

Xeligence™

Overview

Country or Region: Israel

Industry: Financial Services

Customer Profile

Bank Otsar Ha-Hayal serves over 200,000 customers in Israel. The Bank focuses on the retail sector and provides a full scale of financial services to it's clients..

Business Situation

Bank Otsar Ha-Hayal wanted to create more cost effective and targeted campaigns to increase overall revenue.

Solution

Bank Otsar Ha-Hayal, chose the Xeligence Next Best Offer (NBO) solution to automate the process of optimizing cross-sell and up-sell target lists and providing such lists to the different channels

Benefits

- The bank is now able to create more detailed and better targeted campaigns
- Increased response rates are driving revenue growth
- The lead time for campaign execution reduced from 1 week to 1 day
- Easily integrated solution
- Integrated and deployed in under 3 months

" Within the first month of implementation we have run multiple targeted campaigns. The campaigns are much more effective then before and have proven to drive much better results. The employees at the branches are showing increased confidence in the recommendations we provide, which is a great sign that we are on the right track."

Moshe Yagen, VP of Sales

Customer Solution:

BANK OTSAR HA-HAYAL



Targeted and Cost Effective Campaigns



Otsar Ha-Hayal – The Company

Bank Otsar Ha-Hayal was founded in November 1946 as a financial institution that provided banking services for military personnel, veterans and employees of the defense institutions.

The bank established itself as a small, successful sectorial bank, withstanding the tests of servicing households of the defense institution employees and that of profitability. In 1996 it completed extending its services to the general public and became a full-fledged commercial bank.

Bank Otsar Ha-Hayal now serves over 200,000 customers in Israel. It focuses on the retail sector and provides a full range of financial services to it's clients.

Situation

While Bank Otsar Ha-Hayal is considered a small-medium bank in Israel, it competes head-to-head with larger more powerful financial institutions. While customer acquisition and retention have always been at the core of it's strategy, the bank decided place extra effort at increasing the portfolio of services and products it provides to it's customers, thus growing their loyalty and returning value to the bank.

The bank has been using traditional list management methods to drive marketing campaigns, mostly through their telemarketing center and the 44 branches spread throughout Israel. The bank felt they could achieve better response rates if they were able to better target their campaigns. However, the bank could not afford to engage statistical resources to provide such optimization for each and every micro campaign.

The challenge was to provide a cost effective method to optimize the potential lists for each marketing campaign, to improve response rates and increase the revenue realized from such initiatives.

Solution

Bank Otsar Ha-Hayal, chose the Xeligence Next Best Offer (NBO) solution to automate the process of optimizing the target lists and providing such lists to the different channels within the bank.

The solution enabled the bank to

- Optimize every campaign, even at a single branch level
- Provide targeted lists and supporting sales information to each of the relevant channels

The solution mines historical data about customer profiles and their purchase patterns, automatically runs multiple statistical models and provides optimized propositions for each customer. The solution does not require manual statistical intervention. It's models are self learning, improving over time as more relevant data is available. The solution is integrated with the bank's Teradata® DW, pulling data from the DW and also populating it's recommendations back to a DW specific table.

Solution Components

The Xeligence solution is a rapidly deployed set of components that integrate enterprise data into an industry specific Analytical Data Repository, automate the statistical model building process, and provide scores to operational systems in either batch or Real Time.

At the core of the Xeligence solution is the Analytical Data Repository and the Recommendation Engine. The Analytical Data Repository is based on many years of experience in the Financial Services industry. It is a specially developed analytical data repository that constitutes a broad infrastructure supporting a wide variety of analytical tasks. The repository is dynamic, extending itself automatically as additional insight predictors arise, providing a smarter view on the enterprise customers over time.

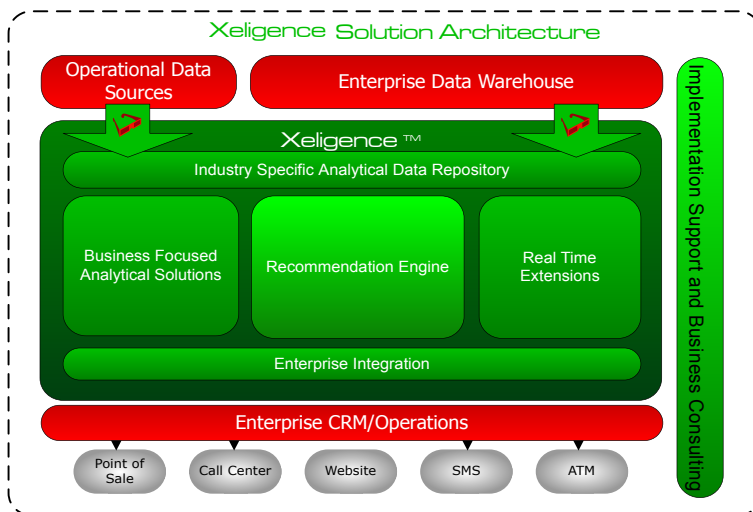
The Recommendation Engine replaces the manual work required from a statistician in developing predictive mining models. The engine is capable of automatically revising its statistical recommendations based on newly available parameters and spanning all marketing channels. This enables better decision-making for inbound & outbound marketing and operations management.

When equipped with Real-Time Extensions, the Recommendation Engine incorporates information gathered during customer and CSR interaction or from operational transaction processing into the recommendation and decision-making process.

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Results

Implementing the Xeligence NBO solution enabled the bank to both:

- Create more detailed and more customer focused campaigns than ever before
- Have far greater response rates increasing both additional revenue and profit.

Currently, the lead time to initiate and execute a campaign has been reduced from one week to one day, and the results are far superior.

Whats Next?

Implementing the Xeligence Recommendation Engine was a core piece of a more complete over-haul of the bank's marketing solution set. The bank is now engaged in further automating the marketing operational processes and integrating additional channels such as SMS and the Internet.

Why Xeligence?

The Xeligence Analytical Platform for Finance is designed for financial services institutions of any size, enabling them to solve a wide spectrum of business problems on a timely basis by applying state-of-the-art analytical solutions where and when they are needed.

The advantages of implementing Xeligence are:

1. A common analytical and IT environment supporting the growing list of Xeligence Finance business solutions
2. Rapid deployment of cost-effective, **self-training** data mining models at aggregate and/or single outlet levels **without statistician assistance**
3. **Real-time extensions** supporting marketing and credit scoring recommendations across all contact channels enabling a timely, 360-degree understanding of and response to customer risks and business opportunities
4. Support for inbound/outbound marketing, holistic credit decision-marking and regulatory compliance determination processes
5. Built on non-proprietary, cost-effective Microsoft® platform (including data mining algorithms) that is easily integrated with existing IT environments
6. Based on decades of experience in marketing analytics and credit risk analysis at leading financial services institutions
7. Typical delivery of the Xeligence foundation in 2-3 months, follow-on applications even faster

