



Enterprise Customer Analytics: Using Technology to Get Up Close and Personal, Real Time

Financial services customers. You can't live with them... and you can't live without them. First, they inform you they won't be visiting your branch office quite as much anymore. They're going digital, thank you, and want access to more online transactions and products. Next, they tell you they expect more individualized service and you need to get more personal.

What's a financial institution to do?

According to Jane Gedicks, IBM business intelligence expert for financial services, they should think about leveraging the very technology that spawned such contradictory customer behavior in the first place, to enable more intelligent interactions and generate improved loyalty, satisfaction and profitability.

Getting to Know You

Thanks to the converging technologies of Internet commerce and data mining, businesses can capitalize on Enterprise Customer Analytics (ECA) to better understand and anticipate the needs of customers - optimizing interactions with them across every point of contact, from Web sites to call centers to brick-and-mortar business locations. ECA integrates e-commerce capabilities with advanced customer intelligence technologies to render real-time insights that can deliver competitive advantage across all channels.

"It's about analytics and the speed of business," says Gedicks, a financial industry specialist with IBM Global Business Intelligence Solutions. "It essentially takes business intelligence and high-end analytical capabilities out of the back office and brings them into front-end operational systems."

ECA links e-commerce and traditional multichannel business intelligence practices to provide what Gedicks calls a closed-loop customer relationship process that grows increasingly intelligent with each interaction. Personalized, relevant and consistent messages about individual customers are distributed across every sales, marketing and service contact, so each customer ultimately receives the precise treatment that will help a bank, insurance company or investment firm build long-term loyalty, sales and profitability.

Go Ahead. Get Smart with Me

"Basically, the organization gets smarter with each customer interaction," she explains. "With ECA, the information gained through each transaction isn't just filed somewhere. It's added in real time to existing purchase history, information about online habits and market data related to similar customer segments." Then it's used to get to know and serve customers better, in essence enabling a financial services company to emulate its best salespeople by:

- identifying the customer's needs and preferences
- listening and communicating; recognizing the signals of a customer who is ready to buy
- offering the product or service that is most relevant to this customer
- matching profitable products and services to what the customer will value

Gaye Phillips, an expert a solutions marketing manager with IBM Data Management, says that last point is particularly important. Many financial services companies find themselves overwhelmed by customer data they can't collect or analyze effectively, and consequently are unable to translate potentially valuable information across marketing channels.



"They're spending money on customers who have a high probability of not taking the offer," Phillips says. "And meanwhile there are other customers they don't know about who would like to take advantage of the offer." The whole process, she points out, is inefficient from a spending standpoint.

"With the same marketing dollars," adds Gedicks, "ECA can provide you with a much better response rate through micro-targeting, and the ROI can be quite substantial."

As an example, Phillips points to a large bank recently cited by "Intelligent Enterprise" and "Imaging & Document Solutions" magazines for its implementation of a state-of-the-art analytics and data warehouse solution that demonstrated a dramatic return on investment. The system - a Web-based supermart built around IBM's DB2 Universal Database for AIX and DB2 Intelligent Miner - integrated and analyzed performance data such as customer and product profitability, growth in revenue and new accounts, risk and lost business, and made it accessible in real time to all levels of decision makers throughout the company, including executives, line-of-business and branch managers, and customer account portfolio managers.

The solution allowed the bank to measure performance based on profitability instead of sales volume, and as a result achieve a quick return on investment. During the pilot phase of the implementation, for instance, the bank saved nearly \$23 million, which amounted to a 100 percent ROI in just six months. Additional ECA applications are helping the company reorganize its product lines and create more targeted marketing campaigns, all of which is projected to save \$270 million (US) over four years.

Five (Not So) Easy Pieces

Gedicks says an ECA solution generally has five major components for a total solution. These components can be implemented individually or can be positioned as steps of a comprehensive framework. An end-to-end marketing solution could be phased as follows: First, an integrated customer relationship strategy is established. Next, a market-

driven technology infrastructure is formulated. Then customer information is enhanced with real-time data and analytical support systems.

After that, traffic patterns across all marketing and customer contact channels are deciphered to strengthen relationships and increase sales. Finally, personalized customer experiences are created, marketing channels are tuned to deliver optimal customer satisfaction, loyalty and profitability, and cross-channel campaign management is applied to improve marketing results.

In the end, Gedicks says, the object is to treat clients as "markets of one," optimizing interactions with them across all touch points by providing consistent, high-caliber, real-time customer experiences.

The bottom line for any business, after all, is that you can't live without customers. So why not take advantage of technology to make it hard for them to live without you?

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