Enterprise Customer Analytics for Financial Services

Highlights

■ *Maximizes long-term customer loyalty and satisfaction*

■ *Maximizes customer profitability*

■ *Generates sustainable competitive advantage in financial services*

■ *Maximizes the effect of marketing spend*

■ *Provides a state-of-the-art, end-to-end marketing solution.*

Maximizing loyalty and profitability through customer insight

Enterprise Customer Analytics (ECA) provides a powerful marketing automation approach for financial services companies. ECA helps stimulate customer activity, improve service, and increase loyalty by leveraging one or more databases. This ensures that each customer is sent the right message, through the right channel, at the right time. Contacts meanwhile are kept within an overall, optimal marketing budget for each specific customer. Furthermore, ECA closes the information loop by tracking responses, analyzing results, and dynamically incorporating those results into the next marketing campaign.

Treating the customer as an investment

ECA views customers as a portfolio of financial instruments to be invested in over time, just as a financial advisor manages a client's asset portfolio. Using a powerful, asset-based segmentation approach, the offering analytically divides a customer file into a set of actionable asset groups. (Segmentation is conducted based on a defined set of key performance indicators.) Each individual can then be tagged in the database, and information updated in real-time, to reflect membership in their respective asset group.

Planned customer management

Even the most sophisticated marketing systems used today have an inherent limitation—a point-in-time (meaning campaign-by-campaign) view of marketing investments. In contrast, ECA factors in the effect of one campaign on another before an offer is presented to the customer. This process, powered by advanced, patented mathematical techniques, generates management plans for individual customers. Each continually re-evaluated plan is designed to feed campaign management with a set of offers that maximize return on investment for a specific customer.

Single entity view

Customers should believe they are dealing with one integrated financial services provider, not a disjointed set of business units—as may occur when units take responsibility only for interactions related to their particular business functions. The answer lies in a customer-centric orientation for business processes and data throughout the organization.

ECA's initial phase, or 'strategy' component, addresses that need by assessing an organization's capabilities to act on customer information, deliver optimal experiences to its customers and increase its bottom line.

These components provide a logical framework for the entire solution, but can be implemented individually or in combination to meet specific business needs—and still yield significant return on investment.

Creating living knowledge

With an ECA infrastructure, your organization can further enhance its capacity to meet customer needs as they occur. A record is maintained and updated at each customer touch point, be it the Web, a call center or branch, an automatic teller machine (ATM), or another source, for real-time access.

This customer behavior profile offers a unique, insightful set of hard

You really do understand me

Ultimately, ECA enables you to leave customers sensing that 'you know me, you understand my wants and needs, and you treat me accordingly. I want to do business with you.'

About the offering

ECA combines IBM intellectual property and products with business partner software tools. The solution draws on IBM's market-leading expertise in data warehousing, operational data storage, deep analytics and advanced optimization, along with our financial services industry and business-process knowledge.

Industry-specific components reflect deep familiarity with banking, finance, and insurance issues and trends, including mandates to retain valuable customers, generate profitable growth, continue reducing costs, develop novel concepts and services, exploit new distribution channels, and generate ongoing competitive advantage.

ECA components range from in-depth strategy creation to campaign management and use of advanced customer analysis tools.
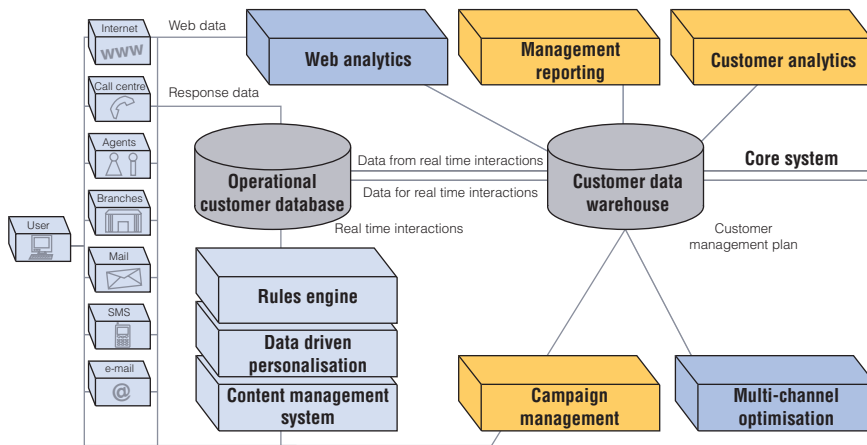
Six other components make up the offering. 'Infrastructure' and 'operational data store' provide the business and systems integration necessary to maximize the benefit potential of the remaining four components: 'Web analytics,' 'data-driven personalization,' 'campaign management' and 'multi-channel optimization.'

accounting data (such as how much the customer spent or invested) and soft facts (such as their attitude toward risk) for each touchpoint. Profiles then are used in conjunction with a powerful rules engine to generate personalized messages for each customer. Ongoing updates of variables yield continuously evolving profiles.

The components are:

- *Strategy–utilizes the Customer Management Assessment (CMAT) process in combination with asset-based segmentation techniques to create an actionable, comprehensive plan to assess risk, forecast return on investment, and identify profitable customers.*
- *Infrastructure–defines, develops and assists with creation of necessary infrastructure, including real-time, automated capabilities to generate accurate, data-driven decisions.*
- *Data warehouse/operational data store–provides methods and models to integrate real-time data into existing data warehouses and/or data stores for sharper decision-making capability.*
- *Web analytics–uses advanced statistical and data mining techniques to provide Web site traffic insights. It clearly identifies where traffic originates, what customer preferences are, and how to approach desired customers effectively. Analyzing aggregate Internet traffic patterns delivers the knowledge to create predictive sales indicators and potentially increase revenue across multiple channels.*
- *Data-driven personalization–provides highly advanced analytic models, integrated with a business rules engine, to anticipate and react to individual customer preferences in real-time.*

- *Campaign management–recommends and implements a solution to plan, optimize, execute, and track Internet and/or multi-channel marketing campaigns, including the use of current techniques such as event and trigger-based communication and permission marketing.*
- *Multi-channel optimization– combines online and offline transaction data with campaign content data to build optimal contact strategies for each customer across all marketing channels.*

In summary, ECA provides capability to achieve and sustain meaningful strategic and competitive advantage. Only ECA can deliver the truly personalized service, through any marketing channel, when and where customers choose, that is vital to capturing their loyalty and value.

For more information, please access IBM Business Intelligence Consulting and Services' Web site at: www-4.ibm.com/software/data/bi/ or contact your local IBM representative.

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