

Case Study

Customer Relationship Management Database Marketing & Profit/Risk Modeling for 3rd Largest Bank in Brazil

The Challenge

The CEO of a major international bank challenged his executive team to develop a true market leadership position and sustainable competitive advantage through advanced marketing database/CRM capabilities. He also sought to use these capabilities to develop marketing campaigns and programs to effectively dominate the bank's high priority retail market segments.

Key Management Issues

- How does the bank leverage the investment on the current database?
- What are the most effective techniques for segmenting the current customer base and enhancing each household record with additional profile information?
- What are the most effective direct mail marketing strategies for the bank's high priority market segments?
- What is the anticipated ROI for these efforts?

The Action

This extensive CRM project was conducted in three phases.

PHASE I – The Current Assessment

A comprehensive definition of the project objectives was developed – starting with desired customer touch-points and contact capabilities and one-to-one contemporary marketing practices. Once the user requirements were established, a detailed review of the legacy marketing database, its design and capabilities was completed, which identified major technology gaps.

Align FSC also reviewed the bank's current marketing practices and a database of product usage by segment and household was developed. Primary research was undertaken to test the bank's current segmentation methods by identifying product usage rates and household profitability versus industry averages, and by defining industry best practices in CRM/database management and direct marketing.

PHASE II – Development of Business Scenarios

Leveraging the gap analysis conducted in the Current Assessment, Align FSC developed three separate business cases for consideration:

1. Remain at the status quo and the resulting impact
2. Bring the bank's capabilities up to par with industry best practices
3. Pursue an aggressive strategy to leap-frog the current best-on-class offerings and develop industry leading systems and database marketing analysis methods

Each business scenario provided detailed analysis regarding the specific opportunities, risks, costs and ROI. This phase also included technological review of potential designs and required database and data dictionary definition refinements, strategy development for market segmentation and marketing plan development that leveraged superior direct marketing strategies using the CRM and the Internet.

The aggressive strategy business case scenario was recommended, and a detailed implementation roadmap was prepared that phased the new system in over a 2.5 year period.

PHASE III – Strategic Market Plan Execution

Acting on behalf of the executive sponsors, Align FSC provided project management services to oversee all critical aspects of the implementation. Key areas of additional support included CRM systems analysis, management of vendor RFP process, purchase negotiations, implementation, advanced segmentation methodology and data acquisition for marketing campaigns and testing.

The Result

The bank has achieved best-in-class customer relationship management practices, demonstrating significant advances in customer acquisition, activation, cross-sell and recover rates and receiving worldwide recognition for its efforts.