

Case Study 1 – Increase Products Per Customer (PPC)

Your client ABC is a leading bank in India and offers various products – assets (home loan, auto loan, mortgage, credit card etc), liabilities, wealth management. It is looking to increase product penetration amongst it's customer base. The current PPC, on an average, is 1 and the bank wants to increase this to 5 over the next 2 years. You need to arrive at a strategy that will help the bank achieve this objective.

Group Members(BDAP 2016 Part Time Batch) –

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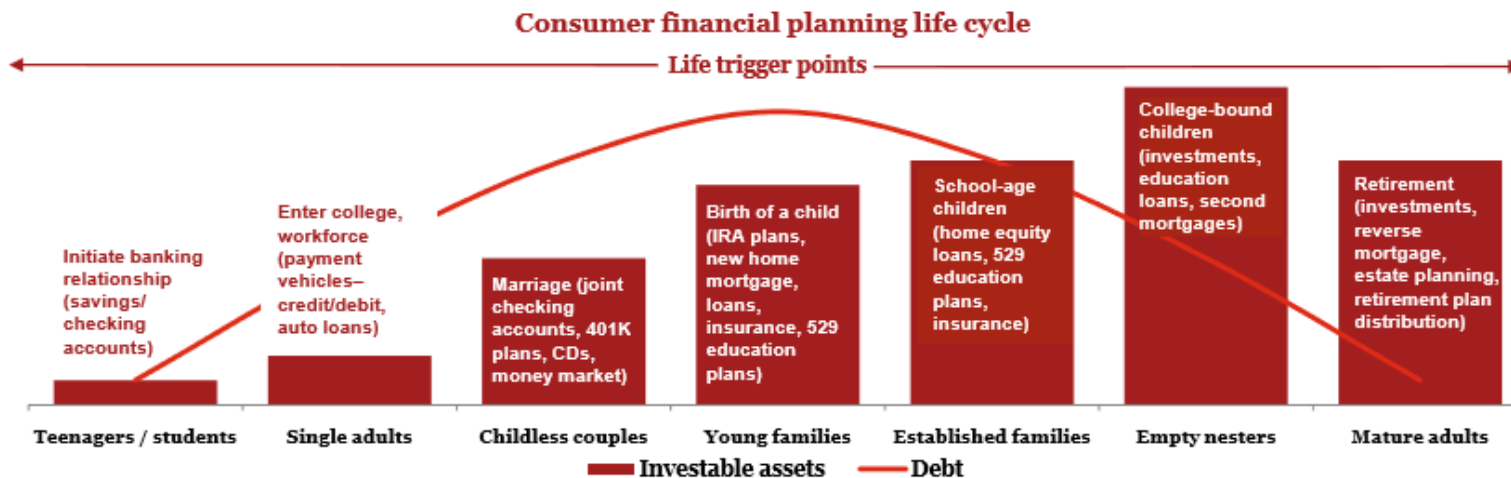
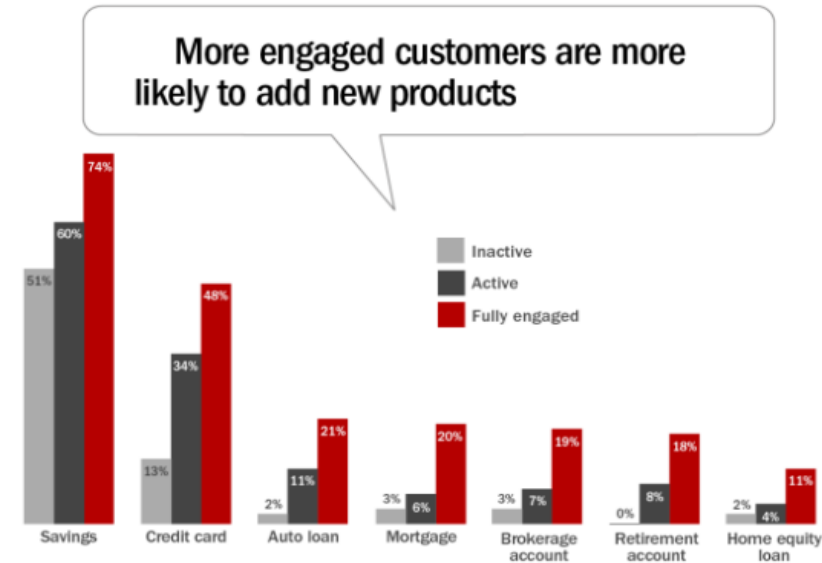
Industry Research – Key trends / drivers

Key Trends:

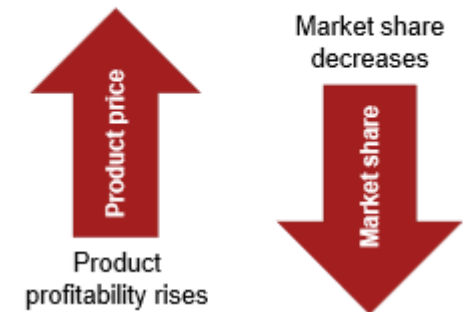
- 92% of households have a checking or savings account with at least one Bank.
- It costs banks 8-10 times more to gain a new customer than it does to sell a new product to an existing customer.
- A customer who has a single product with a bank stays for about a year and a half, but the average customer with three products will stay for nearly seven years.
- Average customer has 6.1 bank products, only half of them are with customer's primary bank.

Survey Results:

- 64% of respondents have brokerage accounts held at a non-primary Bank
- 85% of insurance holders purchased it from a non-primary Bank
- 89% of respondents either do not use financial planning services or obtain them from a non-primary Bank
- % of customers saying they will “not switch banks” fell from 46% in 2014 to 34 % in 2015



What is each customer segment's “willingness to pay”?



Problem Statement Worksheet

Increase products per customer

How can ABC bank increase it's average of Product Per Customer from 1 to 5 in the next 2 years?

1. Background

- Due to increased competition, in last few years, the current average product per customer for ABC Bank in India .
- The Bank is looking at guidance to arrive at a strategy to increase the average product per customer

2. Desired outcome

- Increase in average product per customer, from 1 to 5, in the next 2 years
- Improved profitable long term customer relationship with bank
- Increased total revenues, wallet share and product penetration

3. Scope

In scope -

- Indian Market
- Analyzing overall customer portfolio
- Retain engagement of satisfied customers

Out of scope -

- Cannibalization effect on existing bank products

4. Constraints

- Inorganic growth
- Involuntary withdrawal of existing products due to unavoidable reasons
- Regulatory changes in banking

5. Stakeholder

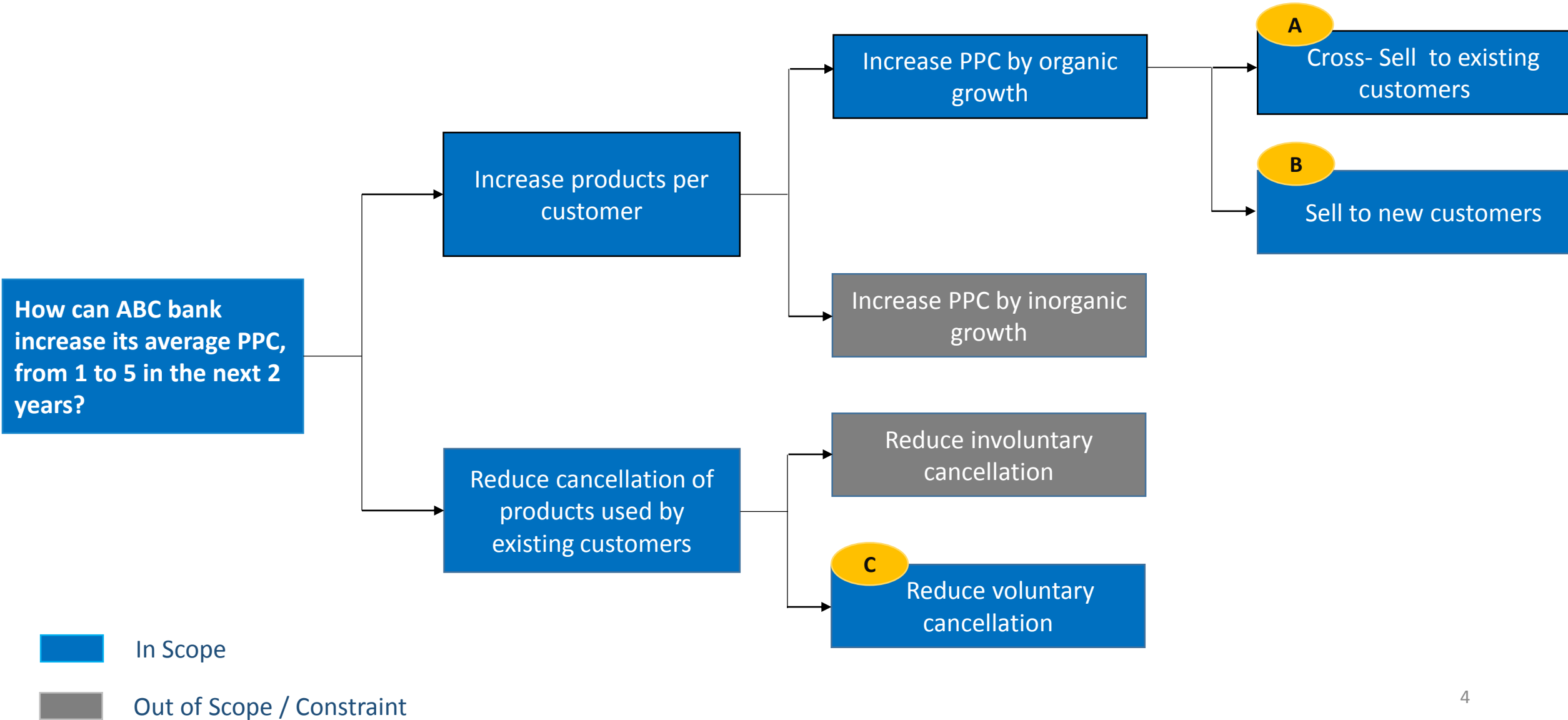
- Sales & Marketing Team of ABC Bank
- Products Subject Matter Experts.

6. Resource

- Data available with Bank
- Information gathered through research
- Targeted Interview with stakeholders

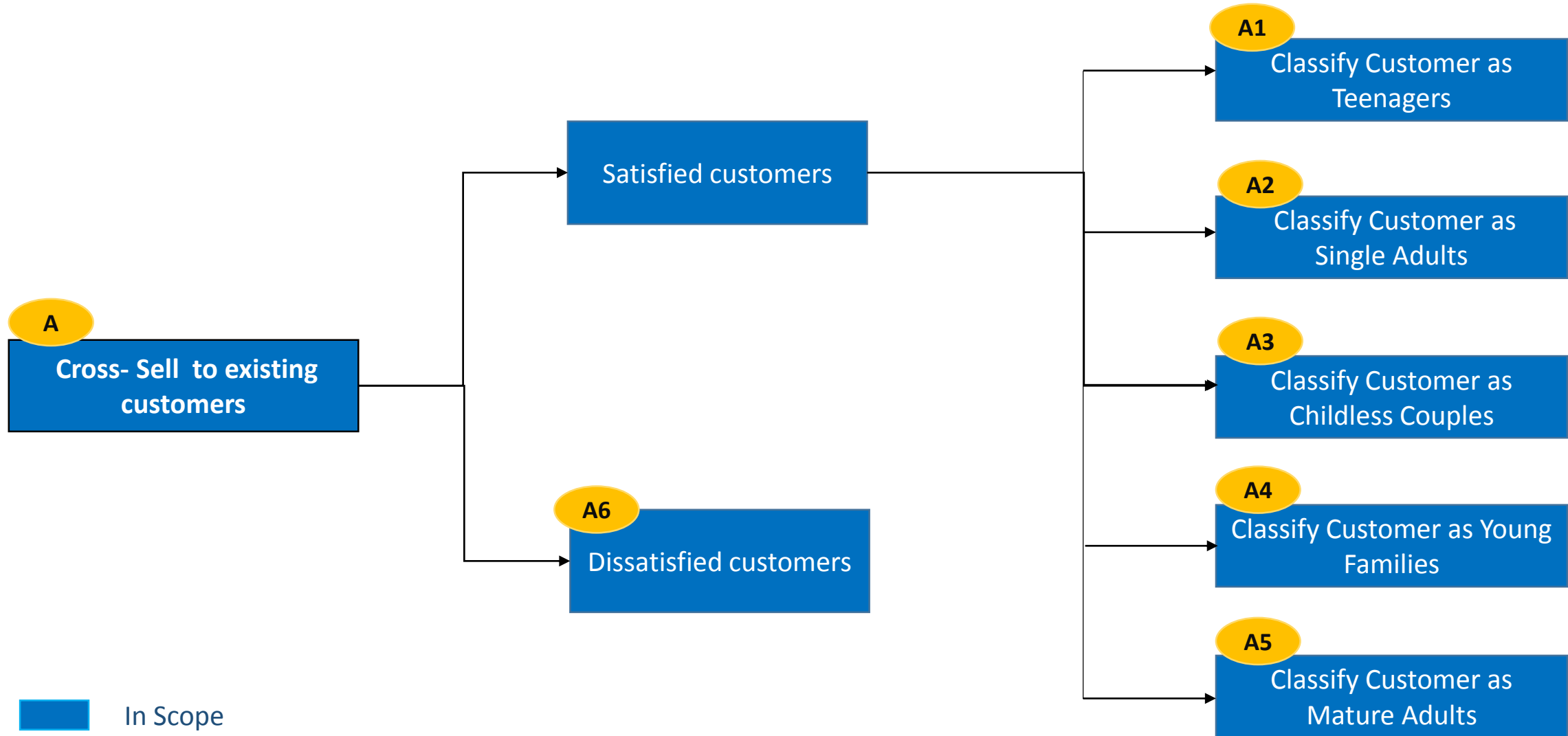
Issue Tree

Increase products per customer



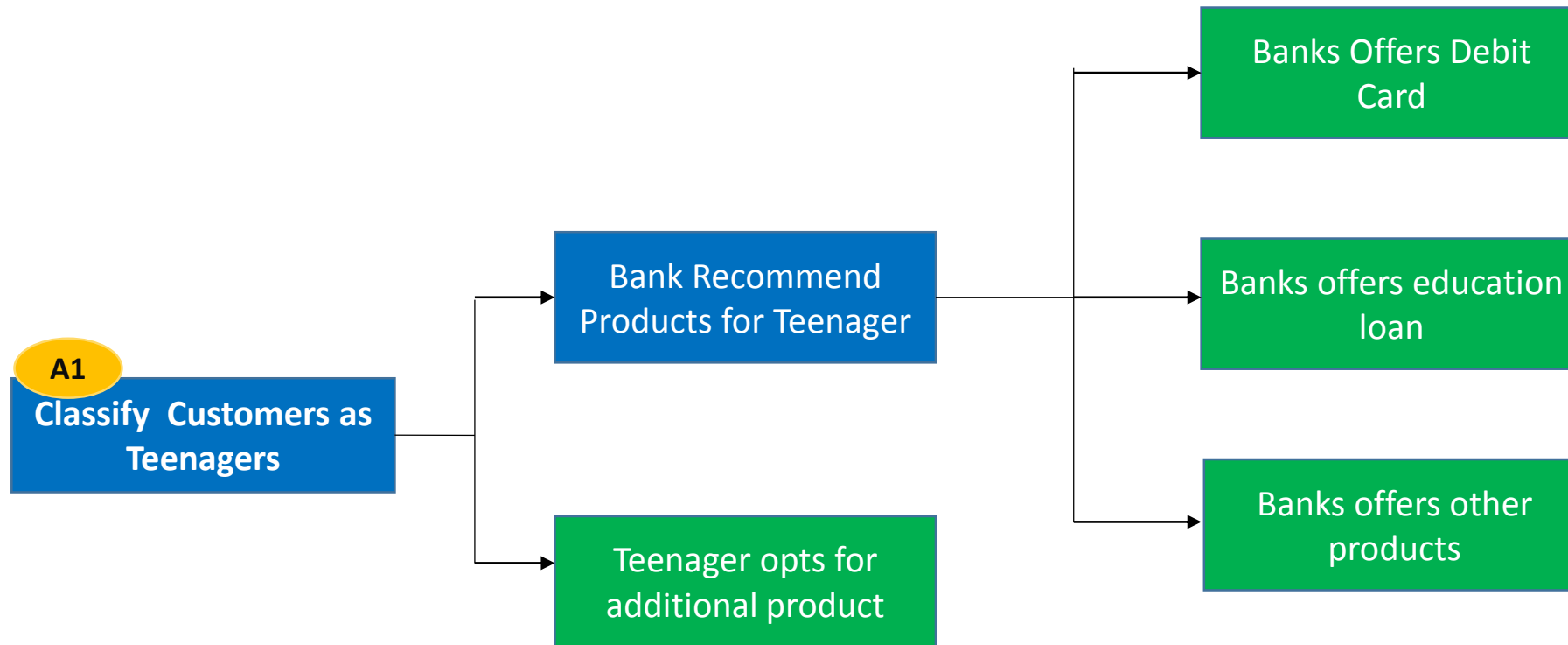
Issue Tree

Increase products per customer



Issue Tree

Increase products per customer

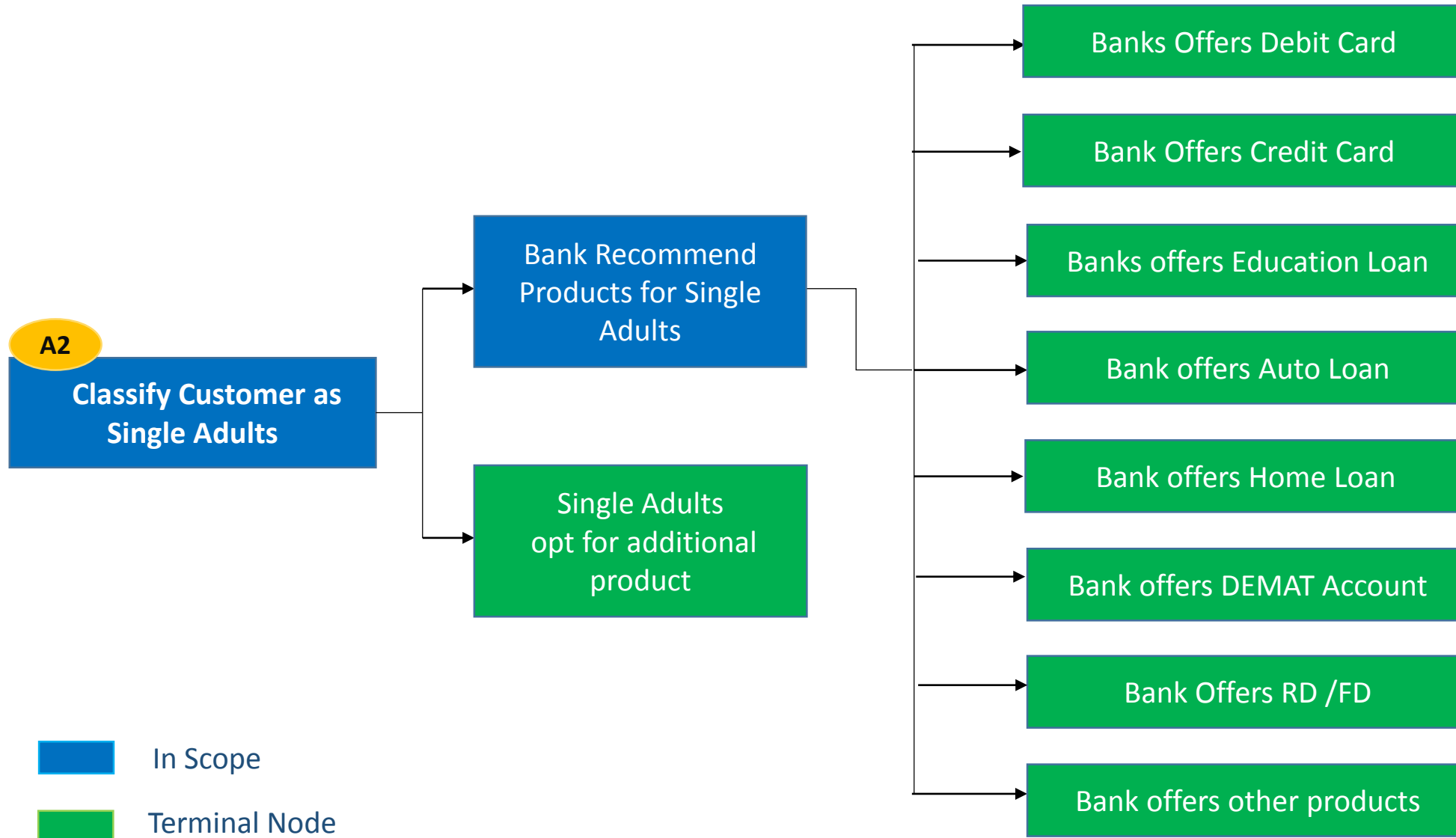


In Scope

Terminal Node

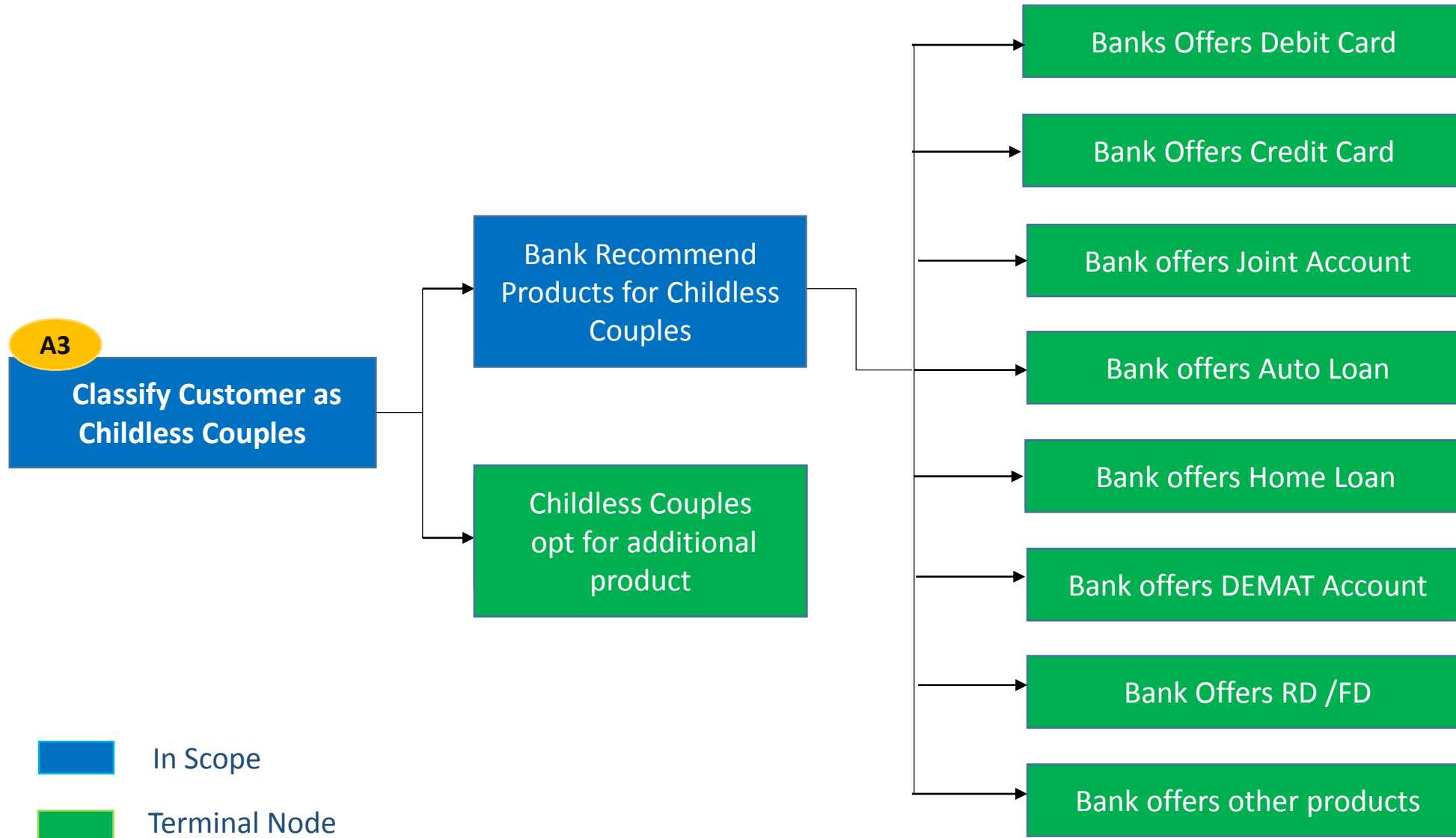
Issue Tree

Increase products per customer



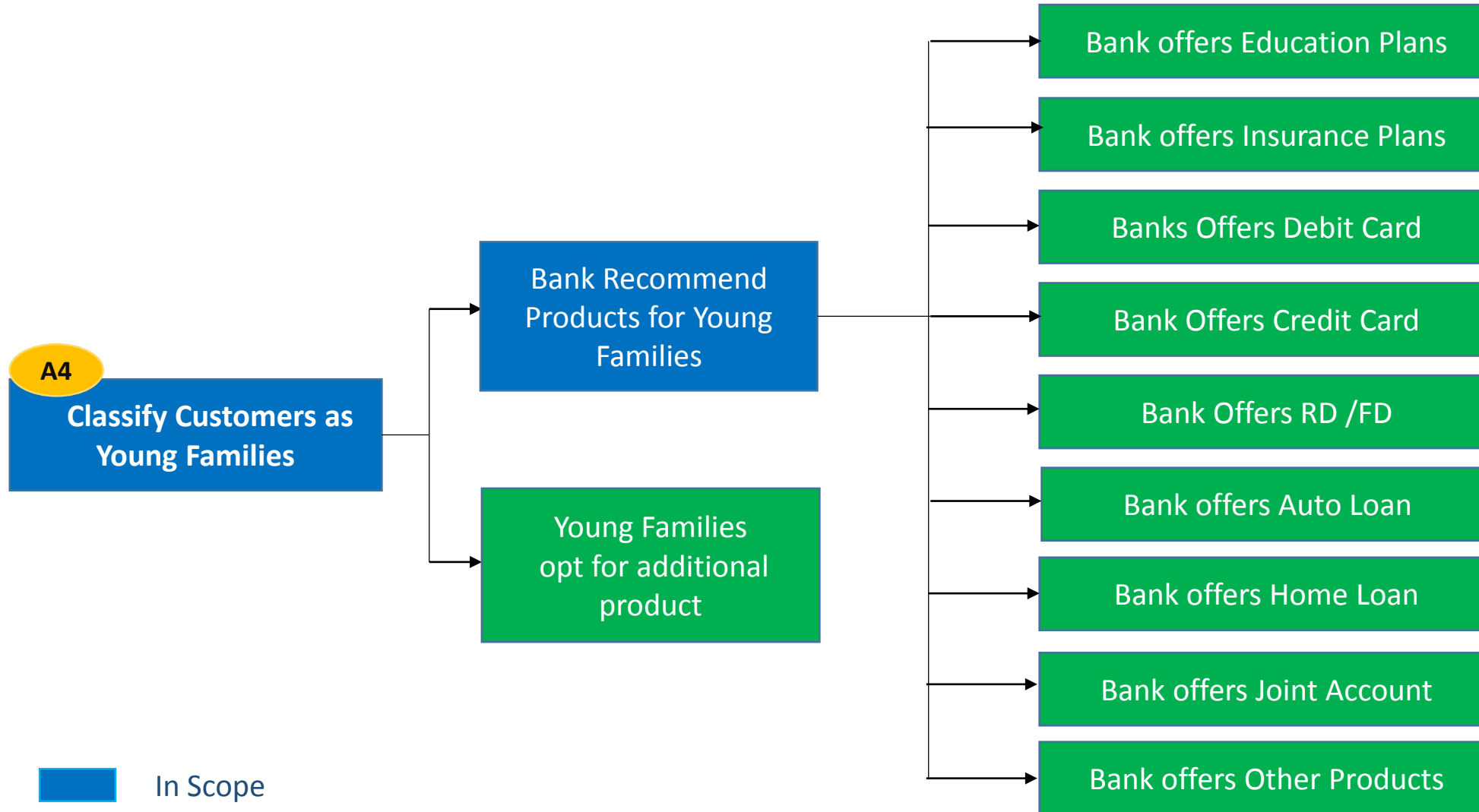
Issue Tree

Increase products per customer



Issue Tree

Increase products per customer

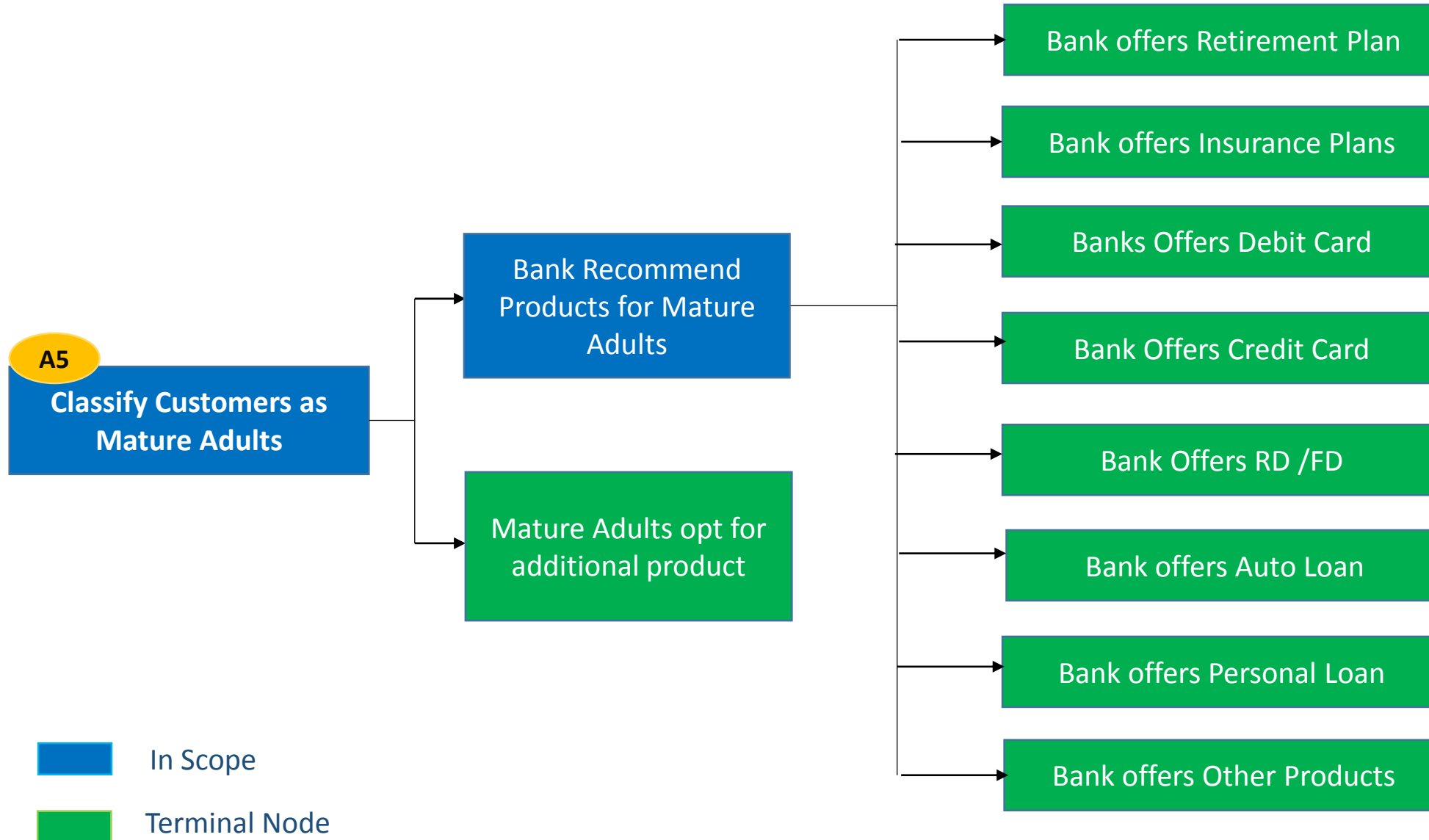


In Scope

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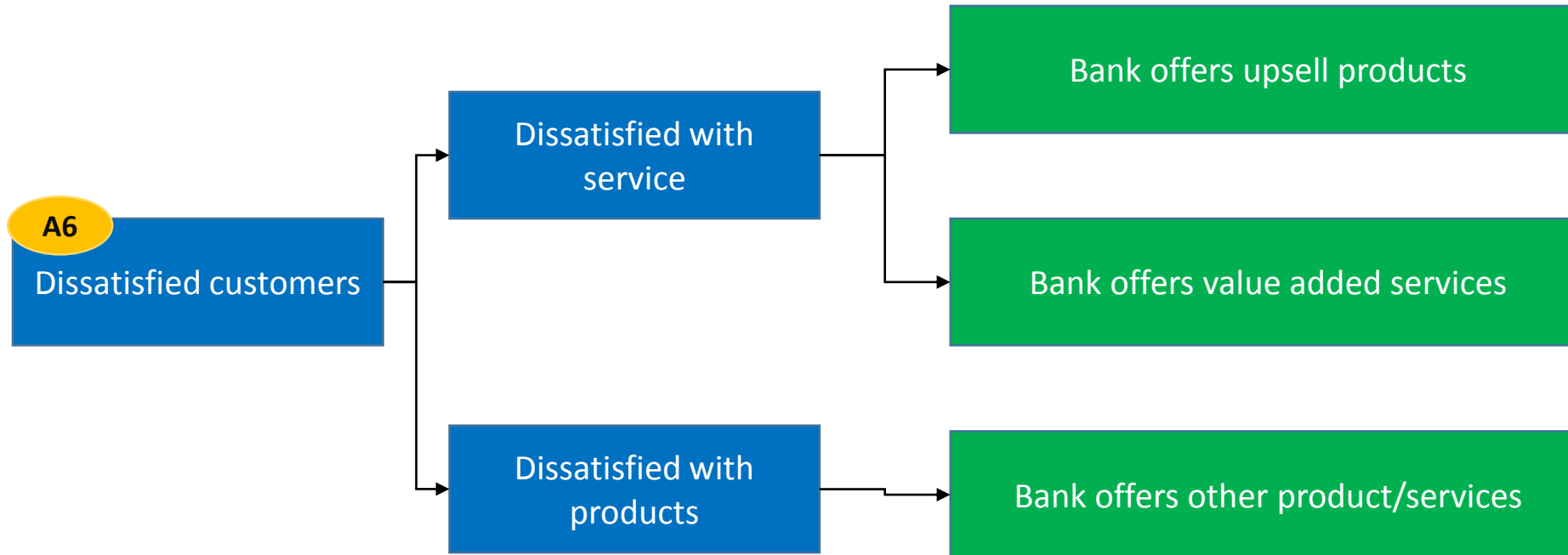
Issue Tree

Increase products per customer



Issue Tree

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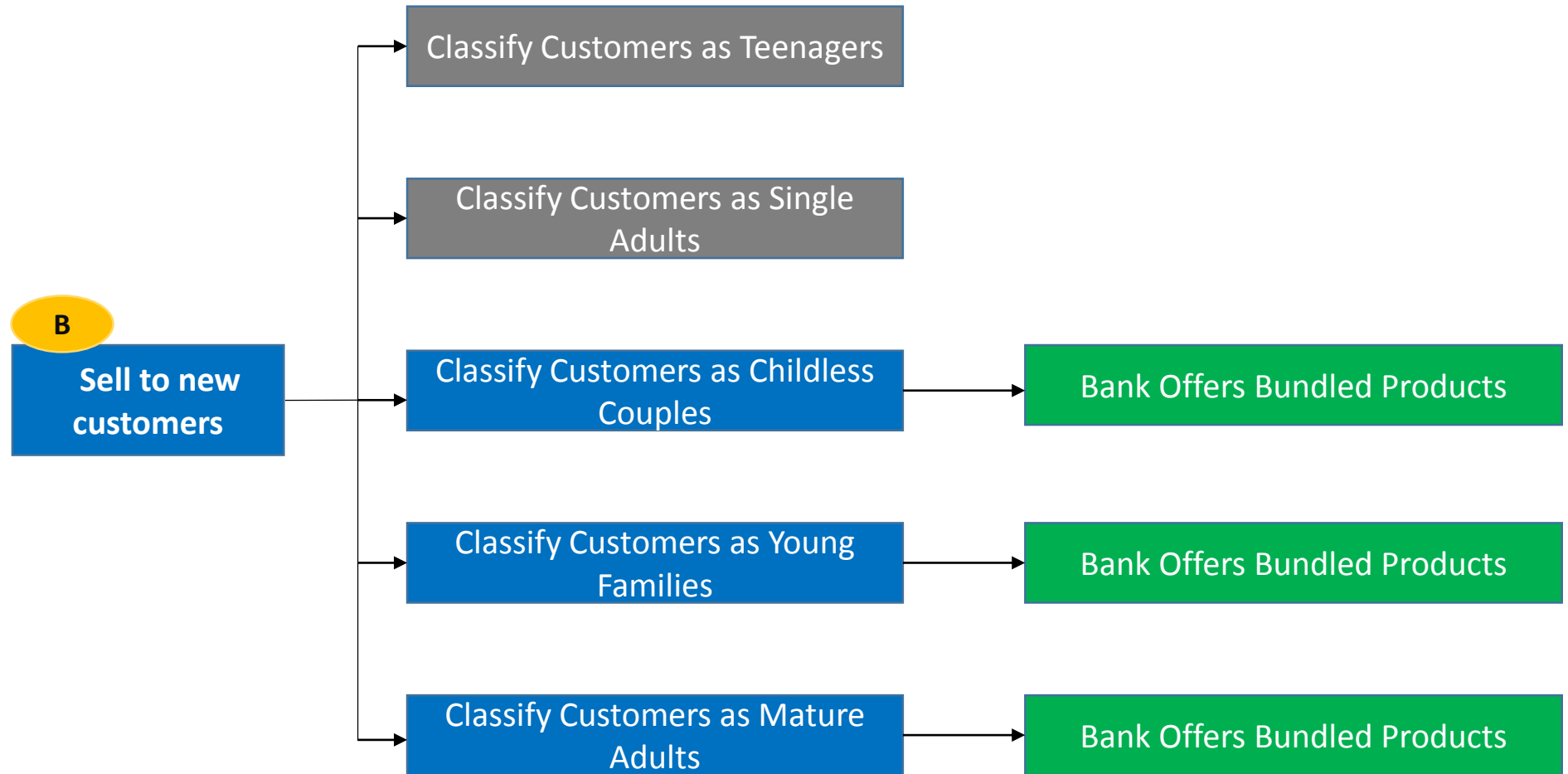


In Scope

Terminal Node

Issue Tree

Increase products per customer



- Out Of Scope
- In Scope
- Terminal Node

Issue Tree

Increase products per customer

C

Reduce voluntary
cancellation

Satisfied customers

Dissatisfied customers

Dissatisfied with
service

Dissatisfied with
products

Bank offers upsell products

Bank offers value added services

Bank offers other product/services

Out Of Scope

In Scope

Terminal Node

*Thank
you*

