

\$18B Wealth Management Bank

Case Study

Reduced Churn by 15% via Business Owned AI Solutions

How a \$18B Wealth Management Bank reduced customer churn by 15% and created substantial business value with TAZI's AI-based Customer Retention Solution.

Problem

The Wealth Management Bank (referred as 'bank') needed to understand its customer behavior and increase retention. They also wanted to increase the predictability of their retention efforts in a competitive wealth management market where retaining high-value clients was crucial for sustaining growth and profitability. Their previous efforts utilizing AI had failed due to AI models being black boxes and hence impossible for the business teams to take actions with or improve.

Challenge

To effectively predict and reduce customer churn by identifying factors influencing retention among a variety of data sources including customer behavior, bank product and customer support, and market conditions. This required a robust solution that could adapt to dynamic market conditions, incorporate insights of the experienced bank team, and provide actionable insights.

Outcome

15%

Reduction in Customer Churn

\$7.5M

Revenue saved per year thanks to Churn Prevention actions

100+

Number of variables utilized to model Customer Churn

Results based on enhanced predictive data insights combined with proactive customer outreach and enhanced sales team performance measurement.

7X

growth in the number of customers

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6X

growth in the company value in the last 4 years

Improved Data Quality & Insights:

- Continuous learning, control and enhancement of data processing and storage practices.

Increased Team Expertise and Capacity for Future AI Initiatives:

- Valuable insights and skills in AI data creation, processing, and product creation through initiative for bank teams laying the foundation for AI as a way of doing business going forward

Approach

TAZI's AI solution enabled the bank to predict customer churn accurately, and quickly so that they could take effective multi-department retention actions, calling, sending a text message, and informing the sales representative about the potential loss and the effect on their performance. The implementation involved several key phases:

1) Initial Models:

- Installed TAZI on the bank's servers to ensure data security.
 - Defined initial data parameters and prioritized critical columns like total assets transacted, number of transactions, commission rate, and total commissions paid.
 - Expanded the churn definition beyond account cancellations to include customers with minimal balances or inactive accounts.
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2) Continuous Data Quality Improvement:

- Utilized TAZI's Data Profiler module to assess data relevance and quality.
 - Reconstructed historical data to reflect past conditions accurately.
 - Continuous data quality assessments and iterative model improvements.
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3) Model Optimization with Business Users:

- Integrated business KPIs such as commissions paid into performance metrics.
 - Employed automated and business user-guided feature engineering to refine variables.
 - Provided automated and continuous AI model explanations to help business users trust, guide, and take outreach actions with the predictions
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4) Going to Production with Minimal IT Effort:

- Designed customizable, real-time dashboards for dynamic monitoring and action.
- Conducted rigorous A/B testing before deploying models into production with minimal IT involvement.
- Provided continuous improvement and deployment of AI models with minimal IT and data scientist effort

Conclusion

The bank successfully reduced customer churn and enhanced its data quality and team expertise through TAZI's AI solutions. This journey is a great example of how AI can transform wealth management, providing significant business value and setting the stage for future AI initiatives.

The Banks's View

"Our TAZI AI churn prediction solution has been running for 5 years and it has been instrumental in reducing our customer churn and enhancing our team's capabilities. Our team has been utilizing the data skills learned from this AI deployment to design other applications and we are now well prepared to utilize TAZI for our new initiatives to get predictive insights and deliver exceptional customer experience from the start." -Kenan Ayvaci, CEO