

***Customer Relationship Management (CRM)  
to Avoid Cannibalization: Analysis  
Through Spend Intensity Model***

Saumitra N Bhaduri, Avanti George

GE-MSE Decision Sciences and Financial Research Lab

saumitra@mse.ac.in, and avanti@mse.ac.in

and

David J Fogarty

Vice-President

GE Money Global CRM/Decision Sciences

David.Fogarty@ge.com

# **Customer Relationship Management (CRM) to Avoid Cannibalization: Analysis Through Spend Intensity Model**

**Saumitra N Bhaduri, Avanti George and David J Fogarty**

## **Abstract**

*The focus of the paper is to model the cannibalization effect of a co-branded bankcard upgrade program launched on UK Retail Cards Data. Since most of the retail businesses operate in a non-contractual setting, this poses difficulties in differentiating between the customers who are loyal and will continue to maintain their in-store spends even after the upgrade. This paper proposes a predictive strategy with the past purchase transaction data, which would help the business to improve the overall marketing performance, using the intensity model. The methodology developed in this paper clearly recognizes the group of customers who would remain loyal to certain retail outlets, inspite of the upgrade, by identifying the “flipping point” of their intensities. Most importantly, it not only recognizes this subset of customers, but also explicitly models the probability of loyalty to depend on customer attributes.*

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**MADRAS SCHOOL OF ECONOMICS  
Gandhi Mandapam Road  
Chennai 600 025  
India**

**Phone: 2230 0304/ 2230 0307/2235 2157  
Fax : 2235 4847 /2235 2155  
Email : [info@mse.ac.in](mailto:info@mse.ac.in)  
Website: [www.mse.ac.in](http://www.mse.ac.in)**