



Israel's largest bank uses SAS for customer care

Bank Hapoalim, Israel's largest bank, dominates about a third of the banking activity in Israel. A few years ago Bank Hapoalim set out to concentrate on its customers and to change from a product and service organization to a client-focused organization. To move the bank's customer relationship goals forward, Bank Hapoalim needed the ability to customize its marketing campaigns to specific segments, and it wanted to build an enterprise data warehouse for an integrated view of its business.

The bank chose SAS to enrich its analysis capabilities in regard to such customer relationship management (CRM) projects as segmenting its retail customer base, building a retention project, changing its marketing methods and moving towards more effective and targeted marketing campaigns. Dedicated CRM units have been created in the bank's Marketing, Strategy and Sales departments to focus on better understanding customers' sales, channels and requirements, and the bank is now able to target customers based on their exact interests and needs.

Acquiring customer intelligence

According to Mr. Tal Shlasky, manager of Bank Hapoalim's Data Warehouse Project Department, in 1997 the bank's management realized that their most urgent problem was that they were having trouble determining what their customers wanted and, correspond-

ingly, the bank also had difficulty in developing relevant and appropriate marketing plans. The bank realized that they had to start solving these issues, and they needed to acquire the ability to ask questions about data, analyze data and manage the information already in systems. They also wanted to be able to take data, such as securities data and deposit information, from different areas and consolidate it. In a nutshell, they wanted an overall customer view from one platform. At that time they did not have a centralized database, and they realized that they desperately needed one. Therefore, they decided to invest in a data warehouse.

"We developed our data warehouse platform and afterwards we quickly realized that collecting data is not enough; you have to analyze it to be able to draw conclusions from this data, so we brought in SAS," says Shlasky. "It was quite easy to choose SAS for this part, because SAS really performs better than other software vendors in all areas of analysis. We use various products and technologies across the SAS® Intelligence Value Chain, including heavy use of SAS® Enterprise Miner™ because we do a great deal of data mining.

"SAS has absolutely met all of our expectations. We have about 40 analysts who use SAS in their day-to-day work. We use other SAS solutions as well to understand the data. SAS has definitely given us a competitive advantage. We are at forefront of

Customer	Bank Hapoalim
Industry	Banking and Finance
Business Issue	Improve customer relationship management and increase profitability
Solution	SAS® Enterprise Miner™, SAS Analytics, Data Access and Data Exploration
Benefits	Measurable increase in customer satisfaction, increased customer retention and enhanced response rates and profits

banks in Israel, not only in CRM, but our analytical side is now quite advanced, and we are currently moving into operational CRM to close the CRM loop."

Keeping the customer satisfied

"We know that we have measurably increased customer satisfaction levels," continues Shlasky. "We can now view overall retention rates via in-depth surveys, and all indications point to improved service levels as well. We have contacted customers to enquire whether or not they are happy with the targeted offers they are now receiving from us. We found out that, in many instances, customers who had planned to leave the bank had changed their minds and are now happy to stay, while customers who had no active plans to leave indeed deepened their commitment.

"All of the customers that we talked to said that they were quite satisfied to be contacted because they have the feeling that we care about them personally. We have found that our customers have begun to ask for new services, and that cross-selling and up-selling are obviously working. We have paid more attention to what particular customers want, and we make decisions now according to actual knowledge about what our customers need, and not just on what we guess that they need. In fact, due to the analytical work conducted together with SAS, the bank has seen customer response rates increase significantly, thus enhancing the bank's profit.

"Our marketing department is very focused on making sure that the product offered to a particular customer fits that customer, and right now our marketing department is very happy! This project has since moved on from our marketing department to our strategy team and other teams within the bank, so that the shared information now belongs to everyone within the bank."

Happy with SAS

"We started just with marketing, but now we use SAS for many areas within the bank. We actually use SAS solutions for many things and analyze data in many ways. Therefore, the benefits of using SAS affect all of us in the bank, not just from marketing and cross-selling point of view. In fact, we have moved into other software uses like credit scoring, risk management and more because we are happy with how SAS has helped us with marketing.

"We are very pleased with the SAS solutions. Usage is growing and we will of course stay with SAS. We could not have made all of the necessary changes we did to help our business improve without SAS. We had to start by moving down from the client level; every strategy starts there. We know that customer management is a journey, not a destination. It is an on-going process.

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Tal Shlasky

Manager Data Warehouse Project Department,
Bank Hapoalim

"We now have a more intelligent enterprise," concludes Shlasky. "It has changed the bank, and that is the main point. Many times people have asked: 'Do you measure the ROI of the data warehouse or analytical applications, because obviously there are expenses attached to using them'. The answer is that we do, but it is hard to measure such a big change. The truth is – we don't need to precisely measure ROI because it is quite obvious to everyone in the bank, from the CEO down to every employee, that this change was so important, and we had to do it, and we could not have done it without the SAS applications."

About Bank Hapoalim

Bank Hapoalim, Israel's largest bank, dominates about a third of the banking activity in Israel. Bank Hapoalim has over 250 branches, 600 ATMs, approximately 9,500 employees and 300,000 Internet subscribers. Bank Hapoalim holds US\$55 billion (€47 billion) in assets and annual profits of approximately US\$75 million (€64 million).



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