

## MAYBANK

**Achieving Success in Customer Engagement through Analytical CRM using Relationship Manager.**

### HOW MAYBANK IMPLEMENTED TRUE CUSTOMER-CENTRIC MARKETING USING RELATIONSHIP MANAGER

Headquartered in Kuala Lumpur, Malaysia, Maybank serves more than 18 million customers and employs nearly 40,000 people. The bank holds total assets of \$108.6 billion and is the largest financial services group in Malaysia. Maybank offers an extensive range of financial products and services, including: commercial, investment and Islamic banking; internet and offshore banking; insurance and asset management; and trustee, stock broker and venture capital services.

### THE PROBLEM: PRODUCT COMMODITIZATION AND COMPETITIVE PRESSURE DEMANDED ENHANCED CUSTOMER RELATIONSHIPS

In 2010, Maybank celebrated its 50th anniversary. But bank executives recognized that maintaining the company's success required new competitive strategies. Given the industry's commoditization of banking products, Maybank wanted to make strategic changes designed to enhance the consumer experience and improve the bank's relationship with its customers.

"The pressure on banks in this region is tremendous," explains Mohd Fadzil Bin Ismail, head of CRM for Maybank. "To attract consumers requires more than just innovative products. Products can be copied, and pricing can be reduced by aggressive competitors. We must also look at the timing and the way we communicate with our customers. Building a valued relationship by identifying and understanding their needs is the best way to attract and retain customers."

### NEW TECHNOLOGY WAS ESSENTIAL TO LEVERAGE HOW MAYBANK TALKED TO CUSTOMERS

To make the transition from a product-centric bank to a customer-focused organization, Maybank needed a new technology solution that could strategically leverage the right customer information at the right time. Specifically, the bank wanted to create a CRM solution that would:

- Analyze and promote understanding of customer behavior
- Use data to predict and influence customer behavior



- Conduct effective communications to improve customer acquisition, cultivation, retention, loyalty and profitability
- Creatively use multiple customer touch points as part of the business strategy, optimizing the multichannel, multi-step approach to reach customers

### THE SOLUTION: ANALYTICAL CRM WITH RELATIONSHIP MANAGER

Maybank needed a single, centralized view of its customers. The company considered using its existing Oracle-based group data warehouse to support its CRM initiative, but identified several capabilities gaps. "The data warehouse was built to provide only financial reporting and profitability models," says Fadzil. "It was never meant to be used by marketing. We needed a CRM solution that would support faster, further progress than the Oracle system would allow."

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To bring its analytical CRM roadmap to life, Maybank chose to deploy solutions developed by Teradata. The ability to process exceptionally large volumes of data was a key factor in the decision. Furthermore, Teradata's expertise in the financial services industry, as demonstrated by their many customers in the banking industry, convinced the Maybank team that it had found a worthy partner. "They understood our industry needs," says Fadzil. "Their experience helped us reduce our learning curve and deploy the solution faster."

## THE RESULT: A BETTER VIEW OF EACH CUSTOMER

Maybank's marketing data mart serves as the foundation for analysis, customer communications, event-based marketing and traditional marketing campaigns. By leveraging the extensive financial services experience of Teradata, Maybank achieved a database structure that can support many different applications and needs in the future.

Now Maybank can create a singular view of all customers. "Each customer is assigned a unique number," says Fadzil. "No matter whether the customer is interacting with a branch office, the internet or a call center, we can recognize and identify that person. We can see which products they have and when they opened an account."

Because the data is stored at a detailed level, Maybank can easily track transactions and understand the source of the data. "When we stored only aggregate data, we couldn't see detailed transactions," says Fadzil. "Now we can see where the data is coming from, which enables a better view of each customer: how much he spends, which accounts she holds, and which channels they buy from. Thus the behavior pattern can be established, and that enhances our predictive modeling initiative."

## FULL CAMPAIGN AUTOMATION WITH CHANNEL INTEGRATION

Maybank's new CRM environment includes a full campaign automation process with channel integration, providing an avenue to create business opportunities using cost-effective database marketing practices. It also enables a closed-loop marketing process that supports campaign refinement.

Channel integration provides a concrete base to support single-step campaigns, as well as multi-step, event-triggered, multi-channel communications, offering the fastest, smartest ways to understand and create meaningful conversations with individual customers.

"With our old system, it took days or even months to extract customer information," says Fadzil. "Now users can get that data in minutes or seconds. That difference positively impacts our time to market."



Figure 1. Maybank CRM Journey

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## CENTRALIZED CAMPAIGN MANAGEMENT

Campaign management support is provided to many businesses and channels within Maybank. CRM team members develop campaigns using Relationship Manager, generating campaign target lists based on data analysis and identification of specific events.

“Campaigns are fully automated by the system, which means that it is easier to use,” explains Mohd Khair Bin Abu Bakar, head national lead for CRM. “We’ve received greater buy-in from our users because of this enhanced ability to use the system.”

The centralized campaign management functionality also supports the following activities:

- Customer acquisition
- Cross-selling
- Up-selling
- Customer retention
- Enhanced customer knowledge and proactive decision making
- Customer channel contact management

## EVENT-BASED MARKETING THAT IMPROVES THE CUSTOMER EXPERIENCE AND CAMPAIGN ROI

Maybank’s analytical CRM system includes an event-based engine, scanning significant customer transactions

based on pre-defined business rules and priority. With this structure, the marketing team can contact customers when they are likely to be ready to make a decision that impacts their financial picture. This approach not only improves success rates and campaign ROI, but it also optimizes the time spent on customer contact by branch and call center personnel.

Relationship Manager helps Maybank’s CRM team use customer life-cycle events to shape marketing campaigns. “The event-based marketing capabilities definitely make our jobs easier,” says Fadzil. “So far we are just doing simple campaigns, but as we gain expertise we will begin creating next-best offers and using the more sophisticated functionality.”

Best of all, the analytical CRM system is helping Maybank differentiate itself from the competition. “As one of the first companies in Malaysia with event based marketing capabilities, we can do more than our competitors,” says Fadzil. “When you call a customer and you already know which products they have, it makes the conversation more personal and more effective than using a generalized approach.”

## CUSTOMER SEGMENTATION FOR OPTIMIZED SERVICE AND GROWTH

Using the customer segmentation capabilities of Relationship Manager, Maybank is building its customer knowledge and strengthening its relationships. The bank uses the system to meet the following customer segmentation goals:

- Grow and retain a mass affluent and high network market
- Identify mass affluent customers from the mass customer market
- Nurture relationships with high-worth customers to help them build their total fixed asset value

“We’ve replaced our product-based approach with a dedicated staff assigned to each customer segment,” explains Noazrul Hisham Bin Abd Zawawi, Maybank’s channel readiness national lead for CRM. “If our representative offers a product, it’s because we see a need. That helps us to increase customer satisfaction, which makes our relationship with each customer stronger.”

## DATA MINING AND BUSINESS INTELLIGENCE

Analysts use Teradata Warehouse Miner to perform data mining and statistical analysis. The analytical component leverages a 360-degree view that helps Maybank analysts accurately identify revenue opportunities, enhance sales channels, mitigate cost risks, leverage valuable data and optimize contact management with full automation. Users can perform data mining entirely within the Teradata system.

## MEETING GOALS WITH NEW CUSTOMER-CENTRIC MARKETING

After three years of using an analytical CRM system powered by Relationship Manager, Maybank is clearly gaining critical value in the areas of revenue and customer satisfaction, including the following improvements:

- **Campaign volume:** Previously, Maybank conducted 10 to 15 campaigns per year. In its first year of using its new system, Maybank rolled out 662 highly targeted marketing campaigns—and the number had climbed to 1,600 the following year.
- **Campaign time to market:** The time needed to create a campaign shrunk from more than three weeks to less than five working days.
- **Lead generation time:** With the new system, lead generation requires less than one day, compared to an earlier average of two to three weeks.
- **Average conversion rate:** With the legacy system, conversions ranged from 0.3% to 3%. Now, the average conversion rate is 8%, with individual conversion rates as high as 30%.
- **Report generation (business and customer):** Reports that once took more than two weeks to create are now produced in less than a day.
- **Incremental sales:** For financial year 2008-2009, Maybank has generated \$8.4 million in new sales, adding approximately 12% to the total new consumer banking business.
- **ROI:** The annualized ROI for the project from the pilot to October 2009 is 164%. The locked-income

## MAYBANK RESULTS USING RELATIONSHIP MANAGER

- **Campaign volume:** Grew from 15 to 1600 campaigns in 2 years
- **Campaign time to market:** Reduced from 3 weeks to < 5 days
- **Lead generation time:** Reduced from 3 weeks to < 1 day
- **Conversion rate:** Increased from low of 0.3% to as high as 30%
- **Report generation:** Condensed two week turnaround to < 1 day
- **Incremental sales:** Added approximately 12% to total consumer business
- **ROI:** 164% annualized; 1,143% for lifespan of project

ROI (which represents the lifespan of the product profitability) equals 1,143%. Payback for the pilot was estimated to be 9.8 months, with payback for the second phase of the project calculated at 6.4 months.

## ABOUT TERADATA

Teradata Corporation (NYSE: TDC), is the world's leading analytic data solutions company, focused on integrated data warehousing, big data analytics, and business applications. Teradata's innovative products and services deliver data integration and business insight to empower organizations to make the best decisions possible and achieve competitive advantage. For more information, visit [www.Teradata.com](http://www.Teradata.com).



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