

Case Study:

Large Multinational Bank

Enhancing customer sales and retention

The Challenge:

Banks are consistently challenged to attract new clients and retain their current customer base. Today, with 80% of revenues coming from 20% of clients, there is added pressure to retain current customers. Consequently, banks are targeting their own customers and up-selling them on products with new promotions. Unfortunately, this process is time consuming, inefficient, and expensive because it requires countless man-hours calling lists of potential customers to discuss the benefits of joining a new program and sending out direct mail marketing literature.

The Solution:

Aedi Enterprise provides a better system to support the sale of new products to existing customers and the customer service process of retaining existing customers who may be thinking about switching banks. Our solution predicts the highest value potential targets, thereby creating higher customer conversion success rates in far less time than current market leading solutions. The program works through:

- Vertical Expansion: Extending rules and knowledge
- Horizontal Expansion: Integrating every new promotion method

The Results:

- Improved promotion success rate by over **500+%** at all branches and in some branches by more than 700+% by targeting truly qualified prospects.
- Reduced total number of marketing communications to individual customers by approximately 95%.
- Developed a reusable marketing campaign that can be further refined and improved in the future.

The Challenges

The bank periodically runs campaigns to market products such as Certificates of Deposit to their existing customer base. The goal of this endeavor was to pare down the list of customers to a more manageable list while still running a profitable campaign. The challenges were numerous, including:

1. **Significant overhead:** In the past, running such a campaign was a very grueling process, requiring phone calls or generating email lists of all existing customers. The time needed to reach out to each of these customers increases the cost and reduces the profitability of running such a campaign.
2. **Poor success rate:** Approximately 2% of the customers contacted had an interest in the products being marketed, resulting in 98% of

Organization overview:

The bank has had a strong presence in Taiwan since the opening of its first branch in 1965. It is considered the premier and most profitable foreign bank in Taiwan, with 2007 pretax earnings of over NTD 13 billion, outperforming any other foreign banks.

Their consumer banking division leads the market by pioneering wealth management banking in Taiwan. Wealth management product selection ranges from savings accounts, local and multi-currency deposits, and option-linked time deposits, to premium deposits and a variety of mutual funds, such as bond funds, equity funds, overseas straight bonds and U.S. stock brokerage.

marketing communications being unsuccessful. By some estimates, the bank only achieved break-even cost on the overall campaign.

3. **Customer alienation.** By reaching out to so many of their existing customers, the bank risked alienating many of their non-interested customers. Furthermore, they also risked the success of future campaigns by generating too many customer touches that could be deemed as spam and possibly not reviewed at all.

The Aedi Enterprise Solution

Aedi Enterprise's Enterprise Marketing Management (EMM) solution answers the call for a better system to support one-to-one marketing – marketing strategies applied directly to a specific consumer enabling you to build real, long lasting relationships with your customers.

By integrating knowledge about your customers from any kind of interaction – Outbound Call Campaigns, Inbound Customer Service, Online Marketing, Direct Mailing, and Website Browsing – Aedi Enterprise enables you to get a more holistic understanding of your customers. It makes it possible to manage this complex and interrelated data and learn from the knowledge obtained.

In order to achieve one-to-one marketing, highly specialized rules or parameters need to be established that define what type of person would be interested in a specific good or service. These rules are then applied to potentially massive pools of unique customers to identify those most likely to be interested. Traditionally, with lots of rules, software systems fail due to the complexity of managing rules. Aedi Enterprise uses a patent pending algorithm that is able to overcome this barrier and enables your marketing experts to establish and modify the rules to design more effective campaigns and customer relationship management strategies.

The results can be applied to any of your customer relationship management activities, such as outbound calls from call centers for promotions, cross-sell, and up-sell activities; inbound calls to call centers for customer service, credit card inquiries, and customer retention purposes; engaging customers through your website; direct mailing, email campaigns, and cell phones.

A Competitive Comparison

Aedi Enterprise has a combination of characteristics that give it a distinct advantage over competitors and other similar solutions (such as Business Rule Engines, Collaborative Filtering, or Decision Tree tools) including:

1. The use of English-like business logic;
2. Flexibility of the user to implement across a broad range of domains;
3. The ability to process and prioritize large sets of rules in real-time;
4. A “white box” solution that gives the user complete visibility to the rules and is easy to manage, evaluate, and improve.

Specific features include:

- 1) **Running prediction scenarios:** Aedi Enterprise enables marketing departments to quickly identify high-probability customers. Search criteria can quickly be modified to identify potential customers across platforms.

500+%
Improvement

The bank improved campaign effectiveness by over 500+% and in some branches by over 700+%!

- 2) **Easy to interpret results:** Quickly identifies lists and the reasoning why those selected are on the designated list.
- 3) **Flexibility and reusability:** Aedi Enterprise can be used across multiple programs by simply updating rules in the system to identify potential customers. Knowledge can be stored for future use in template form. As more data and knowledge is gathered, the reasoning system yields more accurate predictions.

Results

There are several benefits to Aedi Enterprise's unique combination of capabilities, including:

- 1) *One tool vs. many:* Aedi Enterprise offers the unique benefits of blending the best of existing tools with a proprietary, comprehensive, advanced solution. It enables marketing teams to confidently do their work knowing they are getting the best and most accurate information possible, in a fraction of the time and cost. It replaces the need for Data Mining, Collaborative Filtering, BI Tools, and conventional Rule Engines by combining the functionality of each into a more powerful platform.
- 2) *Reduced costs and increased effectiveness:* Aedi Enterprise gives your marketing team the ability to pinpoint customers and prospects while dramatically cutting down on time spent with administration. Aedi Enterprise also avoids bothering (and potentially alienating) customers that are not likely to be interested in a given product or service.
- 3) *Integrated knowledge:* Aedi Enterprise enables your team to integrate knowledge from online, offline, inbound, and outbound customer interactions, and to identify patterns and learn from the results, in real time.
- 4) *Real-time knowledge:* Aedi Enterprise empowers your team to use personalized knowledge about your customers in real-time, so your team has the knowledge they need when they need it.
- 5) *User-directed parameters:* Aedi Enterprise allows your team to set the rules in order to generate the customized, specific customer knowledge you need, as opposed to other solutions, where the end-users are not able to modify and adjust them as needed and in real-time.
- 6) *Multi-channel marketing:* Aedi Enterprise significantly increases the effectiveness of multi-channel marketing by providing the flexibility to prioritize large sets of rules, in real-time and on one single platform.

\$500K
in savings

The bank improved the profitability of running campaigns by approximately \$500K USD by reducing the number of marketing communications.

See For Yourself

To learn how Aedi Enterprise can help your company please visit:

www.aedienterprise.com.