



**Liu Mao-Shien**  
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## Hua Nan Financial Holding Company increases cross-selling power with SAS®

Hua Nan Financial Holding Company used SAS® solutions as the foundation for launching a comprehensive cross-selling program for its business units. Not only did the institution successfully recover 95 percent of its inactive cardholders, but service fee contributions are projected to exceed TWD700million (US\$21 million).

### Industry

Financial Services

### Business Issue

Harness the cross-selling power of each Hua Nan Financial business unit to increase the number of products per customer and raise overall revenue for the financial group.

### Solution

With SAS® BI Server, SAS® Marketing Automation, and the SAS® Business Analytics Framework, the institution can now effectively allocate marketing resources, automate tracking and management reports, predict customer needs to provide diversified products and services and allow customer purchases through its ePortal.

### Benefits

With SAS, Hua Nan Financial Holding Company successfully recovered 95 percent of its inactive cardholders and expects service fee contributions to exceed TWD700 million (US\$21 million) within the first year.

Hua Nan Financial Holding Company is the leader in Taiwan for current deposits, holding 52 percent of all accounts. With total assets of TWD1.6 trillion (US\$48 billion) and six million current deposit accounts it was the first in the industry to obtain a financial holding license. As an established bank in operation for almost 90 years it enjoys an excellent reputation for its innovative products.

Utilizing Business Analytics and Marketing Automation solutions across its business units, Hua Nan Financial ensures that everyone across the enterprise can analyze customer information from its current deposit accounts. As a result, more cross-selling opportunities are being recognized, leading to greater operating revenues even in today's economic climate.

"These systems are also important tools for increasing business success," said Liu Mao-Shien, Executive Vice President of Hua Nan Financial. "We have mastered the ability to properly use the data we obtain. This has generated valuable cross-selling results for Hua Nan Financial's product sales programs."

#### Understanding its customers behavior

Hua Nan Financial has enjoyed success over its competitors because of its ability to create innovative products based on customer data. For example, Hua Nan Bank developed an e-commerce system more than ten years ago and its electronic payment program (Venus) won the 2003 Asia Pacific Electronic Achievement Award.

Since 2005, Hua Nan Financial has been investing in advanced Business Analytics and customer management solutions. "Implementation of a customer-centric policy was the initial focus of Hua Nan Financial's CRM system," Liu Mao-Shien said. "We gather customer information which then allows us to introduce timely marketing campaigns that meet customer needs, increase the number of financial products held by customers, and ultimately increase Hua Nan Financial Holding Company's total revenue."

Utilizing SAS solutions Hua Nan Financial has built two important models: a customer segmentation model and a customer purchase trend model. The institution also employs automated marketing project management tools to implement and track the entire marketing program process – from planning and designing campaigns, screening target customer lists and selecting execution channels – to campaign execution, tracking and assessment.

By using this system to record all details of marketing execution, customer intent to purchase and transaction completion rates – and then coordinating with the system to generate results tracking and management reports, Hua Nan Financial can discover problems in a timely manner and quickly adjust its marketing strategy.

#### First step: successful integration

The Hua Nan Financial team learned that a successful implementation and launch of SAS depended on its compatibility with existing systems.

“The marketing management system built using SAS allows Hua Nan Financial to formulate standardized and centralized marketing operation models. This has helped reduce marketing costs, anticipate customer needs in a timely manner and provide diversified merchandise and services.”

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Hua Nan Financial's business units have different organizational cultures. So it was more effective to drive the process according to the needs and circumstances of each business unit instead of forcing everyone to implement and use the system in the same manner.

As a result, teams were encouraged to adopt solutions by giving data and intelligence a supporting role in the expansion of subsidiary business. “Business units of Hua Nan Financial may disregard launching marketing campaigns in times of flourishing markets. But during difficult economic times, customer management solutions are good tools for expanding business,” Liu Mao-Shien noted. “We allowed the units to take the initiative in increasing their data needs. Only this approach ensures the diligent use of data.”

### **Recovering 95 percent of inactive cardholders**

After a successful deployment across its business units, Hua Nan Financial began a trial marketing campaign driven by these solutions. Five campaigns were executed in five months, one of which was directed at credit card customers who had not used their cards in six months. The results were

astounding. Approximately 95 percent started using their cards to make purchases.

Hua Nan Financial plans to conduct marketing campaigns that continue to apply cross selling techniques across its banking, securities, property insurance and investment trust business units. Marketing campaign numbers have increased 213 percent compared to the previous year, and service fees generated this year are expected to exceed TWD 700 million (US\$20.9 million).

In addition, Hua Nan Financial is also building an e-portal that allows customers to access all products and services provided by the financial group through a single login and Web interface. To achieve their goal of providing more convenient access for customers, Hua Nan Financial is actively integrating its back-office data resources.

“For financial holding companies, joint marketing and cross-selling of products across subsidiaries are always important policies,” said Liu Mao-Shien. “At present, we have six million current account holders, and many of them only use products from a single subsidiary. So, there is still a lot of room for cross-selling growth.”

### **Leveraging SAS® technology and expertise**

Hua Nan Financial adopted SAS Business Analytics and customer management solutions because of their integrated data management, data analysis, data mining, integration tools and maintenance management capabilities. In addition, SAS is widely renowned for the assistance and guidance it provides to leading global companies, and for its extensive, practical experience in the construction and installation of enterprise systems.

“We hope in the future to be able to fully realize the benefits of SAS Business Analytics and customer management solutions through a strategy of continuous revision,” said Liu Mao-Shien.

Using SAS has brought substantial business benefits to Hua Nan Financial. The organization can: better target customer needs by providing the right financial products; increase cross selling and up selling of products across the financial group; and enable all business units to rely on the resources of this internal marketing channel, which reduces sales costs, generates greater profits and creates better customer relationships.



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