

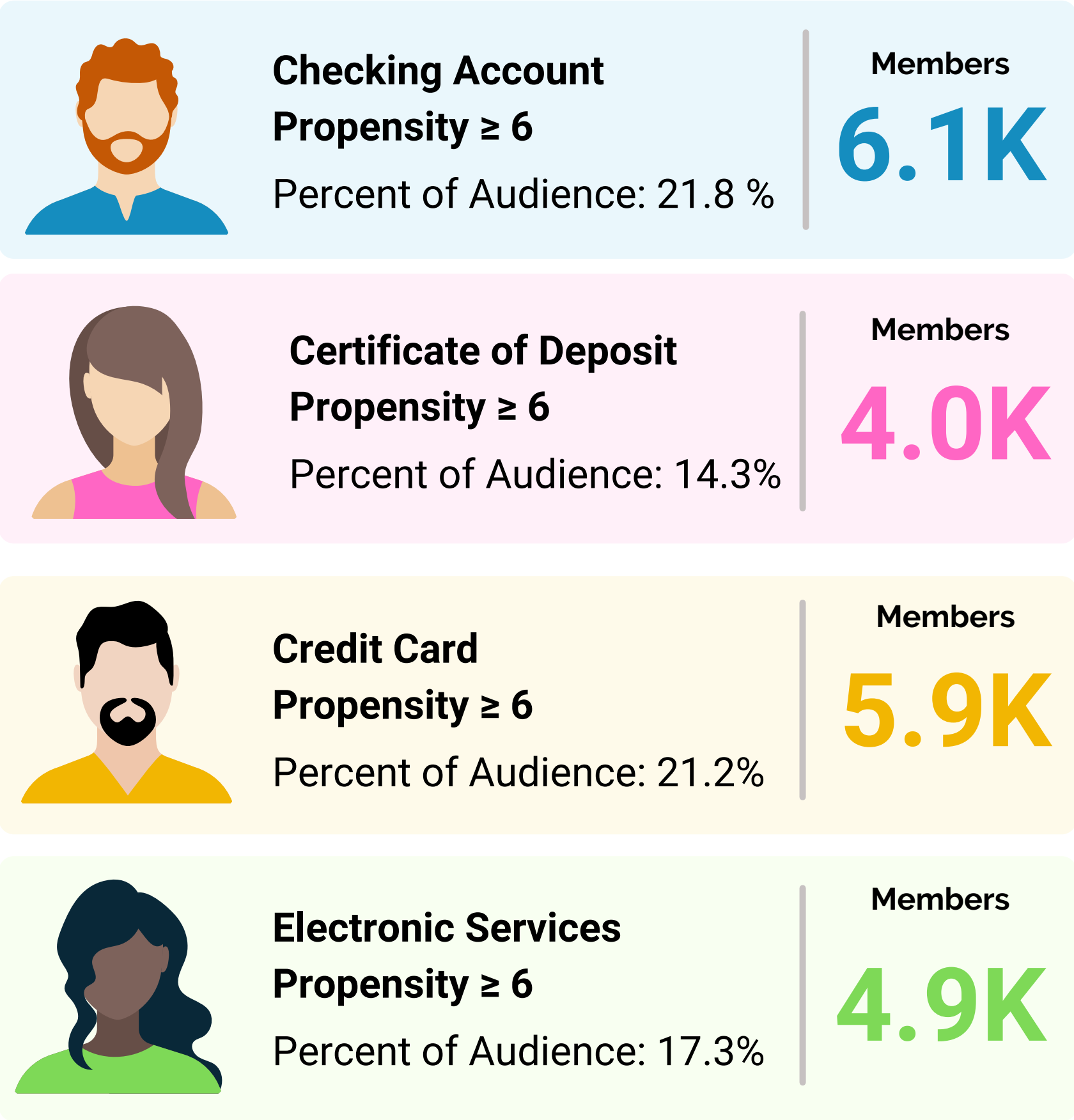
Understanding Segmentation & Propensity

Segments and propensity scores play pivotal and complementary roles in refining Next Best Product outreach strategies at a credit union based in Southwest Ohio.

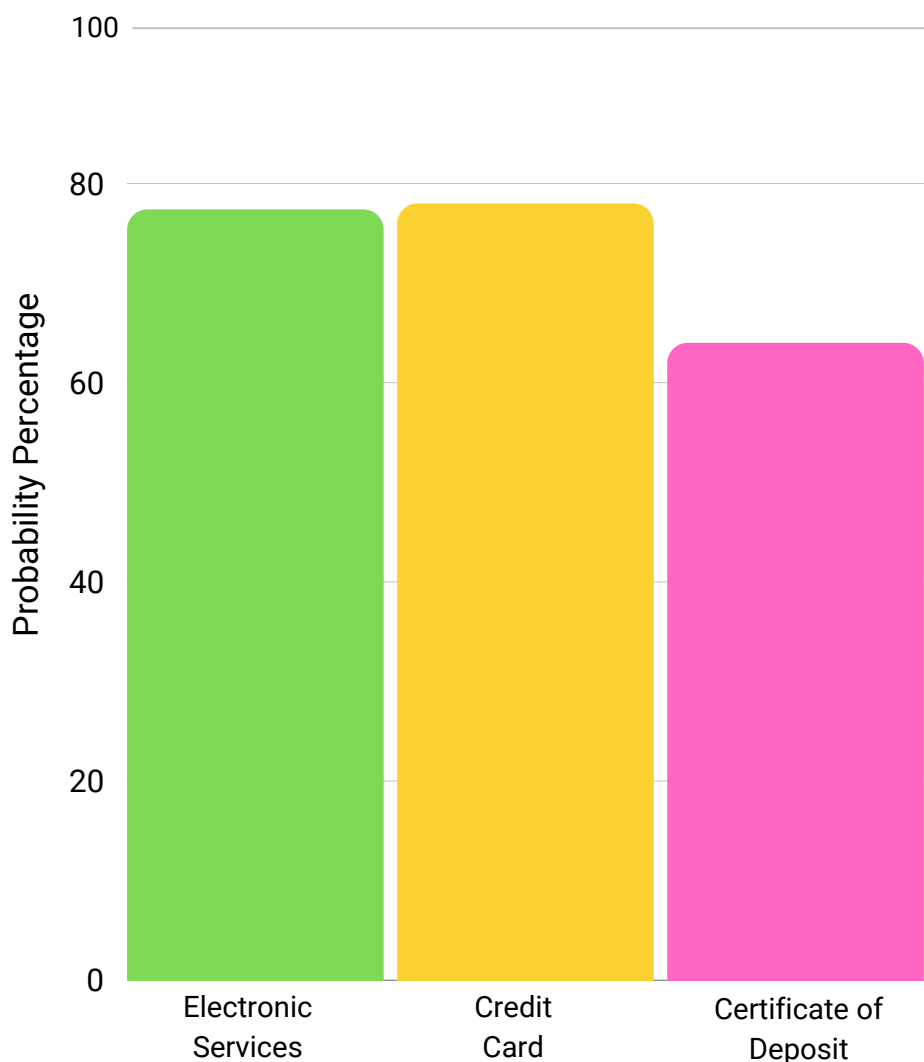
Segments: In the context of the credit union's Next Best Product evaluation, segmentation involves dividing the member base into 4 distinct groups based on their assigned next best product, excluding those who already have that particular product. This segmentation allows for the creation of specialized marketing strategies that are specifically designed to appeal to the unique needs and preferences of each product group. Tailoring the approach in this way enhances the relevance and effectiveness of their communication with different member segments.

Propensity Scores: Complementing segmentation, propensity scores offer a numerical estimate of the likelihood that an individual member within these segments will engage with the Next Best Product. This level of detailed targeting assists in identifying not only which segments are generally more inclined to convert on a particular product but also pinpointing specific individuals within those segments who are most likely to take action. By integrating these scores into their strategy, the credit union can allocate resources and tailor messaging more efficiently, focusing on members with the highest propensity to engage with their next best product.

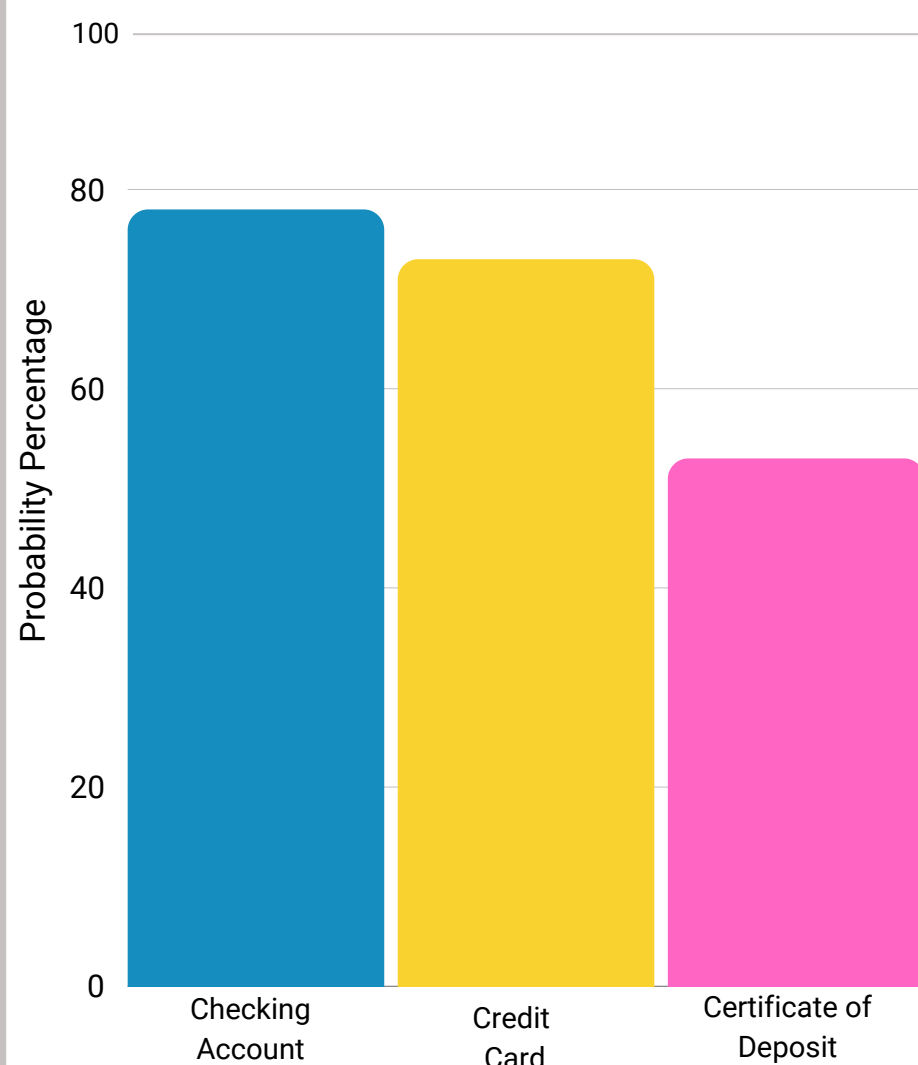
High Propensity Member Segmentation



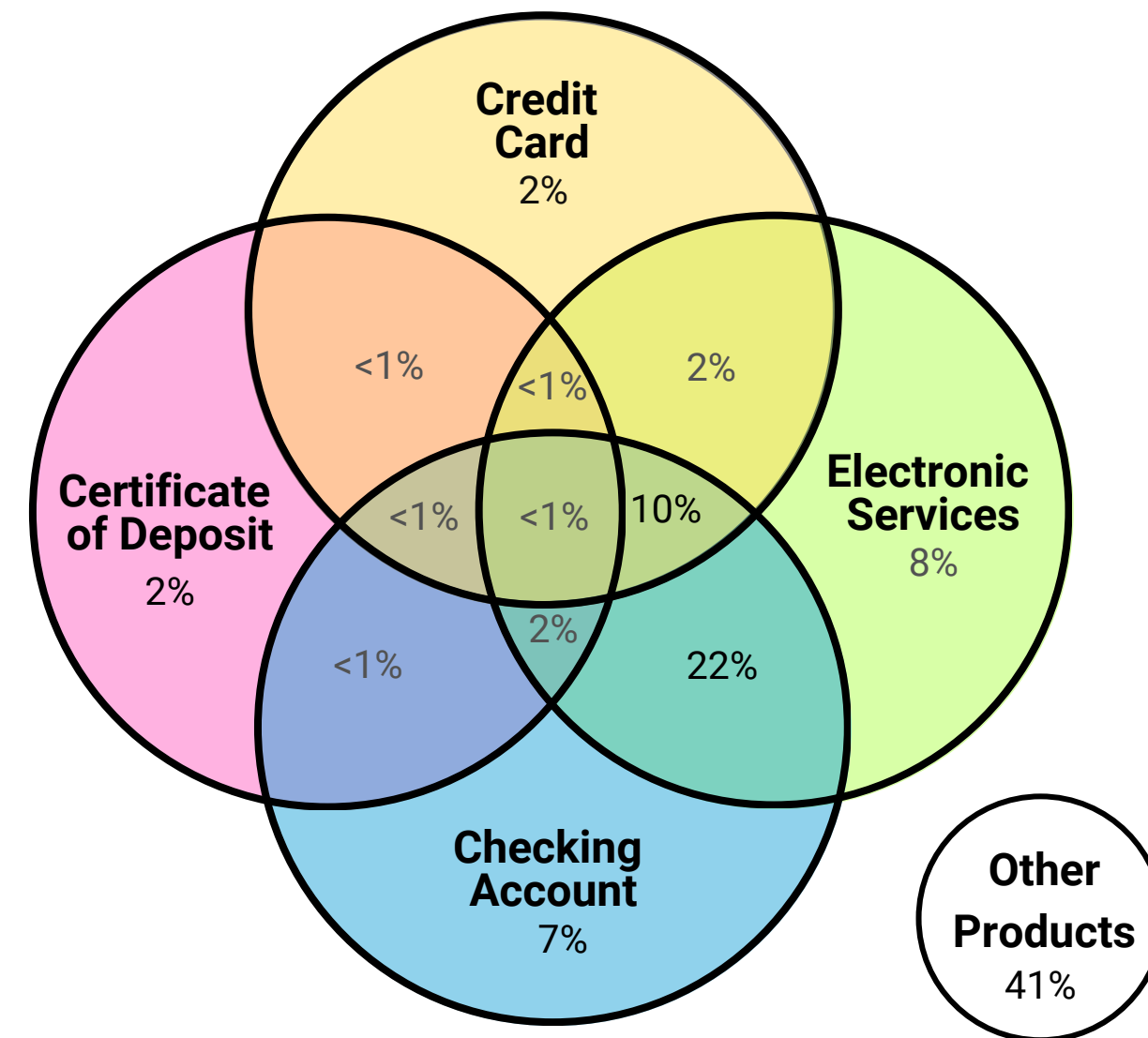
If member has **Checking Account**...



If member uses **Electronic Services**...



Current Target Product Combinations



If member has **Credit Card**...

the credit union members who currently possess a Credit Card have a 30% likelihood of opening a Checking Account, a 28% likelihood of engaging in Electronic Services, and a 25% likelihood of obtaining a Certificate of Deposit.

If member has **Certificate of Deposit**...

Conversely, members who already hold a Certificate of Deposit are significantly less inclined to diversify their product portfolio, with less than a 10% chance of acquiring any additional financial products or services from them within the Next Best Product target variables.

BlastPoint identified top product combinations across their existing member base. Of these, 41% of members were identified to have none of the 4 target products.

The most common combination of products was found to be a combination of **Checking Accounts** and utilizing **Electronic Services**.

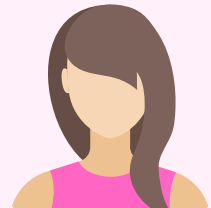
Only 6% of their members have a **Certificate of Deposit**.

Campaign Recommendations



Checking Account

- Prioritize outreach to members with a Checking Account Propensity score of ≥ 6
- Marketing Electronic Services together with opening a new Checking Account is a worthwhile venture as these products often occur in tandem
- For members who already have a checking account, reach out with messaging about Credit Cards.



Certificate of Deposit

- Limit marketing spend on campaigns specifically targeting members within the Certificate of Deposit group as compared to the other groups
- If messaging the Certificate of Deposit segment, target members with the highest propensity score (7)

Top Conversion Opportunity

BlastPoint identified that the credit union has nearly 4.9K members with a propensity score of 10 who do not currently have a Checking Account and over 3.8K with a propensity score of 10 who do not currently engage with Electronic Services

4,892

Checking Account
Propensity = 10

3,886

Electronic Services
Propensity = 10

Incorporate AI-Driven Insights into a Campaign



Step 1: Create Segments

Use Top Conversion Opportunity or other segmenting rules to create target segments for campaign.



Step 2: Develop Content

Utilize BlastPoint's AI-Driven Next Best Product Segments to create targeted messaging.



Step 3: Build Automated Campaign Lists Using BlastPoint Explorations

Create campaign list and subscribe to Exploration to receive refreshed campaign lists at your determined cadence. Campaign list can also automatically be sent to marketing partner or CRM via email.



Step 4: Plan Campaign

Set cadence and timeline. Best practices is to automate campaign lists with automated email campaigns.



Step 5: Set Metrics

Establish benchmarks and conversion metrics. Measure campaign success and track ROI.

LAUNCH CAMPAIGN!

