

Diners Club Italy: knowing your customers from transactions

Leveraging Transactional Data Insights to increase customer satisfaction



Diners Club Italy, part of Diners Club International group, is a payment services company present in Italy with over 350,000 affiliated businesses and more than 50,000 ATMs. They count 150,000 members

for which they constantly aim to create added value in several areas: fraud risk prevention, increase security of transactions and tailor marketing analysis to meet the different needs of their customers.

Challenge

The credit cards industry continues to show a robust growth, consumers have been willing to take on more card debt. However, in the recent years, the landscape is more challenging due to increased regulatory pressure driving financial institutions to tighten credit standards. Furthermore, the competition is getting more intense and is pushing payments firms to be more responsive to customer preferences, ready to develop valuable new features, and able to anticipate the competitors' moves in order to grow.

Given this complex environment, companies are looking for more innovative ways to increase credit card holders' loyalty and volumes of spending and reduce attrition risk.

In this scenario, Diners Club Italy has decided to partner with Experian to start a "Big Data" project with the objective to identify new opportunities, improve customer satisfaction and the effectiveness of marketing campaigns.

Solution

Through the Transactional Data Insights solution, more than 4 million transactions, made by Diners customers from 2014 to the present, were analyzed to produce a portfolio's segmentation. Customers profiles were defined according to their spending and lifestyle habits preferences (for example: "digital payers" profile includes

"Adopting advance analytics can bring a breakthrough in customer relationship management. The use of transactional data has provided very valuable insight, helping us have a much better knowledge of our customers. We achieved these significant results thanks to the partnership with Experian, and we plan to turn this into a long-term relationship."

— Giglio Del Borgo, General Manager of Diners Club Italy

those who make extensive use of digital payments, shopping on e-commerce but also online newsletters; "urban shoppers" are not loyal consumers, very careful to offers, etc..).

Then, applying machine learning models, detailed scores were calculated to forecast the spending rate in the next six months of each customer and the probability of customer retention. As next step, the predictive models were implemented by Diners and customized marketing strategies and proper actions were defined in order to accommodate customer preferences and maximize satisfaction.

Benefits

Diners has recently executed a marketing campaign based on the results of the Transactional Data Insights project, with the objective to increase the spend amount during a specific period in comparison to the same period of the previous years.

The benefits achieved were:

- + 11.5% spending amount of those reading the marketing email
- + 56% of increase on average spending for accounts with low spending profile
- + 35% of increase in total spending for urban shoppers
- Analytical and data oriented campaigns
- Optimization of marketing resources
- Focus on both consumers and merchants