

> Disbank TURKEY

European Bank Enhances Customer Understanding with AnswerTree®

Situation

Disbank TURKEY, founded in 1964, focused its business on trade finance in the 1980s. In the 1990s, the company shifted its focus toward corporate banking and capital market activities. In late 1999, Disbank implemented an accelerated growth strategy designed to expand its role in commercial and retail banking, while maintaining its core business of trade finance and corporate banking. Within the last four years, the bank's accelerated growth has led to a 400% increase in its number of retail banking customers.

Critical issue

Successful market share growth in a highly competitive industry required Disbank to concentrate on activities that would help it to retain this influx of new customers. Triggered by this rapid increase, cross-selling and up-selling became an important component of the company's customer relationship management (CRM) business strategy.

The solution

The Disbank Retail CRM and Campaign Management Team required an analytical tool that could improve the success rates of its cross-selling and up-selling efforts. The team narrowed its software search, limiting the number of prospective analytical tools based on an evaluation of several specific attributes, including ease of installation, ease of use, and affordability. Overall, these attributes were intended to satisfy one single objective—a rapid return on investment.

The team viewed SPSS Inc.'s AnswerTree as a promising tool that offered all the attributes required. AnswerTree was selected as the first tool for Disbank's analytical CRM implementation.

Results

- Recouped the cost of its software investment within three months following the launch of the first campaign
- Achieved an 85% campaign sales success rate
- Gained the ability to calculate each customers' propensity to purchase Disbank products and services
- Developed repeatable processes and new efficiencies

At-a-glance

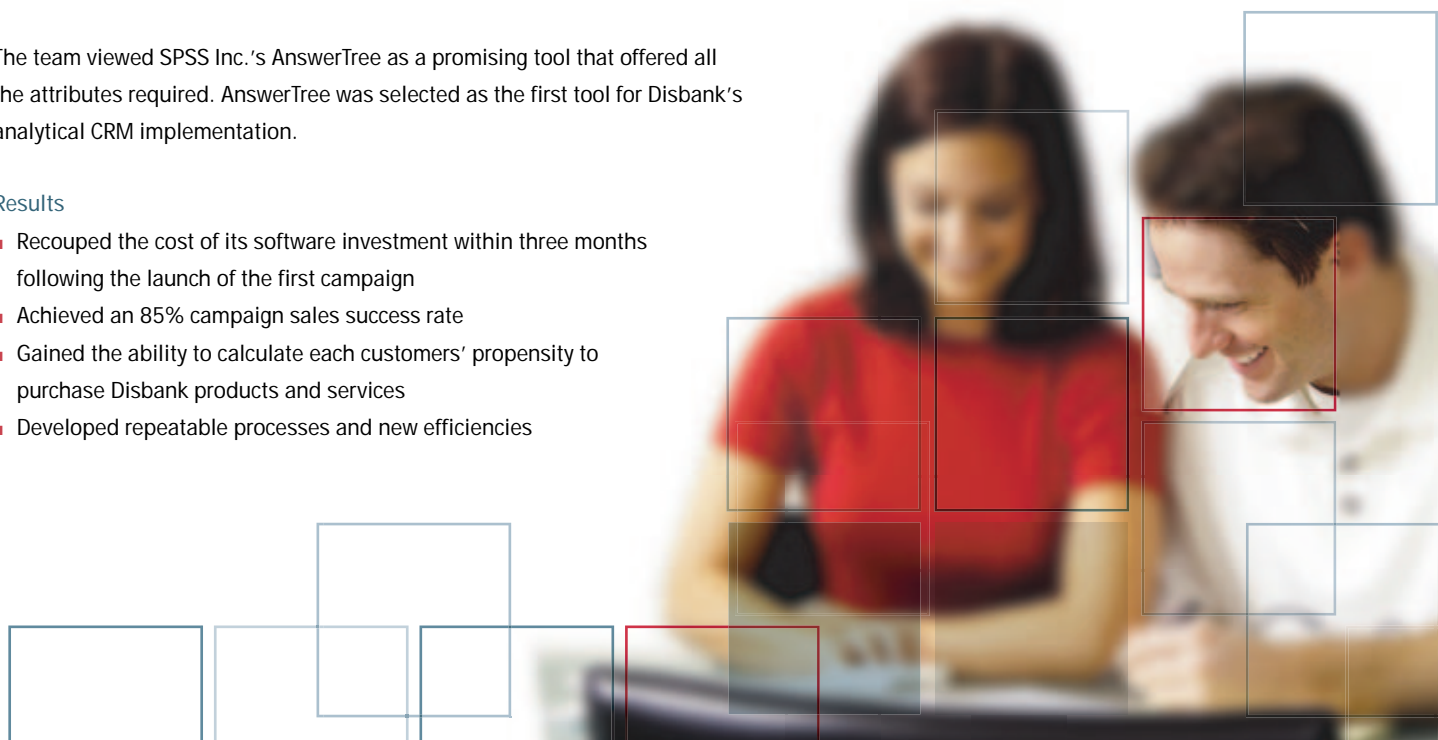
Country: Turkey
 Industry: Banking
 Date founded: 1964
 Company type: Private
 Total assets (as of March 31, 2004): \$4,194 million USD
 Employees: 3,608

Applications

Customer lifetime value
 Customer profiling
 Customer retention
 Cross-sell/Up-sell

Solutions used

AnswerTree
 SPSS® for Windows®



■ Financial Services

While renewing efforts to maintain its core business of trade finance and corporate banking, Disbank TURKEY also committed to an ambitious growth strategy in commercial and retail banking. This accelerated growth strategy proved to be successful, leading to an increase in the number of retail customers from 300,000 to more than one million in a three-year time period. Now that the company had acquired a significant number of new customers, understanding both loyalty issues and the number of products purchased by each customer became critical.

Turkey's rapidly growing, young population offers many opportunities, especially in the form of new retail banking products and services to penetrate deeper into this prospective market segment. In an industry where fierce competition existed between more than 20 banks, Disbank, with several popular products, has gained most of its market share by attracting the customers of its competitors.

However, in order to be the first choice of customers, greater insight was required. With the goal of differentiating its retail offerings from other banks, Disbank aimed to create products and services that make customers feel that its specific needs are being personally addressed. Moreover, Disbank knew that customer relationships would be strengthened if multiple products and services were purchased. As a result, Disbank focused its energies on effective cross-selling and up-selling campaigns.

The Disbank Retail CRM and Campaign Management Team concentrated on cross-selling opportunities, propensity models, churn, retention, and attrition. The use of innovative analytical software would increase efficiencies. However, the tool had to be easy to install, easy to use, and affordable.

Additionally, the team understood that the tool initially selected would be required to serve as a practical training platform, so there was added incentive to select a tool that was part of a larger predictive analytics offering.

According to the Director of the team, Mr. Ugur Ozmen, "With such a broad range of tools available to us, we wanted to ensure that our selection offered not only a robust tool for understanding customer behavior, but was also feasible in every aspect."

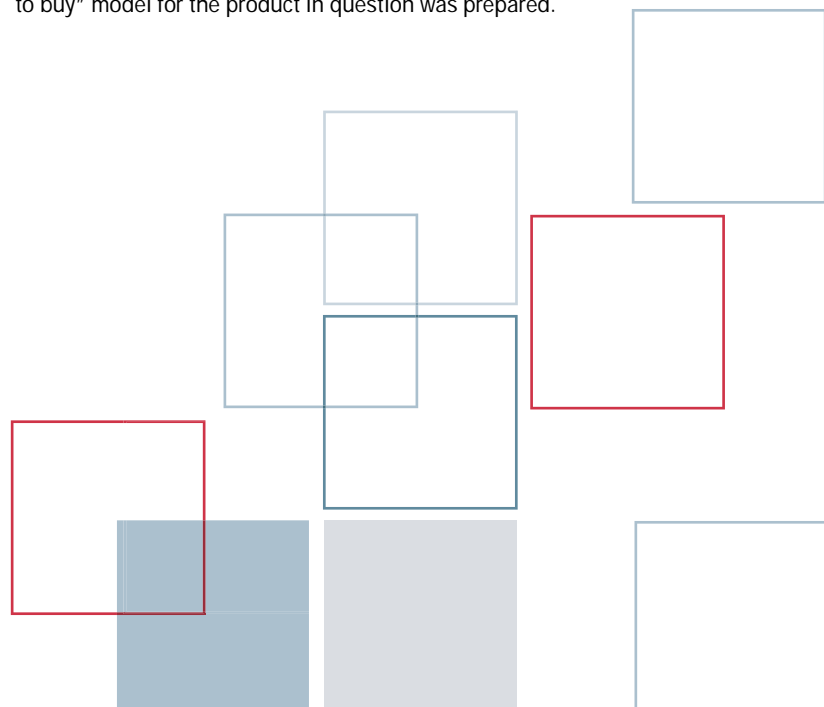
SPSS Inc.'s AnswerTree was selected as the startup analytical tool by Disbank's Retail CRM and Campaign Management Team because it satisfied all of the organization's requirements.

Recouped the cost of its software investment within three months following the launch of the first campaign; achieved an 85% campaign sales success rate

AnswerTree was installed easily, and Disbank's Retail CRM and Campaign Management Team began data preparation and analysis immediately. First, the team collected data from operational systems and the data warehouse. This customer-oriented information consisted of many different data types, such as demographic, product, and channel information, among others.

After the initial data set was aggregated, analysis of the data was conducted using SPSS for Windows. In order to secure reliable results, the data was observed and tested, and its usability was measured.

Overall, AnswerTree was used in multiple rounds of customer data analyses. After this analysis, the "propensity to buy" model for the product in question was prepared.



The first campaign implemented was based on a propensity model developed with the help of AnswerTree. The analysis projected that the sales rate associated with the campaign would be 93%, and that the initial response rate would be even higher. However, because these projections seemed so high, the Disbank Retail CRM and Campaign Management Team was a bit skeptical.

“As the campaign started and the first round of results were generated, the campaign management team and sales team were pleased to see the sales rates fluctuating between 85% and 90%,” recalled Mr. Ozmen. “At the end of the campaign, the sales rate was 86%, just 7% lower than the AnswerTree-based projection.”

Three months after the start of the first campaign, the objectives of the campaign management team were met and its investment was recouped.

The analysis that was conducted and the campaigns that resulted from this analysis not only yielded a rapid return on Disbank’s investment, but also provided valuable knowledge.

At the start of this project, the Disbank Retail CRM and Campaign Management Team had preconceived ideas about the best ways to attract and retain customers. However, the team’s AnswerTree-based analysis provided new insights regarding the best ways to optimize campaigns. The team plans to apply this information, described internally as “company property,” to future projects.

Developed repeatable processes and new efficiencies

The quantification of each campaign effort and a thorough examination of propensity, response, and sales rates helped the Disbank team to develop the following models and experience:

- Design of a standard data-set for generation of propensity models
- Ability to calculate the value of information
- Design of repeatable campaign models
- The formulation of the business requirements needed to identify additional tools to expand Disbank’s analysis capabilities

Disbank continues to benefit from the efficiencies of both AnswerTree and SPSS for Windows, and positive results continue to be generated.

With the goal of maintaining customers in a highly competitive market, the investment made by Disbank’s Retail CRM and Campaign Management Team in AnswerTree and SPSS for Windows proved to be efficient.

To learn more, please visit www.spss.com. For SPSS office locations and telephone numbers, go to www.spss.com/worldwide.

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