

CUSTOMER SUCCESS STORY: FORTUNE 500 SERVICES FIRM

A Financial Services firm improves customer insights and increases revenue by creating an integrated approach to customer value.

Every financial services firm wants to increase share of wallet, improve cross-selling, reduce attrition, and improve revenue. However, with so many channels and varied financial products, most firms have a hard time gaining a handle on just who their customers are, what they're doing, and which campaigns are most effective.

One Fortune 500 financial services firm found a solution to that challenge, with the help of Quaero, a CSG Solution. As a result, the company has been able to implement a much more integrated approach to increasing customer value.

Many Customer Views, Many Problems

The company, with more than 20 million customers, faced a common problem in the financial services industry. It was organized around lines of business, each with its own marketing department and customer view, so customer interactions were uncoordinated and often counterproductive.

For example, the company was unable to track attrition accurately. Since customers weren't tracked holistically, a line of business was counted as having lost a customer who had simply moved across or up to another financial product.

And, with each financial group operating its own marketing campaigns, some customers were receiving more than 100 touches per month.

The company called in Quaero, the customer intelligence arm of CSG Systems, to help create a single customer view that would improve their contact strategy and enable them to grow their customer value.

Creating a Single View of Customer

CSG's Quaero was asked to help with three of the firm's most important lines of business: credit card services, financial services, and home mortgages.

Company

Fortune 500 Financial Services firm with more than 20 million customers.

Challenge

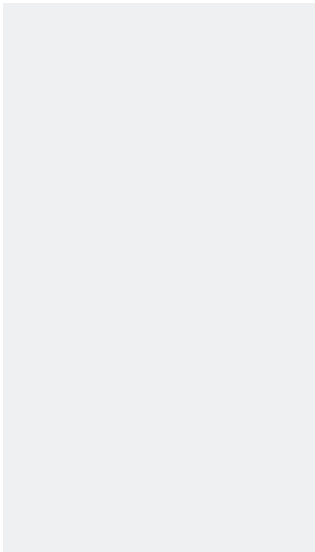
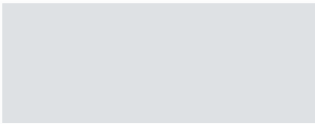
Lines of business were operating as silos, with no comprehensive visibility into customers. The firm needed a consistent way of measuring customer growth and retention investments and their impact on customer value.

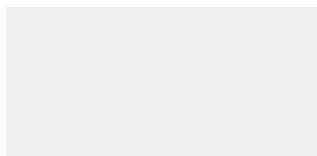
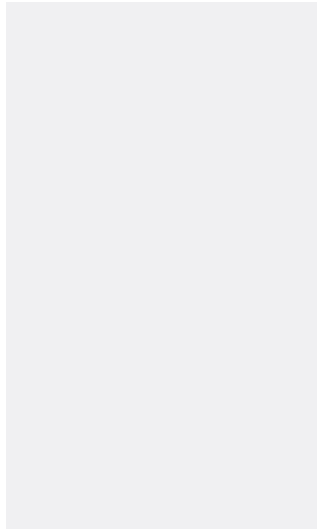
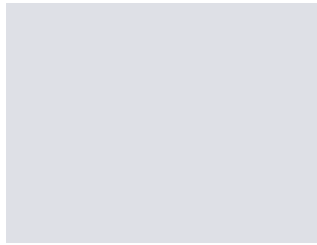
Solution

CSG's Quaero group created an integrated approach to quantifying investments in and measuring returns from customer marketing that would improve their contact strategy and enable them to grow customer value.

Results

The firm spends fewer dollars on more effective marketing. They can now optimize customer profitability and value across lines of business through highly targeted cross-sell and retention programs.





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The Quaero team worked closely with the CFO, CMO and other senior managers to identify current and future objectives, and conducted more than 80 interviews across lines of business and throughout the organization to understand the critical marketing drivers.

Armed with the resulting insights, the Quaero team developed a multi-layered approach to consistently measuring the impact of customer programs across the organization. The solution incorporated marketing-specific views of activity and performance, as well as cross-organizational views of financial impact and customer value.

For example, users could create segmentation based on profitability and customer lifecycle to optimize contact management; measure total contacts with customers and performance against those contacts to evaluate overall campaign ROI; and measure strategic initiatives around financial goals.

Perhaps the most important component of the solution was a measurement framework based on customer value, with a single dashboard giving all users the same view of the customer, regardless of product line. This dashboard allowed marketers to see and understand the true impact of plans and activities on customer value, across all campaigns and service lines.

Delivering Rapid Results

A key requirement for the financial firm was achieving rapid payback on their marketing investment. Within 90 days, the Quaero team delivered a roadmap with milestones for rolling out the new solution, including a fast-track component that would have an immediate impact on the business.

Since a full database redesign would delay ROI for several months, CSG's Quaero team worked closely with the firm's internal staff to link and coordinate the various data sources using an ETL layer. This approach allowed some parts of the project to become operational in just weeks, while the full project was implemented in quarter-by-quarter increments.

The Financial Services firm can now measure marketing performance across several dimension, including:

Marketing Activity

Measures the resources, programs and activities devoted to achieving marketing objectives. These indicators look primarily at programs, inputs and investments.

Marketing Performance

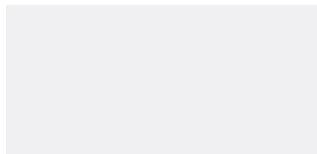
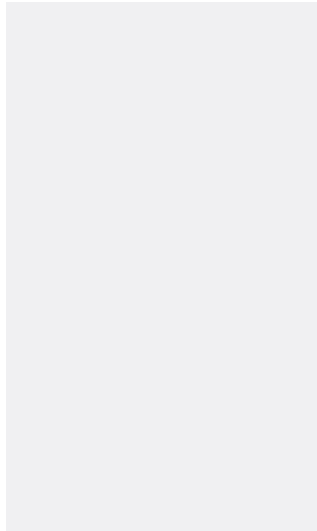
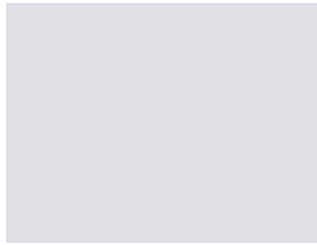
Measures the results of marketing activities (impressions, response rates, click through, conversion rates, etc.)

Financial Impact

Measures the financial aspects of the marketing programs, including cost, return on investment. These measures link the results of the marketing activity to financial outcomes.

Customer Value

Measures the impact of marketing activities to customer value (loyalty, satisfaction, penetration, customer profitability, lifetime value)



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Seeing the Results on the Bottom Line

The integrated approach to measuring marketing performance and customer value has had a dramatic impact.

For one, the company has been able to spend fewer dollars on more effective marketing activities. For example, they can optimize customer profitability and value across lines of business through highly targeted cross-sell and retention programs. Marketers are now able to deliver the right offer to the right customers, at the right time.

Furthermore, the insights gained from the unified programs allowed the firm to increase share of wallet with the top three most profitable customer segments by almost 15% over two years.

Conclusion

Understanding the customer has become a top priority at this financial services firm. The company has created a “customer lab” where experiments are conducted to test offers, campaigns and strategies, which helps to enhance campaign planning, knowledge of customer lifecycle, and continuous improvement of marketing programs.

In addition, now that the value of integrating marketing measurement and customer understanding has been demonstrated, the firm is looking for ways to expand this approach to more of its divisions.

About Quaero

Quaero, a CSG solution, uses customer intelligence to help clients shift from traditional campaign-driven marketing to real-time, multichannel customer interaction. Quaero experts blend strategy and analytics with performance management and technology to establish dialogues that improve the customer experience while increasing overall customer value.

Headquartered in Charlotte, NC, the Quaero solutions group provides marketing services to category-leading clients within the Financial Services, Pharmaceutical/Healthcare, Travel and Leisure, Media, Consumer and High Tech industries. For more information, call 1-877-570-2199 or visit www.quaero.csgsystems.com.