



## Modeling

### Redemption modeling in the business-to-consumer market

#### The Client

Major credit card provider

#### The Challenge

Our financial services client was looking to increase customer redemption of a consumer credit card program. The client had determined that previously developed predictive redemption models directed towards current customers were underperforming. Changes in the client's business suggested that the current models were obsolete, which limited the success of current and future promotional campaigns. As a result, sales goals were in jeopardy and additional customer insights were limited.

#### The Breakthrough

**SIGMA** was able to take the client relationship to the next level by dedicating an econometrics team to the business problem to consider an expanded view and provide a higher level of analysis. New predictive redemption models were constructed using a set of considered variables. These models were built for all product brands and partitions, allowing for tighter targeting. SIGMA conducted campaign reporting and analysis that converted data results into actionable targeting and messaging strategies for going forward. Our strategic marketing and creative expert teams then helped to apply the results of modeling to direct customer communications.

#### The Win

Initial testing of the redemption model against three segment cells achieved campaign conversion lifts (over control) of 30%, 50.5% and 98.5%. Overall, sales conversion resulted in hundreds of incremental sales, resulting in millions of dollars of revenue and margin for our client.

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Segmentation Financial—credit card



Maximizing Marketing ROI for our Clients

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