

ING achieves 3x gain in marketing response with personalization



Dutch bank grows revenue and customer loyalty with IBM EMM foundation

Overview

The need

ING Bank's ad hoc marketing campaigns were slow, costly and losing effectiveness, with no single customer view and cycle times that could exceed 20 weeks. Inbound channels could not be supported with the previous solutions. A lack of relevance and coordination across channels generated subpar results while driving up costs.

The solution

ING embarked on a customer differentiation program, restructuring its marketing organization into a centralized framework and implementing IBM EMM technology to coordinate and personalize campaigns across multiple channels through the use of next-best action models based on customer history and recent interaction.

The benefit

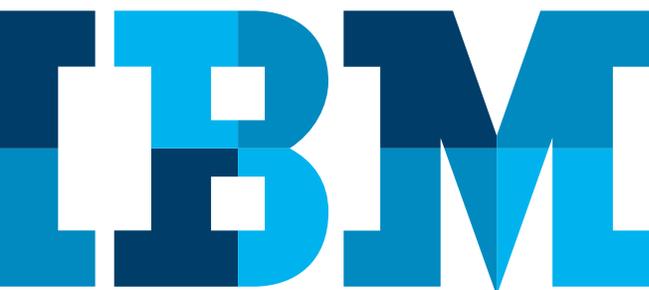
ING has seen a three-fold increase in customer response to its marketing campaigns while "lights-out" automation has helped reduce marketing costs by 35 percent, fueling sizable gains in cross-sell and up-sell revenue and overall marketing ROI.

Dutch bank ING Bank has transformed its marketing effectiveness over five years through a focus on personalization and use of IBM Enterprise Marketing Management (EMM) technology to determine, prioritize and deliver next-best actions (NBAs) to customers across multiple marketing channels. This customer differentiation program, as ING calls it, has paid large dividends, including a 35 percent reduction in marketing costs and a three-fold increase in customer response to NBA propositions.

Most recently, ING has extended its NBA capabilities to its website, visited by millions each day. The bank, with 8.9 million customers in Holland, has deployed the IBM Digital Analytics for On Premises solution to recognize customers and integrated the solution with its IBM EMM-based next-best action engine. As part of a website restructuring in September 2012, the solution gives ING a new and powerful channel for increased cross-sell and customer engagement.

"With the help of cookies and tagging through IBM's solutions, we're now able to identify 90 percent of customers who come to the website but don't log in," said Martin de Lusenet, ING Customer Intelligence Program Manager. "That gives us the ability to put personalized offers on our homepage when the customer arrives."

ING uses data gathered by IBM Digital Analytics—an average of 25 million views a day—to define and execute new campaigns and uplift existing campaigns. By combining extensive offline customer profile data with customer activity on its website, ING is able to present more personalized NBA offers. Web activity data is used to rerank NBA offers to deliver messages that are top of mind for customers, improving marketing effectiveness.



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ING Customer Intelligence Program Manager

A transformation from slow and costly processes

These latest capabilities extend the competitive advantage that ING has gained since it first deployed IBM EMM technology in 2007 to help revamp marketing programs that were slow, disconnected and costly or simply couldn’t be executed as a result of technical blockades. With manual processes and a lack of centralized coordination, campaigns could take more than 20 weeks from conception to execution, inflicting high costs while generating subpar results.

ING recognized the need to rebuild its marketing technology infrastructure and processes to become more automated, coordinated and personalized, as well as take advantage of inbound marketing opportunities. With IBM EMM as its technological foundation, ING has gained the ability to:

- **Personalize marketing based on historical client data and recent interactions.** ING develops and maintains about 1,200 NBA propositions across its product groups. Based on the customer’s profile and recent interaction, at least one offer from every product group is selected for him or her, with calculations of the expected value. ING uses NBAs across branch, call center and web inbound channels; for instance, employees at 260 branches can see NBAs for each customer and suggest products during an in-person visit.
- **Synchronize marketing across multiple channels.** As management is centralized, campaigns are coordinated across inbound and outbound channels, with channel selection based on customer activity and past response. ING maintains norms for minimum response levels for each NBA proposition to ensure that offers are moved to channels based on minimum response rates.
- **Develop a continuous dialogue with customers.** Instead of focusing entirely on ad hoc campaigns, ING runs its campaigns on a continuous basis. By collecting customer responses from different channels and feeding them back into its marketing analytics engine, the bank can constantly optimize the offers made to customers. If an offer is shown several times and customer doesn’t respond, another offer is presented.
- **Leverage powerful monitoring and reporting tools.** As part of IBM’s campaign management solution, ING introduced a detailed marketing campaign dashboard to monitor all campaigns via all channels on a daily basis. Results like campaign response, sales and net present value (NPV) are monitored through the entire sales funnel and are available in one report. ING also has a comprehensive simulation tool to simulate the performance of each campaign before it goes live.

Solution Components

Software

- IBM Campaign
- IBM Digital Analytics for On Premises
- IBM PredictiveInsight
- IBM Marketing Operations
- IBM Interact
- IBM Contact Optimization

Hardware

- IBM Netezza TwinFin 24
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Benefits in sales, cost-efficiency and speed

Key to the transformation was engagement of stakeholders across marketing, IT, customer intelligence and the various channels, as well as top business executives. ING's replacement of its ad hoc marketing organizational structure with a centralized customer intelligence team helped to eliminate silos of both process and data, in effect shifting power from the individual channels to the overarching organization.

Through the customer differentiation program, ING has dramatically increased its cross-sell and up-sell revenue and improved its return on investment (ROI) from marketing. The bank has realized:

- **3x higher response rates.** With greater relevance and personalization, ING has seen a three-fold increase in customer response to its marketing campaigns, translating into sizable revenue gains and greater customer loyalty.
- **Lower direct marketing costs.** Due to increased automation and more efficient processes, ING has reduced its direct marketing costs by about 35 percent a year.
- **Faster campaign cycle times.** Campaign cycle times have been reduced from 21 weeks to four weeks, making it easier for marketers to take corrective action and integrate lessons from one campaign to the next.



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