

SLICE ASSIGNMENT

1. What is the key business objective?

The key business objective is to drive campaigns (acquisition/retention) especially for the customer segmentation of **Superprimes**, as our target segment. The campaigns can further be broken down into -

- ❖ Improving marketing to target audience
- ❖ Increase activation of solicitations
- ❖ Maximize retention of existing users

2. What would be your proposal to achieve the business objective?

- We need to introduce new campaigns for superprimes as at present we are sending fewer solicitations when compared with underserved solicitations and are under budget for overall marketing budget across superprime businesses. Superprime customers are more likely to spend and less likely for defaults and delinquencies (based on **FICO Scores**), thereby making them our prime target audience for the campaigns. The campaigns should align with the following-
 - ❖ First and foremost, set higher standards for lead quality by proper segmentation of **good prospects** superprime customers and set-up infrastructure to support preparing and mailing out more solicitations. This would make sure we are working towards increasing the overall response rate (can at least expect response rate to increase by 20% by sending multiple solicitations).
 - ❖ As mailing cost per solicitation have remained steady over the past year, increase in overall marketing budget would be adding more solicitations and therefore require better response rate.
- Acceptance rates for superprime solicitations have decreased by 10% in the past year, which is critical and should be acted upon with utmost priority. Moreover, overall acceptance rate is the lowest across all lines of businesses. This can be done through –
 - ❖ Devise a suite of appropriate tactical campaigns and improve by tailoring and customizing marketing strategy, for e.g. proper segmentation of good prospects superprime customers and make sure it's going to land correctly.
 - ❖ Test to see how well the marketing campaign is performing, this can look like A/B testing to check your performance
- As superprime customers have high maintenance costs and solicitations are more complex and expensive to create, we need to estimate our overall marketing budget keeping this in mind and the overall ticket size to account for the profitability of the campaigns.
 - ❖ Conduct a Post-Campaign Analysis and make recommendations and improvements for the next campaign
 - ❖ To optimize portfolio performance, need an effective approach to customer lifecycle management by encouraging customers to spend more widely and frequently to take better advantage of their revolving credit facility.