Consumer insurance case study

An insurance company was not getting a profitable response on a series of acquisition campaigns that involved a two-step approach of outbound mail and telemarketing. After several creative enhancements failed to produce stronger results, this insurance company determined that its target list data should be reevaluated.

They turned to Experian's Prime Performance Modeling hoping to generate a profitable return using these same campaigns, but targeting a more responsive segment of prospects.

Prime Performance analysts performed the first step, which was to create a profile that defined the total market opportunity for, in this case, the sub-prime market. Profile terms included age, gender, average income, education level, neighborhood demographics, homeownership, and average neighborhood home value.

Next, the Prime Performance analysts looked behind the scenes for consumer look-alikes. Segments were rated for responsiveness and probability of lapsing. The best consumer segments were scored and selected for tactical advertising campaigns. In this case, three segments were defined: **Happily Retired, Established Families and Making Ends Meet**.

Prime Performance Modeling determined which of the insurance company's products would maximize customer value and helped them generate a strategy to inform prospects about these products and their benefits.

A basic philosophy of Prime Performance Modeling is that successful response rates depend on a company's ability to:

- Get the right message to the right prospect
- Bring in prospects with the highest lifetime value
- Eliminate those prospects that are likely to lapse

Results of the insurance company's revised campaign:

- Improved response rate by 20 percent
- Increased ROI by 50 percent
- Improved retention by 25 percent