



ARVAL  
BNP PARIBAS GROUP

# International Customer Scoring Toolkit

How to boost your marketing  
campaigns and retention efforts

ARVAL TALENT  
CARE TEAM #7



# Summary

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International Customer Scoring Toolkit

# What's in it for me?

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*How much we will  
generate by  
deploying  
International  
Customer Scoring  
on Mid sized  
corporate / retail  
customers?*

**€29.1**

**m** across  
the G8



# International Customer Scoring Overview

## INTERNATIONAL CUSTOMER SCORING

The purpose of International Customer Scoring is to judge HOW CLOSE a customer is to making a new purchase or renewal and to segment your customer base accordingly.

To do this, each customer is *evaluated* on the basis of the ACTIONS they take with our brand and marketed accordingly.

## BENEFITS OF SCORING FOR RETENTION



To improve the performance of your retention marketing campaigns



To better target high potential customers



To increase loyalty and lifetime value of customers



To organise your communication plan & your database



To drive targeted marketing

# Arval France Retail Campaign

## ARVAL FRANCE OBJECTIVE

- ✓ **Objective:** to demonstrate that data can be a vehicle for increasing our retention/renewal rate
- ✓ **Expected deliverable:** Segment our portfolio of SME customers (Direct channel) on an expected renewal score and adapt the contact plan according to customer clusters

## EXPECTED BENEFITS

- ✓ Optimise the retention process for France Retail customers by predicting how likely they are to:
  1. Renew their vehicles (P1)
  2. Extend their current contracts (P2)
  3. Be rejected for renewal (risk) so may be eligible for extension or don't want to renew (P3)
- ✓ Boost the efficiency of marketing and sales retention activities by defining differentiated marketing and sales actions for each of these segments
- ✓ Increase Arval France's contract renewal and extension ratios for Retail customers, support SMP 2021 objectives of +5pts retention, and increase customer satisfaction

## KEY FINDINGS & ACHIEVEMENTS

- ✓ Due to Covid, the solution could not be tested in a real and comprehensive way on the "renewal" part; however, the first results and indicators are promising.
- ✓ Combined with the analysis and results obtained in terms of renewal campaigns, in connection with the conversion rate in the presence of targeted or non-targeted mail, better segmentation will increase conversion results.



# International Customer Scoring Toolkit

# KEY STEPS TO SUCCESS...

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## DEFINE THE SCOPE

How do you want to improve customer retention?

Some examples of use of data scoring in terms of customer retention:

- Boost the success rate of marketing campaigns
- Facilitate the work of the sales team by targeting the right customers

## DEFINE THE STAKEHOLDERS

Who should be involved in the project?

Depending on your project, and the nature of the objective, the key stakeholders will be:

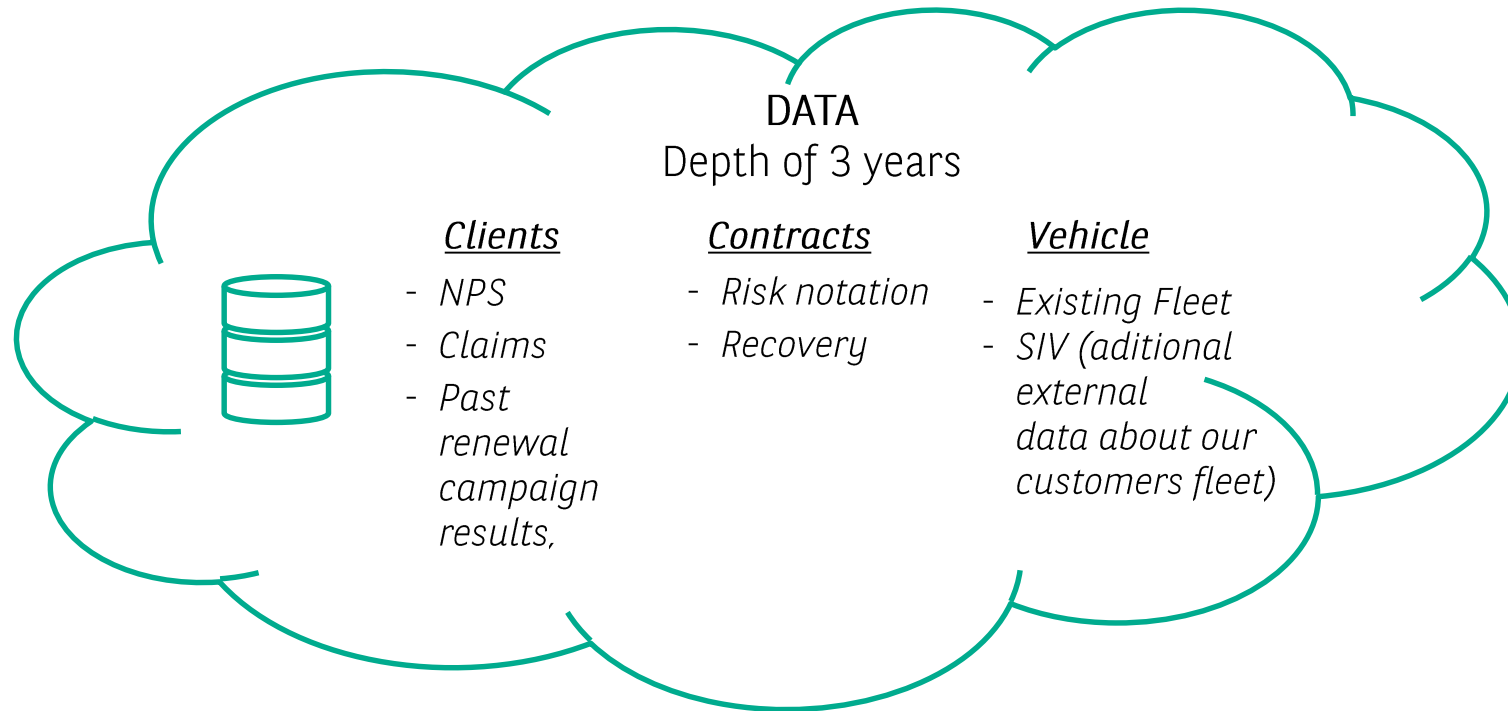
- Sales (especially Sales Efficiency)
- Marketing (especially digital teams)
- Data scientist (local team if existing, or if not Corporate)
- Reporting teams
- Business owner of the data (e.g. Sales / Credit Risk / KYC)
- If the project involves the processing of personal data, the involvement of the DAQUIP will be necessary.

## CHOOSE A PROJECT MANAGER / LEADER

The implementation of the project implies the designation of a leader; this may be a dedicated project manager, or alternatively a person from the business owner (sales, marketing, etc.)

## Data audit

- i. What data do you need (e.g. NPS, past renewal campaign results, risk rating, recovery, existing fleet, SIV, etc.)?
- ii. Is this data accessible, internally (e.g. DRIVE, DYNAMOS, HIPPOS) or externally (e.g. BNPP data, SIV)?
- iii. What is the quality of this data (origin, updating, etc.)?
- iv. Are there any constraints or prerequisites for using the data?



**ACCESSIBILITY**  
and **QUALITY** of  
the data are  
essential to  
achieve the  
project

## CHOICE OF IT SOLUTION - TWO STRATEGIES:

### ARVAL COLLABORATIVE DATA PLATFORM

- Advantage: lower cost (+/- 1,000€ / licence), mastery of the entire process, development of internal knowledge
- Disadvantage: experience to build and need for in-house data scientists

### COSMO

- Advantage: expertise of service provider, time saving, external data scientist
- Disadvantage: cost (+/- 10,000€ / project), loss of control/know-how

### HOW TO CHOOSE?

As far as possible, ACDP should be preferred.

However, the choice of tool will depend mainly on your local resources in terms of data scientists, currently or in the near future: if you have any, ACDP will be the best solution; if not, COSMO will be the alternative.

In terms of global governance, switching from one solution to another can be tricky; the choice of solution therefore involves anticipating the future (in terms of needs, resources, etc.).

The Data Office Corporate is at your disposal to help you in the choice and deployment of the tool



# STEP 3 - IT SPECIFICATIONS & MODEL DEVELOPMENT

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## How does it work?

The latest customer data and the outcomes of the previous renewal campaigns are sourced from the internal data base / system

- Risk data is sourced from the RMPM and BMD databases only for the customers in scope of the previous renewal campaigns
- These datasets are combined together and merged with additional data (i.e. vehicle data collected yearly from the "Système d'Immatriculation des Véhicules" SIV), forming a table of aggregated per-customer data, including their risk profile (default risk, BNPP rating, etc.)
- This aggregated data is further pre-processed to convert it into a format that can be fed into a machine learning algorithm
- The trained models are then used to predict if existing customers are likely to renew their vehicles, extend their contracts, or be rejected due to risk, based on their risk profile, characteristics and on the outcome of the previous renewal campaigns

## End Result

The end result is a series of probabilities, corresponding to the likelihood that a customer will renew their contract or be rejected due to their risk profile, and a human-readable label for each of these three possibilities:

1. Renew their vehicles (P1)
  2. Extend their current contracts (P2)
  3. Be rejected for renewal (risk) so may be eligible for extension or don't want to renew (P3)
- These labels are pushed to Salesforce or equivalent and displayed to the users with a colour code.

## Sales Teams

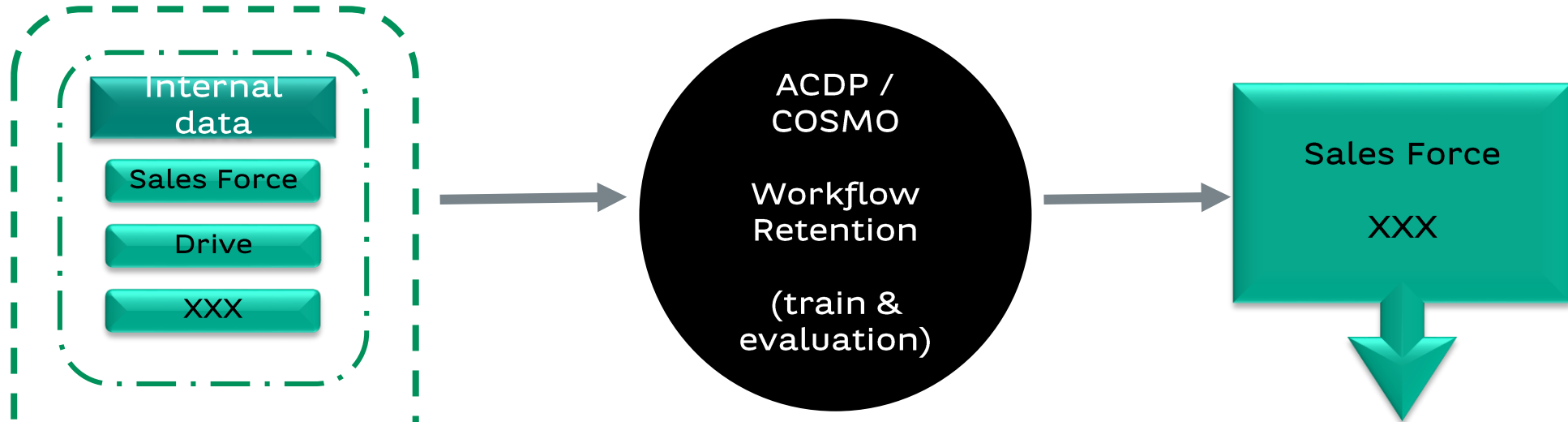
Sales teams then use this P1-P2-P3 label to prioritise their sales actions (e.g. offer to renew, offer to extend, don't prioritise)

## Best Performance

To offer the best possible predictive performance resulting in the most accurate predictions for the business users, the models are rebuilt regularly (i.e. on a monthly basis) with the latest data.

# STEP 3 - IT SPECIFICATIONS & MODEL DEVELOPMENT

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Client	Vehicle ID	Evaluation
Client 1	XXXXXXXX	P1
Client 2	XXXXXXXX	P1
Client 3	XXXXXXXX	P2
Client 4	XXXXXXXX	P2
Client 5	XXXXXXXX	P2
Client 6	XXXXXXXX	P3

- P1 (more likely to renew)
- P2 (more likely to extend)
- P3 (more likely to be rejected or refused)



### PLAN (GETTING STARTED)

At this stage, the project aims are clear and defined. The stakeholders are engaged and there is agreement to start a pilot.



### DO (TESTING THE TOOL)

The project is tested by carrying out small scale studies. We recommend testing the solution on both past and current campaigns to provide some data for review and comparison.



### CHECK (MONITORING WHAT'S HAPPENED)

The test outputs are reviewed, results analysed and any learnings are identified and built into the relevant stages of the project plan.



### ACT (LEARN & IMPROVE)

Action is taken based on what has been learned, i.e. if something didn't work, that part of the project plan is reviewed again. The successes are built into the wider plan prior to starting the final stage.





Launch of a new SEMI- AUTOMATISED & PERSONNALISED campaign aimed at maximising the renewal rate for mid sized corporate / retail customers.

## Main Objectives:

Improve retention & the renewal rate

- Sending offers better adapted & personalised
- Answering better the customers' needs
- Being there at the right moment

## Target:

Mid sized corporate / retail customers

- A segmented targeting done thanks to a calculated scoring defined & built with Data Intelligence (and their partners Synaplus/ Cosmo):
  - 1. Renew their vehicles (P1)
  - 2. Extend their current contracts (P2)
  - 3. Be rejected for renewal (risk) so may be eligible for extension or don't want to renew (P3)

Support / Maintenance / Review

- Validate the approach by reviewing your results
- Share your learnings outside of the project i.e. with other countries (Data Community).
- This will help identify new uses for the data (acquisition etc).



# STEP 5 - DEPLOYMENT

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INTERNATIONAL CUSTOMER SCORING PROJECT PLAN			2022 - G4				2023 - G8				2024 - 2025 - Rest of the World							
Task ID	ACTIVITY DESCRIPTION	STATUS	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>1.00</b>	<b>Define the Scope and Key Stakeholders</b>																	
1.01	Define the scope																	
1.02	Define the stakeholders																	
1.03	Choose a Project Manager / Leader																	
<b>2.00</b>	<b>Data</b>																	
2.01	Define what data you need (e.g. NPS, past renewal campaign results, risk rating, recovery, existing fleet, SIV, etc.)																	
2.02	Understand if the data is accessible, internally (e.g. DRIVE, DYNAMOS, HIPPOS) or externally (e.g. BNPP data, SIV)																	
2.03	Assess the quality of this data (origin, updating, etc.)																	
2.04	Understand if there are any constraints or prerequisites for using the data																	
<b>3.00</b>	<b>IT Specifications &amp; Model Development</b>																	
3.01	Choose your IT solution																	
3.02	Understand how your IT solution will work																	
3.03	Map out the end results - P1 (more likely to renew) P2 (more likely to extend) P3 (more likely to be rejected). These labels are pushed to Salesforce / XXX and displayed to the users with a colour code.																	
3.04	Position Sales Teams to use P1, P2 and P3 labels																	
3.05	Rebuild the models regularly																	
<b>4.00</b>	<b>Test &amp; Improve</b>																	
4.01	Plan getting started																	
4.02	Test the tool																	
4.03	Monitor the tool																	
4.04	Take learnings from the testing and improve																	
<b>5.00</b>	<b>Deployment</b>																	
5.01	Launch of a new SEMI- AUTOMATISED & PERSONNALISED campaign aimed at maximising the renewal rate for mid sized corporate / retail customers.																	
5.02	Validate the approach by reviewing your results																	
5.03	Share your learnings outside of the project i.e. with other countries (Data Community).																	
5.04	Identify new uses for the data (acquisition etc).																	

# CONTACT SHEET

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