Artificial Intelligence led model to predict customers' propensity to buy financial solutions for a broking firm

The Organization

The company is one of the largest independent full-service retail broking houses in India in terms of active clients. The company is a technology-led financial services company, which provides broking and advisory services, margin funding, loans against shares and financial products distribution.

Challenge

The organization launched a mobile based Investment APP with the aim to transform the investments space with smart and personalized technology-led financial solutions.

In order to reach out to the new dynamic consumers, the company wanted a data science based solution that would help them to understand their consumer behavior when using mobile-based APP for buying financial products. The company also wanted to use data science to strategize on how to increase the customer's buying propensity.

Solution

The company engaged RSutra's Data Science team for a solution to help predict the consumer behavior. The solution involved challenges because the features (e.g. demographics, KYC) were stored in different databases with minimal direct linkages between them. Further, the data volumes were too large for conducting rapid analysis and model building.

Our proposed solution involved the following broad steps:
- Identifying the independent features which might affect the customer behaviour and collating the respective tables into a single data lake
- Masking of the customer's personal data for maintaining customer data privacy

ML-backed solution that helps in increasing **customers' propensity to buy** as well as understand **consumer behavior for target marketing**

Magic Numbers

- **30% increase** in customer conversion
- Marketing efforts reduced by over **35%**
- **Time taken** by a customer to on-board reduced by **20%**
- **Increase** in customer engagement by **25%**

- Exploratory analysis of the independent features and engineering new features that would better represent the consumers
- Developing a model based on logistic regression and preparing features that can predict whether a customer would choose to buy an investment product or not
- Post-development and testing of the model, calculating the propensity scores for the new potential customers

Additionally, the solution involved a marketing matrix directed for better customer targeting and marketing campaigns.

Benefits

Our solution increased the customer conversion, improved marketing effectiveness with better customer targeting, increased customer conversion and engagement on the mobile Investment APP.

Improved customer engagement

Customers spend more time on app due to customized notification

Better Marketing campaigns

Better segmentation of customers due to increased customer insights

Incresed customer conversion

Rapid ROI on investments

Reduced time for conversion

Targeting customers with high propensity score to decrease dropoff

Results

The propensity model developed by RSutra helped our client generate better insights from customer data, focus on approaching high conversion propensity customers, improve marketing campaigns and reduce the cost of customer acquisition.

About RSutra Analytics & Consulting

RSutra Analytics & Consulting offers services in Data Science, Artificial Intelligence, Machine Learning, Advanced Analytics, Big Data, Robotic Process Automation, Geographical Information Systems and Cloud-based technologies

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