MITB Financial Services Seminar – Big Data. Smart Decisions.

by Mr Donald MacDonald

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Donald leads OCBC Group's big data analytics, data-driven marketing and overall CRM architecture across Asia. In his role, he has overall responsibility for driving business value from data by providing actionable insights to segment, channel and product managers across all geographies and business divisions.

Donald also manages OCBC's Operational CRM platform and was the project manager for the bank's award winning, next generation unified sales desktop (ROME).

Donald has 20 years of international experience in CRM & Analytics helping companies to generate actionable insights and increase revenues.

Prior to joining OCBC, he worked as an Analytical CRM consultant with IBM Business Consulting and PwC specialising in delivering data driven marketing initiatives to clients across the globe. In addition, he spent 5 years with Standard Life Group in the UK – Europe's largest mutual life assurance company – building and leading their Data Mining team.
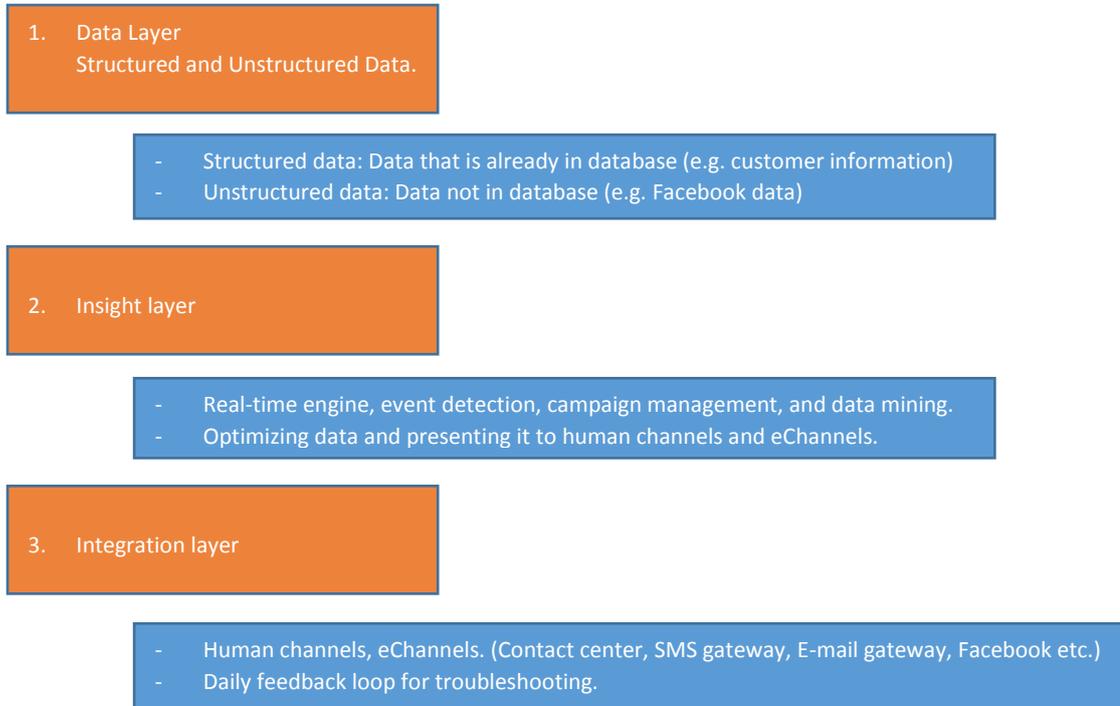
Synopsis

This seminar will cover the following objectives;

- Understand the wealth of information generated over the course of a banking relationship
- Learn how OCBC leverages this data to generate actionable insights across its business
- How OCBC turns insight into action, positive customer experiences and improvements to the bottom line

Early Beginnings

OCBC started venturing into analytics in 2004 and was an early adopter of analytics. It made substantial investments in CRM under the advice of consultants, who promised good returns. However, this was all very rudimentary. It originally had a strong sales force, but was weakened by poor leads with limited insights. Since then, OCBC have been strengthening their teams, focusing on value chain alignment. Currently, OCBC is embarking on integration with other member companies and outsourced support for key partners and real-time interaction with customers.

Three layers of Analytics in OCBC

1. Data Layer
   Structured and Unstructured Data.

- Structured data: Data that is already in database (e.g. customer information)
- Unstructured data: Data not in database (e.g. Facebook data)

2. Insight layer

- Real-time engine, event detection, campaign management, and data mining.
- Optimizing data and presenting it to human channels and eChannels.

3. Integration layer

- Human channels, eChannels. (Contact center, SMS gateway, E-mail gateway, Facebook etc.)
- Daily feedback loop for troubleshooting.

With 4 million customers, 8 million accounts and over 6 billion transactions, OCBC, with the help of its partners (e.g. Robinsons) has harnessed this data to find out more and understand the demographics of their customers. However, this data does not always tell OCBC everything, such as reasons behind the shopping behavior, why and what customers spend on.

Traditionally used campaign management, OCBC resulted in 2-5% conversion in its customers. But by using atomic data to drive event based marketing (daily data), OCBC was able to achieve a 22% conversion rate. For instance, if a customer makes significant deposits, it signifies that the customer intends to grow his or her nest-egg, or interest in investments. On the other extreme, "deposit fumes" is when customers are living day by day, which may also signify a need for a credit line. By using such data, OCBC is able to push its deals via e-mails and SMSes.

Analyzing spending patterns, insurance plans, or to predict the actions/behaviors of customers (propensity to spend etc.), helps banks to develop new offerings. One of which is the successful FRANK product offering. OCBC found that their main customers are early age and middle age members and hardly any young adults. This is alarming considering they make up the largest portion of the population in Singapore. So FRANK was developed to target this particular demographic group.

Small data (e.g. complaints, broadly includes for instance, what the complaints are, from whom are these complaints received from, and what the nature of the problem is) helps OCBC's analytics team predict when a customer is going to lodge a complaint and how to resolve such problems to improve customer experience.

Optimizing Service

Curated research: If a particular customer is looking at Jetstar equities, OCBC may promote Tiger Airways equities too. Provision of information to customers generates revenue, for instance, if a particular customer is not saving as much as his or her peers, OCBC may introduce its savings plans.

Call Centre priority: Customers are deliberately made to wait on phone calls, as well as rejected for a fee waiver.

Integration with Human Resources

Analytics may also be used together along with Human Resources to anticipate when an employee intends to leave the company. It is also able to gauge the level and amount of employee rewards and benefits that employees expect so the company can retain them, or to identify the type of trainings to provide to them.

Conclusion

OCBC isn't a typical employer that focuses on the prowess of a data scientist, but instead, a holistic set of skills in data scientists who can relate to customers and not seclude oneself. This is essential to understanding customers' needs. OCBC does not believe in "silver bullets" where a single employee is expected to pull the weight of the team. They want people who can excel in a team.

The day when OCBC 360 was relaunched with new features, the manager could already see the breakdown of data, what the transactions are, who opened the accounts, how much were the deposits etc. This used to be cumbersome and the manager had to meet the analytics manager to view such information.

In the coming years, OCBC will be focusing on two aspects, Speed to insight and contextual awareness.