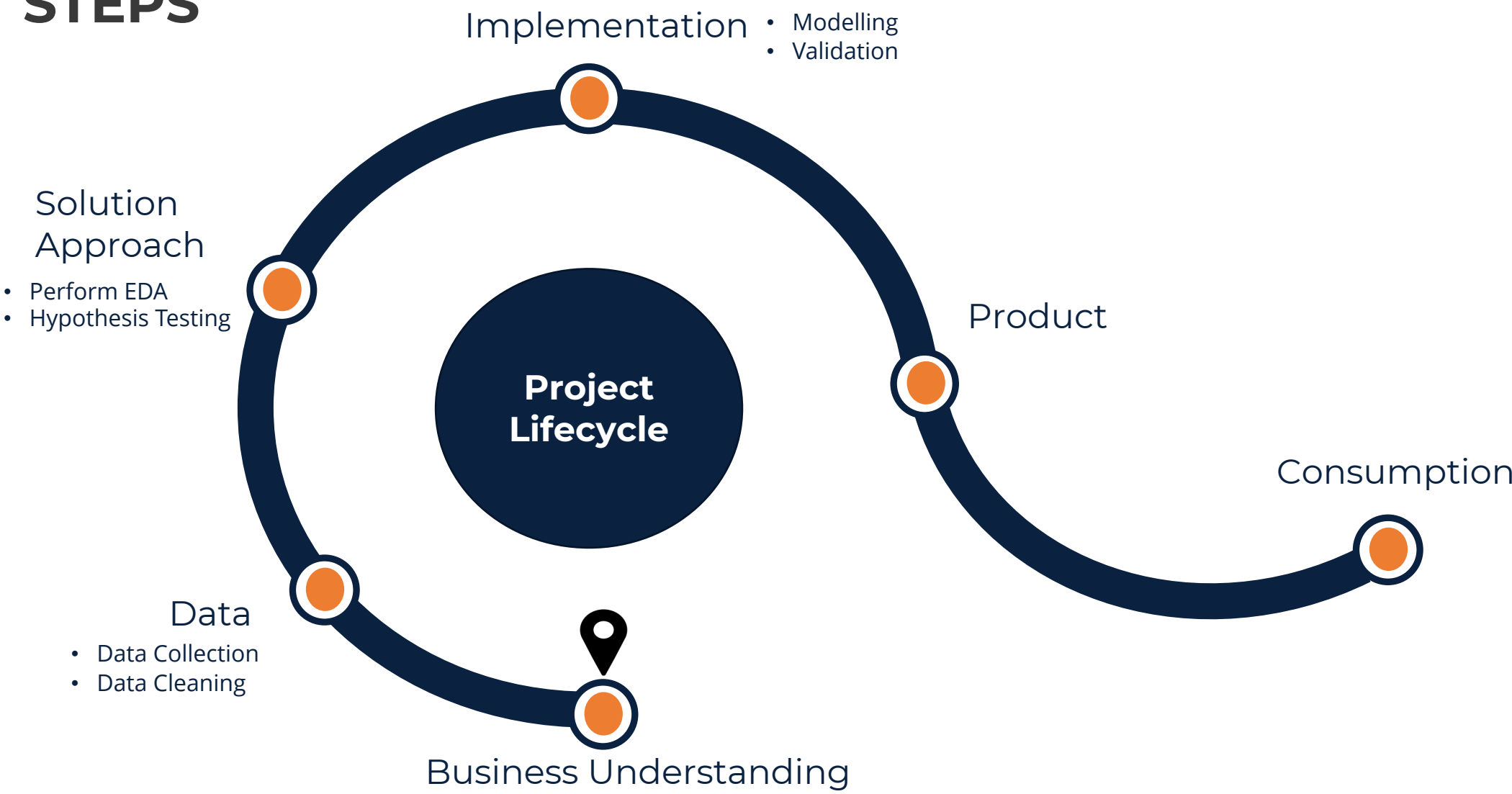
Analytics Outcome

- Framework that identifies profitable customers and targets them
- Accurate segmentation of customers based on the behaviours exhibited

Business Outcome

- Clear picture for the company on targeting the customers
- Acquiring more profitable customers

NEXT STEPS





QUESTIONS ?



THANK YOU



APPENDIX

VOX Cinemas - Overview
Co.Dx Screenshot
Client Empathy Map

VOX - STATISTICS



Great Moments for Everyone, Everyday

- Most innovative, customer-focused exhibitor
- Middle East's largest and most rapidly growing cinema.
- Spread across 50 locations with a total of 500+ screens.



Customers

50M+



Employees

100+



Screens

511



Revenue



17M




(as of 2020)








Order Online
Home Delivery

CO.DX SCREENSHOT

 Projects >  MAF_NAJM_Customer_Acquisition

MAF_NAJM_Customer_Acquisition

 CASE STUDIES  CREATE CASE STUDY  ATTACHMENTS  COMMENTS  NOTEBOOKS

BUSINESS OPPORTUNITY

1. Acquisition of customers who will be profitable to NAJM
2. Targeting the pre-existing MAF customer portfolio

ANALYTICS PROBLEM

1. Defining factors to deem customers as profitable
2. Identifying appropriate customers from VOX to target based on relevant factors such as age, spending capacity, income, frequency of visits to VOX per month etc.

ANALYTICS OUTCOME

1. Outlining appropriate KPI's such as profitability of a customer, revenue etc.
2. Accurate segmentation into groups of customers with similar behaviours

BUSINESS OUTCOME

1. Profitable acquisition Campaigns
2. Higher conversion Rates
3. Increased brand value and brand awareness
4. Increased cross-sales ratio of the NAJM and VOX
5. Increased Revenue

Mr. Sumeet Pundlik, Director- Corporate & Retail Cards Acquisition, NAJM

What does he feel/think ?

- Responsible for company's Sales Decision
- Improve customer satisfaction by anticipating consumer needs
- Wants to devise new Sales tactics

What matters to him ?

- Increase customers in his region of operation
- Attracting profitable clients
- Identifying where improvements can be made and developing success-driven plans

What influences him ?

- Close relationship with the marketing department
- Has a close eye on the sales tactics used by competitors
- Out of the box ideas driven by new technologies



What are his biggest hurdles ?

- Loyalty of the current customer base
- Incompetency of the Sales Team
- Ineffective Credit Card Schemes

What are his short-term goals ?

- Running successful acquisition campaigns
- Use analytics to target customers
- Attracting customers by claiming to protect them from fraudsters