

# Prediction leads to performance.

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## Client profile

- Consumer Direct division provides personal banking services, including credit, loans, savings, mortgages and investments
- A subsidiary of U.S. Bancorp, the fifth-largest commercial bank in the United States (holds \$391 billion in assets, serves over 15 million customers)

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## Overview

U.S. Bank's Consumer Direct division was dissatisfied with the returns from its marketing campaigns. It wasn't targeting customers with the most relevant message.

It sought a solution that could predict lift in customer response (compared to a control population). The solution required incremental models that could be easily refreshed and updated to optimize campaign performance.

By implementing Portrait Uplift™ marketing software, U.S. Bank gained significant incremental revenue, and cut costs by reducing mailing volume.

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## Business challenge

- Identify more "persuadable" customers
- Improve results of cross-sell activities
- Better predict the effectiveness of each marketing activity

*"We have surpassed our results expectations for our campaigns."*

— Jane Muelhaupt  
Vice President, Consumer Credit  
U.S. Bank

## Technology used

- Portrait Uplift™ marketing software from Pitney Bowes, integrated with the SAS data platform

*“Seeing the effectiveness of modeling on incremental gains rather than all responses, we’re constantly expanding our use of Portrait Uplift to other areas of the business.”*

—Jane Muelhaupt  
Vice President, Consumer Credit  
U.S. Bank

## Solution

Consumer Direct has a long history of creating and executing marketing campaigns that sell Home Equity Lines of Credit to existing customers. When cross-selling campaign performance declined, the bank took a closer look at how it targeted potential HELOC customers.

By studying response rates in control groups, the bank learned that the true impact of its marketing was far less than it had believed. Many customers were buying a HELOC without receiving a marketing campaign. There was really no way to claim that all new loans within targeted segments were the results of marketing outreach.

U.S. Bank looked for a solution that would improve the true return generated by its campaigns. The bank looked at Portrait Uplift modeling from Portrait Software. Portrait Uplift modeling can predict the difference in response rate between a treated group and a random control group. This, in turn, can predict the effectiveness of an individual marketing action.

The bank wanted a solution that could be easily refreshed and updated to optimize campaign performance. It had to support robust longitudinal validation, to tell them whether and how a campaign drove changes in attitudes and behaviors.

Portrait Uplift was the only solution of its kind with a solid track record that could deliver on U.S. Bank’s requirements.

## Benefits and results

As a result of multiple collaborative projects with Portrait, U.S. Bank is experiencing its highest-ever levels of incremental cross-sell.

Portrait Uplift lets U.S. Bank identify only those customers who will respond positively to marketing activity; it’s able to exclude people who should be left undisturbed. Customers now receive only offers that are most relevant to their individual situation.

The success of the HELOC project spurred other product lines to use Portrait Uplift on Consumer Direct initiatives. These campaigns have also delivered strong results and significant increases in return on marketing investment. Success is reflected in many performance metrics:

- Incremental cross-sell revenue increased by over 300%
- Incremental revenue rose increased by over \$1 million from just two campaigns
- Incremental responses jumped 189% year-on-year from one Line of Credit campaign
- Incremental direct deposit accounts increased by 73% from a single campaign
- Mailing volumes were reduced by almost 40% for each campaign



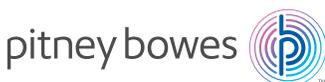
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