

Top 25 North American Card Issuer

Customer Characteristics

Type

Top 25 card issuer in North America and major retailer

Purchase Volume

\$10 Billion

Outstandings

USD\$4 Billion

Active Accounts

1.8 Million

Engagement Objectives

- Boost revenues and earnings that have come under severe pressure from a poor economic climate and recently implemented regulatory changes.
- Implement appropriate new pricing techniques and strategies.
- No negative impact on the Client's reputation in the market
- Easy implementation

RESULTS

CLIENT BENCHMARKS	Outstandings (billion USD)	\$4
	Purchase Volume (billion USD)	\$10
	Active Accounts (million)	1.8
Strategies		
PROFIT INSIGHT®	Number of Strategies Proposed	12
	Estimated benefit - low (mil USD)	\$18
	Estimated benefit - high (mil USD)	\$25
	Number of Strategies Implemented	4
	Actual benefit (mil USD)	\$10
	Benefits Per Account (USD)	\$5.56

Summary of the Engagement Financial Impact



Benefits (per active account) of Strategy Implementation

PROFIT INSIGHT® is the

CLEAR CHOICE

to help you achieve
your financial goals.

Cumulative financial benefits with solutions that are
Legal and compliant focusing on revenue
Enhancement, revenue
Assurance and cost
Reduction.

ENGAGEMENT CHALLENGES

Initial scope was very narrow and focused on Early Month on Book accounts with only limited data available to PROFIT INSIGHT®. However, once our initial review uncovered significant value, the scope was expanded to include a more general review of marketing and pricing strategies.

Due to conflicting projects and internal activities dictated by the Client's parent company, the review was conducted with relatively few Client interviews and almost exclusively off-site.

We discovered that the value proposition of the Client's card products was less than ideal and their marketing needed improvement as products and offers were not being differentiated by customer segment or need.

ENGAGEMENT HIGHLIGHTS

PROFIT INSIGHT® exceeded the engagement objectives and has become a key strategic partner to the Client, consulting on a variety of strategic and operational issues.

The Client's previous approach to pricing had been largely limited to terms changes. Our recommendations included better matching of offers to customer credit needs and wants and more effective marketing of our Client's products

Value and creativity of strategies presented to Client far exceeded their expectations.

IMPLEMENTATION BENEFITS

Twelve opportunities were ultimately identified during the review in the areas of Rewards/Loyalty, Fee and Pricing Structure, Promotional Pricing, Product Suggestions and Targeting/Marketing.

The twelve strategies represented between USD\$18 million and USD\$25 million in annual revenue lift, many times the Client's expectation.

New marketing strategies will better position our client to compete with competitor entries into the market and position them to generate growth in their card program.

IMPLEMENTATION RESULTS

The Client has provisionally accepted four strategies representing over USD\$10 million for implementation with most of the remainder in process pending future approval.

THE PROFIT INSIGHT® DIFFERENCE

The PROFIT INSIGHT® Credit Card Performance Consulting practice helps clients significantly improve the profitability of their lending business. We partner with our clients to deliver short and long-term value by identifying, analyzing and implementing tactical solutions to significantly improve portfolio and operation performance while limiting impact to their customers.

Our consultants are recognized card industry experts and include former Federal Reserve officials, bankers, and card operations and marketing executives with expertise in Efficiency, Offer Targeting, Pricing, Interest Calculations and Operations.



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