HYPER-PERSONALISATION IN CREDIT CARD OFFERS
A CASE STUDY

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- What is hyper-personalisation ?

In the digital era Hyper personalization is the baseline for addressing customer demands with more individualized experience in terms of products, services,content etc.

Today's customers want to engage with brands that can:

- Instantly identify them

- Have immediate access to information about every interaction, on every channel(mobile, website,apps etc.)

- Based on the data,understand their issue and know how to solve it

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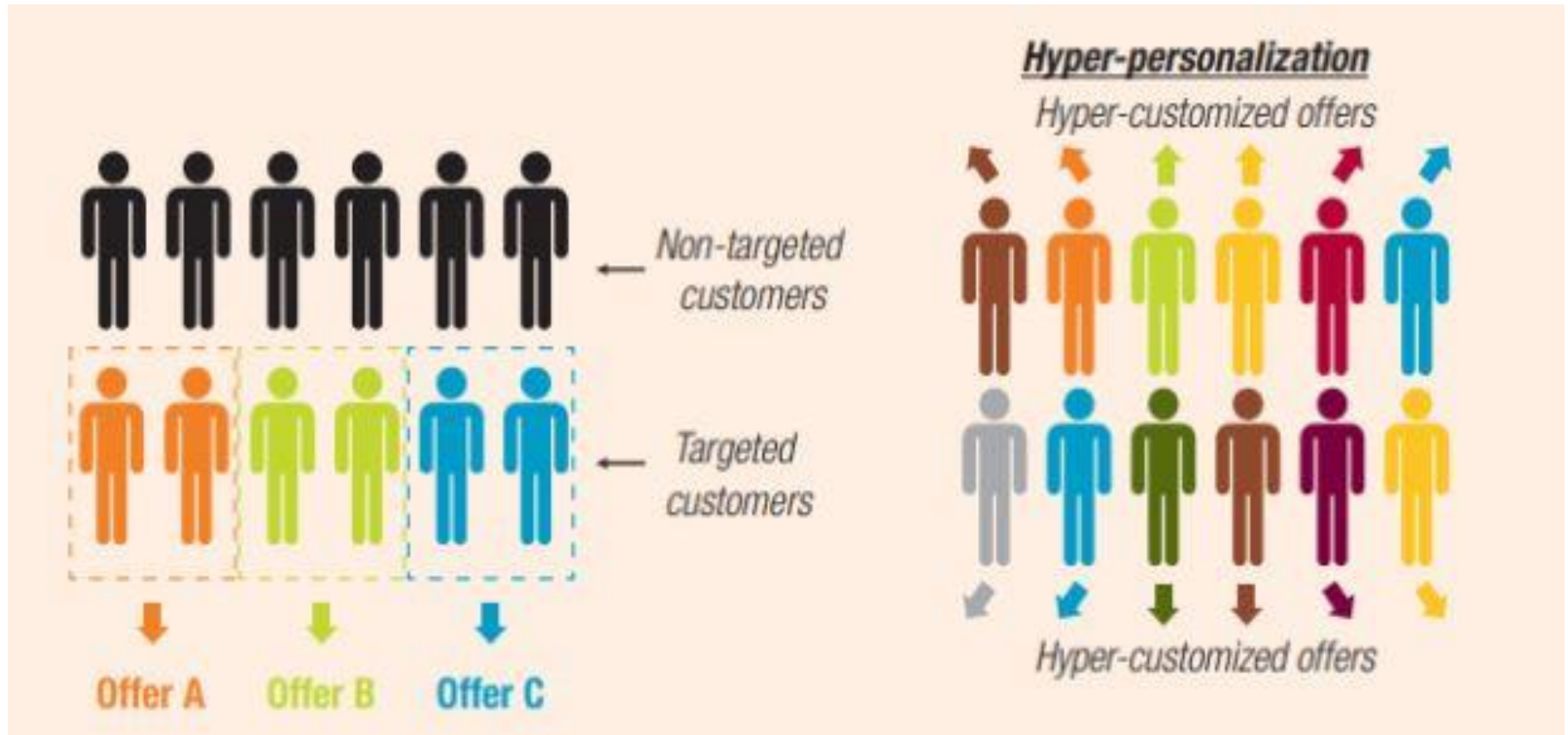
Need For Hyper personalization

According to Google, 'best' search phrases have increased by 80% in the past 2 years on mobile devices.

- People are researching online heavily to make more informed decisions

- According to individual preferences, consumers are more likely to purchase from someone whose offers are personalized

- User engagement with content has gone down and information overload is making consumers tune out.

The credit card market in India

As per RBI figures, India has primarily been a debit card market. Refer https://www.rbi.org.in/scripts/ATMView.aspx for latest bank wise cards statistics reports used at ATM/POS terminals .

Unified Payments Interface (UPI) and mobile wallets have grabbed the attention of policymakers,but the increase in the number of credit cards is not only an indication of growing digital payments but also the expansion of retail borrowers in the ecosystem.

Trends in Indian Credit Card Market

1. Upgraded technology for Enhanced Security

Banks are increasingly using advance technology(EMV)   to make use of credit cards more secured

2. Outsourcing and Joint Venture(JV)

Many Indian banks are entering into JV or outsourcing their overall credit card business to develop a separate and dedicated business unit

3. Credit card gaining prominence in Rural India

Realizing the importance of rural population , banks have started to focus and encourage customers to use credit cards

Benefits of hyper-personalisation

- Deliver better results through higher conversions

- Positive lift in online purchases

- Improved brand affinity and retention

Challenges

- Organizational constraints /silos make it difficult to hold anyone accountable to personalize goals

- Understanding buyer behaviour & assembling a real time view of customer with full context

- Integrating third party data

Objective

To make relevant hyper personalization card offers to bank customers using distance basis geocode and maximize cross sell opportunities.
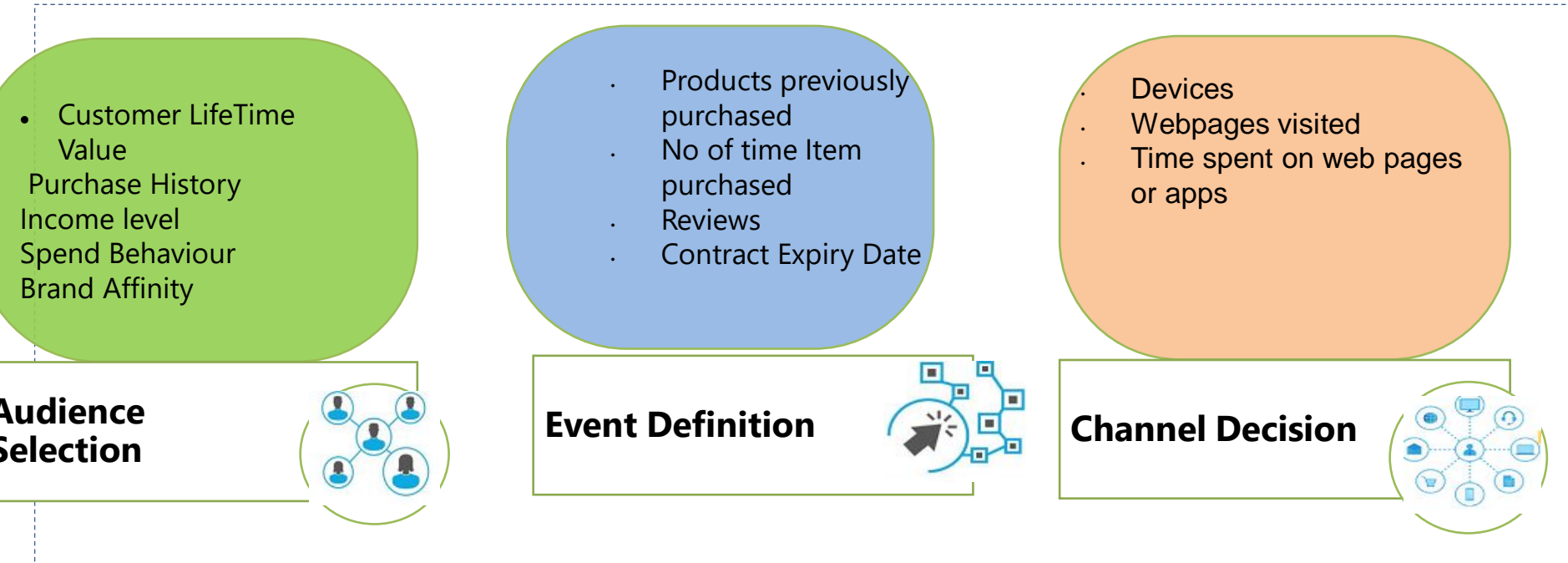
Data

Hyper-personalization requires a well-integrated framework of multiple technology tools and processes to produce the desired real-time targeting results.

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- **Data Elements**

Audience Selection

- Customer LifeTime Value
  Purchase History
  Income level
  Spend Behaviour
  Brand Affinity

Event Definition

- Products previously purchased
- No of time Item purchased
- Reviews
- Contract Expiry Date

Channel Decision

- Devices
- Webpages visited
- Time spent on web pages or apps

Methodology

In the real world, we find locations based on some description. This might be house number , street name,city, state, or country.

Geocoding is the process of transforming a description of a location—such as a pair of coordinates, an address to a location on the earth's surface.

Contextual data analysis can provide much-needed insight into customer behavior patterns, helping bank to understand their customers and improve their experience.

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Solution

- Perform data collection of customer touch points from various source systems and store in a big data system

- Use Geo-location services to extract the geocodes(Latitude & Longitude) of customer addresses

- Then find the nearest list of restaurants/cusines from customer addresses using distance based methods (Euclidean, Hamming,Cosine etc.)

- Apply machine learning models, segment the customer into groups of individuals that are similar in specific ways relevant to marketing   such as Age, average spend, location, spending habits etc.

- Analyze context data with factors such as the location from which the card is accessed, the time of the day when the user is most active or the industry in which the user works etc.

Conclusion

With the rising number of communication channels and self-service interactions, customers are increasingly expecting personalization at every point of their journey.

The businesses able to offer this level of service will be the ones that will be the next generation of customer service leaders.