

Case Study **Private and Public Companies**

Banking /
Financial Products

Developing a New Credit Card for a Multinational Bank

BACKGROUND

A Singaporean multinational banking organization, with branches in Southeast Asian countries, provides commercial and corporate banking services, personal financial services, private banking and other asset management services, as well as corporate finance, venture capital, investment, and insurance services.

The credit market is very competitive, with various financial institutions continuously launching new financial products. The bank's personal financial services division was interested in better understanding its credit card customers, and determining how they selected specific credit cards from a pool of alternatives.

EXECUTIVE SUMMARY

Client Challenges

- The personal financial services division of a multinational Singaporean bank wanted to assess the needs of its credit card customers and what made them select a specific credit card from a pool of alternatives
- The bank intended to use the outcomes of the above assessment to design its new credit card
- Understanding customers is not a simple task as they are often unable to articulate their requirements
- There was a need for objective tools that could help marketing managers understand how the bank's customers make tradeoffs between alternative credit cards, and use those insights to develop a new card.

Our Solution

- Identified the factors customers consider when choosing a credit card
- Conducted Conjoint Experiments to find out how customers made tradeoffs between alternative credit cards
- Found the optimal design for the new credit card based on customers' needs
- Forecasted the market share for the new credit card.

Our Intervention's Impact

- Our banking client designed the new credit card based on the collected feedback from customers
- Equipped the bank with the conjoint analysis method for customer-centric new product development.

The bank's leadership was happy with the results and, more importantly, with the new paradigm introduced in the design of future financial products...

IN FOCUS

Key Client Challenge

The bank needed to design a new credit-card package based on inferred customers' needs.

Our Solution

- Analyzed the competitive dynamics of the market
- Gathered the relevant secondary data (i.e. historical data)
- Used descriptive statistical analysis to interpret the data
- Gathered primary data (i.e. conducted focus groups and in-depth interviews with a targeted pool of customers) to investigate the factors customers considered when choosing a credit card
- Selected a representative sample of credit card customers
- Conducted Conjoint Experiments to determine how customers make tradeoffs between alternative credit cards
- Analyzed the results to measure the importance customers placed on different aspects of the credit card
- Found the optimal design (combination of different features) for the new credit card
- Conducted market simulation
- Forecasted the market share for the new credit card.

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