



# CASE STUDY



## CUSTOMER PROFILE

- Subsidiary of U.S. Bancorp which holds \$282 billion in assets
- 5th largest commercial bank in the United States
- Consumer Direct provides personal banking services to include credit, loans, savings, mortgages and investments

## Executive Summary

The Consumer Direct division of U.S. Bank, a subsidiary of U.S. Bancorp, found that its marketing campaigns were not delivering the returns they once were, and relative to a control population it was failing to target customers with the most relevant message. U.S. Bank looked for a solution that would enable predictions of lift in customer response relative to a control population—i.e. incremental models that could be easily refreshed and updated to optimize campaign performance. After two successful trials, U.S. Bank implemented Portrait Uplift and has since achieved significant gains in incremental revenue together with reduced costs through reduced mailing volumes.

## Business Challenge

U.S. Bank, Consumer Direct has a long history of creating and executing cross-sell marketing campaigns aimed at selling home equity loans to existing U.S. Bank customers. On a decline, their campaigns were repeatedly not delivering the returns they once were.

By studying response rates in control groups the bank was aware that the true impact of their marketing was significantly less than they had previously believed—primarily because many customers were clearly buying the product without ever receiving a marketing campaign—so could they honestly claim all new loans within their targeted segments were the results of their outreach?

U.S. Bank sought a solution that would improve the true return generated by the Home Equity Lines Of Credit (HELOC) cross sell campaigns and after several internal modeling efforts decided to investigate uplift modeling from Portrait Software. Using uplift modeling within their campaigns would enable the bank to predict the difference in response rate between a treated group and a random control group. This, in turn, would allow prediction of the effectiveness, or otherwise, of an individual marketing action.

“We have surpassed our results expectations for our campaigns, and seeing the effectiveness of modeling on incremental gains rather than all responses, we are constantly expanding our use of Portrait Uplift to other areas of the business.”

Jane Muelhaupt  
Vice President of Consumer Direct  
U.S. Bank

## Project Description and Solution

The internal analytics team at U.S. Bank had already created two 'uplift-like' data models that were applied with limited, but not repeatable success. The problem with both models was that they aged quickly and became frail when applied to future campaigns outside their training data. U.S. Bank needed an uplift solution that could be easily refreshed and updated to optimize campaign performance, and which would be robust to longitudinal validation and thus could be trusted for the targeting of future campaigns. Portrait Uplift was identified as the only solution of its kind on the market with a solid track record that could deliver on U.S. Bank's requirements.

Through collaborative projects with Portrait, U.S. Bank, now on their 4th generation of uplift models for the HELOC business, is delivering its highest ever levels of incremental cross sell. The significant increase in customer response rates to the HELOC marketing campaign created demand for the solution in support of additional Consumer Direct marketing initiatives for other product lines. These campaigns have also delivered strong results and significant increases in return on marketing investment (ROMI) through the use of the technique.

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## TECHNOLOGY USED

- Portrait Uplift
- SAS Data Platform

## Results and Benefits

Portrait Uplift enables U.S. Bank to identify only those customers that will respond positively to marketing treatments and to exclude those customers that should not be contacted or "disturbed". Customers now receive only those offers that are the most relevant to their individual situation.

Since applying uplift modeling to its marketing campaigns, the Consumer Direct division of U.S. Bank has experienced the following results:

- Increase in incremental cross sell revenue by over 300%
- Over \$1 million increase in incremental revenue from just two campaigns
- 189% year-on-year increase in incremental responses from one Line of Credit campaign
- 73% increase in incremental direct deposit accounts opened from a single campaign
- Up to 40% reduction in mailing volumes for each campaign, further increasing campaign profitability

“Portrait Uplift has automated much of the model refresh process for U.S. Bank. It used to take weeks for our internal team to create a new model. Now it takes days, and this allows us to use the technique on many more campaigns.”

Jane Muelhaupt  
Vice President of Consumer Direct  
U.S. Bank

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