

# FS Industry Trends: Leading Digital, Analytics and Big Data Examples

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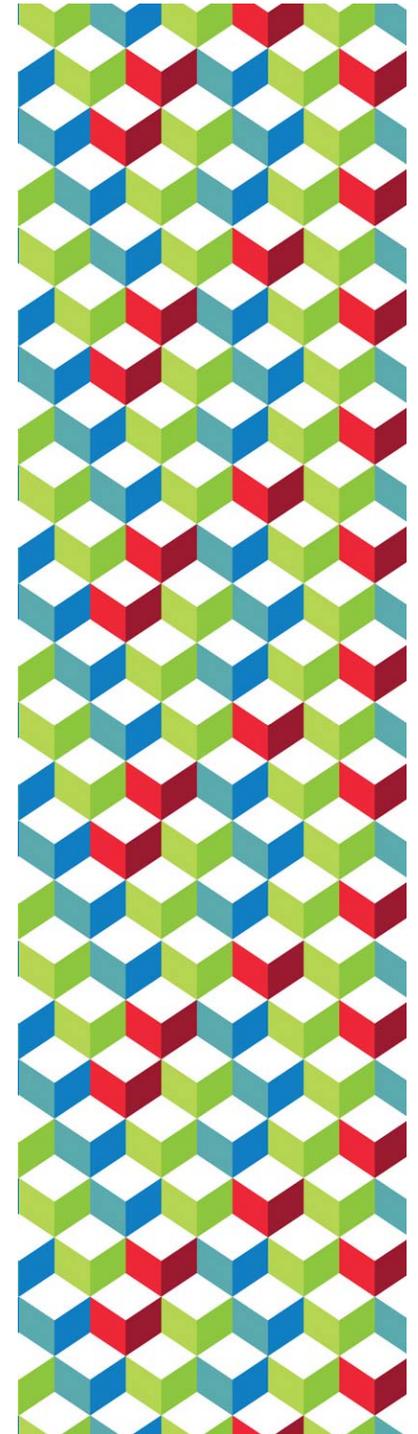
**DISCOVER**  
**HOW**  
**THE DICE**  
**WILL FALL**



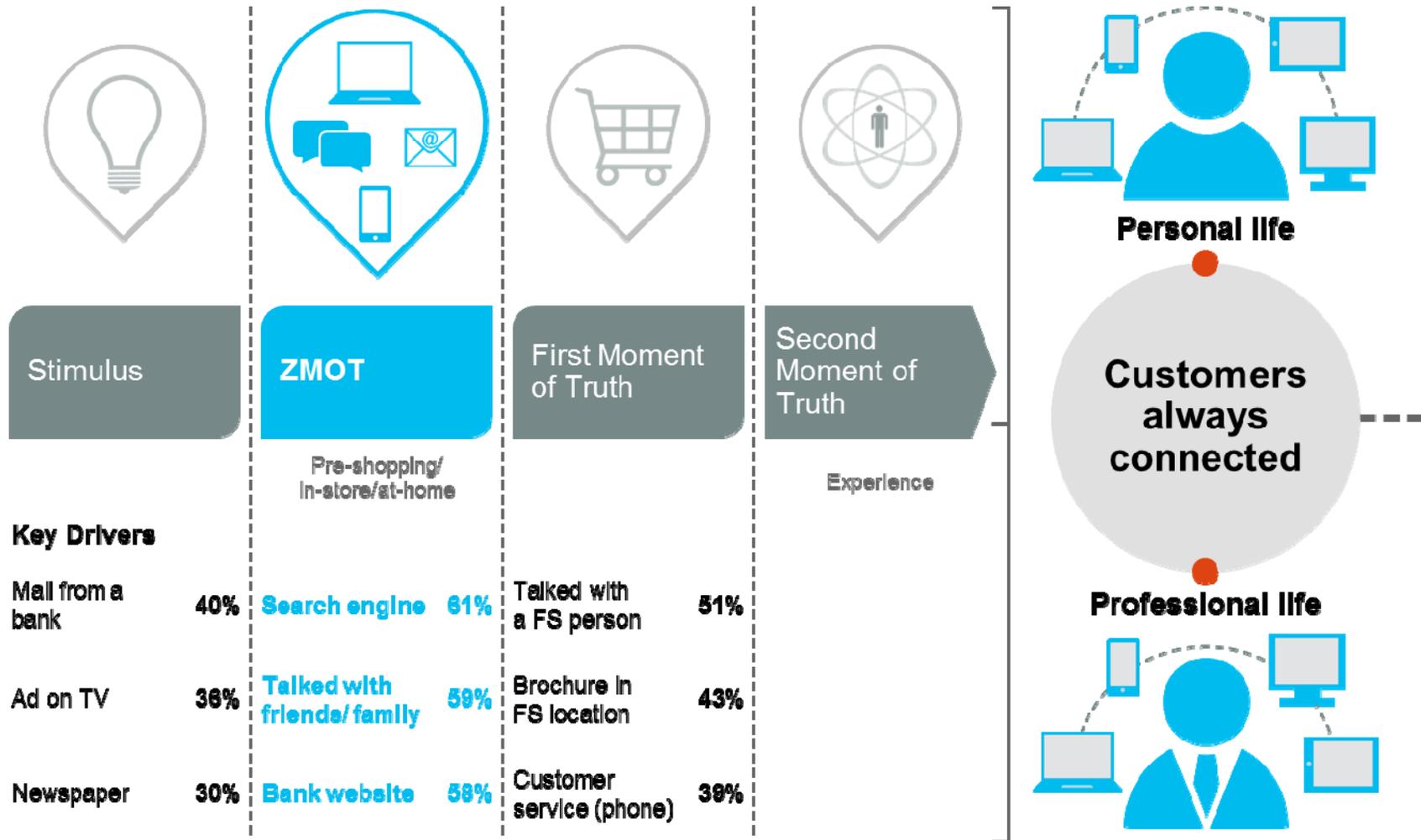
**BANKING & INSURANCE DAY 2014**



**THE  
POWER  
TO KNOW.**



# The New Mental Model of Marketing in the Digital Age



Source: Google/Shopper Sciences, Zero Moment of Truth Study – Banking

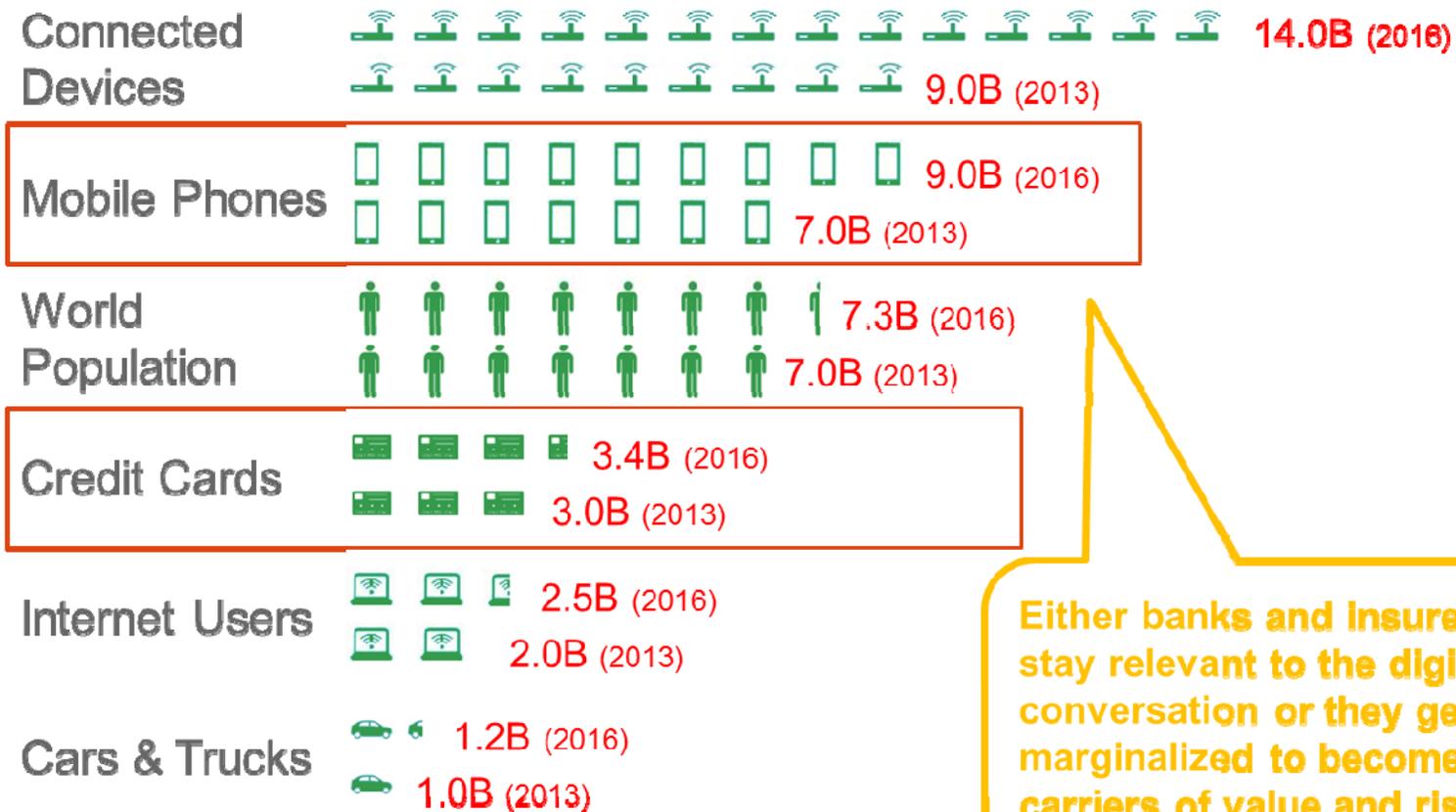


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# More than Smartphones, Connected Devices will drive the digital ecosystems that link together discovery and fulfilment of intents

Connected cars, intelligent homes, high value objects, wearables, sensors



Either banks and insurers stay relevant to the digital conversation or they get marginalized to become only carriers of value and risk

Source: Cisco ([http://www.cisco.com/web/solutions/sp/vni/vni\\_forecast\\_highlights/index.html](http://www.cisco.com/web/solutions/sp/vni/vni_forecast_highlights/index.html))

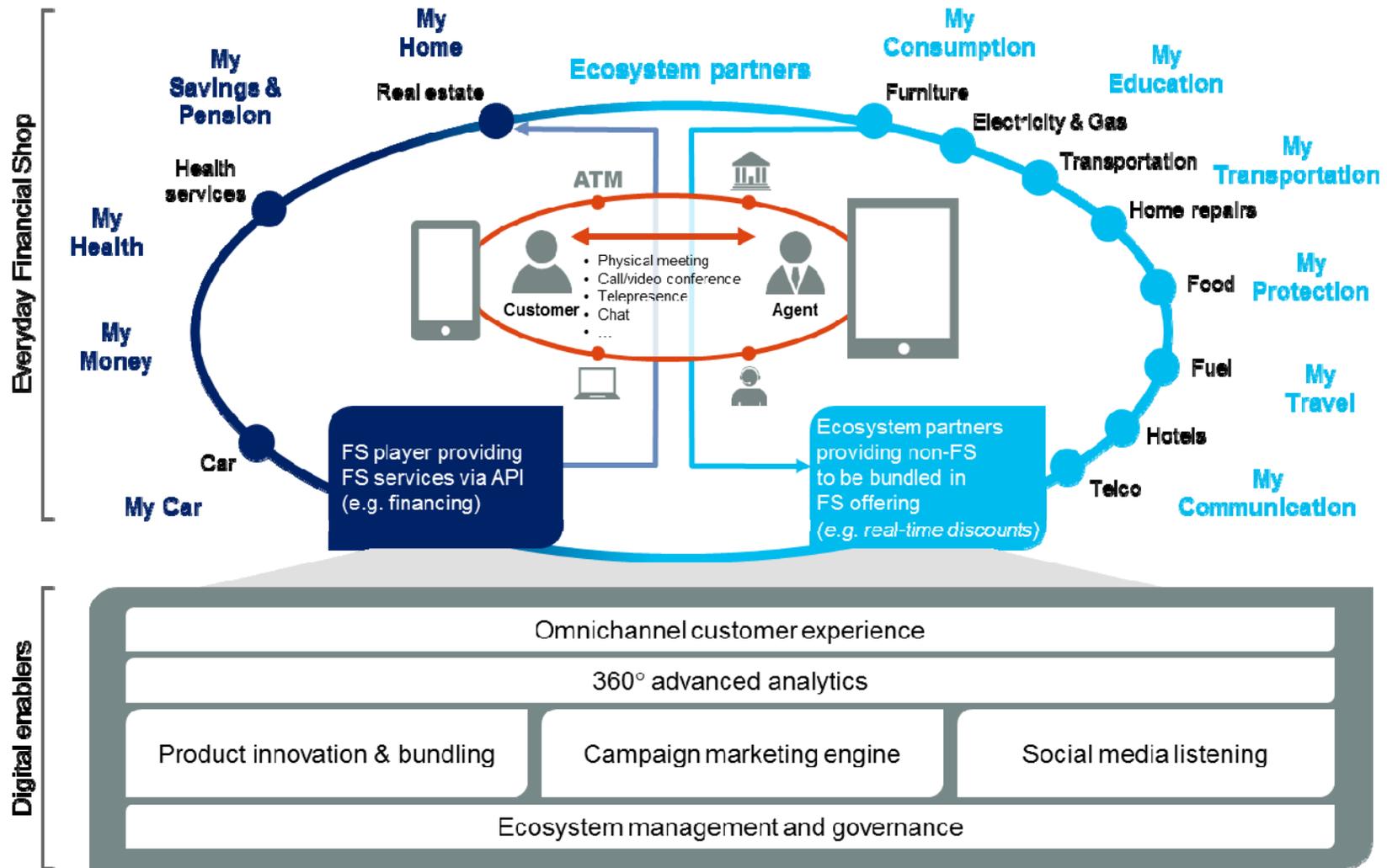


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# Everyday Banks position themselves at the centre of Ecosystems in order to stay relevant for the Digital Consumer

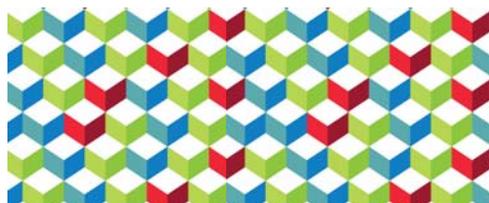


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# Ecosystems & Monetisation

## Example: The Belgian mWallet

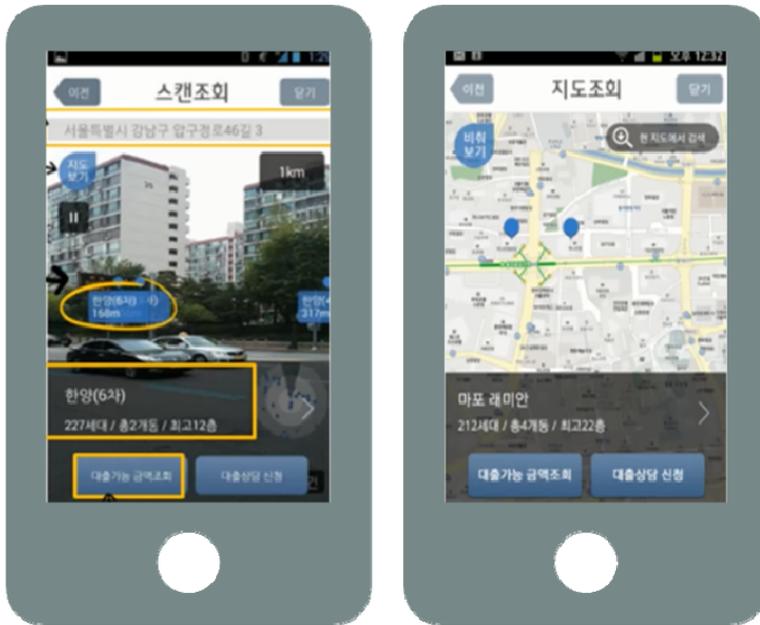


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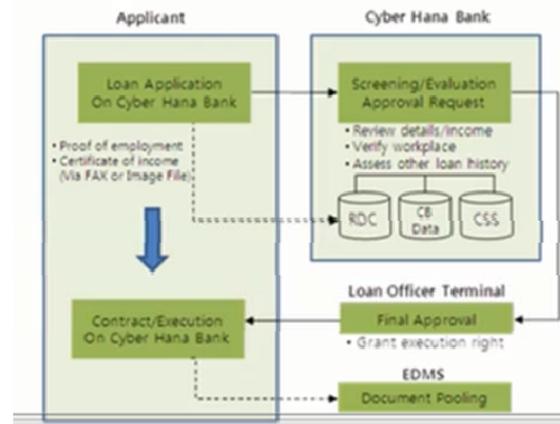


4,3 bln\$ e-mortgages written in less than 2 years using augmented reality and GPS

**Up to 50% branch resources moved to virtual bank and personalized support**



Smartphone App



Virtual branch and paperless mortgage



2013 Distribution and Marketing Awards



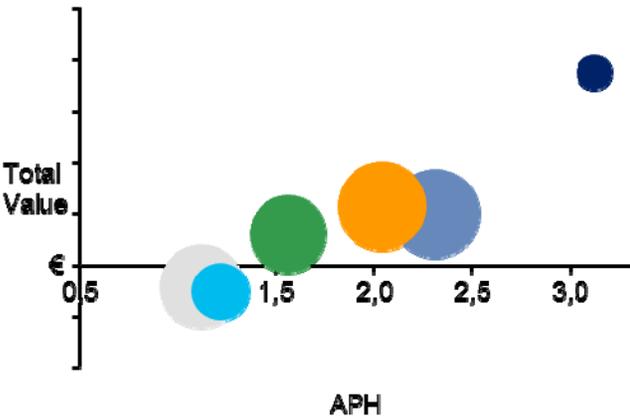
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# Advanced Customer Analytics, powering the Digital Bank and Insurer, can increase revenue and economic profit substantially

## Macro-Segment Value Analysis

### SANITIZED CLIENT DATA



- Bubble size reflects # customers per grouping
- Total value reflects the total value of the Macro group (applying blended lens & zeroising impact of tracker)

Segment	% Population	% Value	Economic Profit In €
Segment 1	21%	34%	€102m
Segment 2	29%	45%	€135m
Segment 3	19%	19%	€57
Segment 4	8%	-(8)%	€(24)m
Segment 5	18%	-(15)%	€(45)m
Segment 6	5%	25%	€75m
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>€300m</b>

**15%+ Increase in Economic Profit Achieved in <3 Years**

**First significant results by segments/actions can be achieved in just 3-4 months**



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# The maturity journey of Banks and Insurers in terms of Advanced Customer Analytics



- **20% of banks** use only simple triggers like sudden deposit withdrawal
- Another **20%** use lifetime triggers across broad customer tiers
- **40%** in various stages of micro-segment implementation
  - Creating a Single-View-of-the-Customer
  - Differentiating service experience by macro-segment
  - Tying trigger based marketing to emerging insights on micro-segments
- The **top 20%**, “Analytical Champions”, use full micro-segmentation, having adapted the customer experience to each (bundled) micro-segment
  - Of which **5%** use RT engines to drive digital and classic channel NBA, dynamic pricing and churn

accenture



2013 Distribution and Marketing Awards



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# The Digital Bank and Insurer use all Analytics and Digital tools to understand and interact with their customers

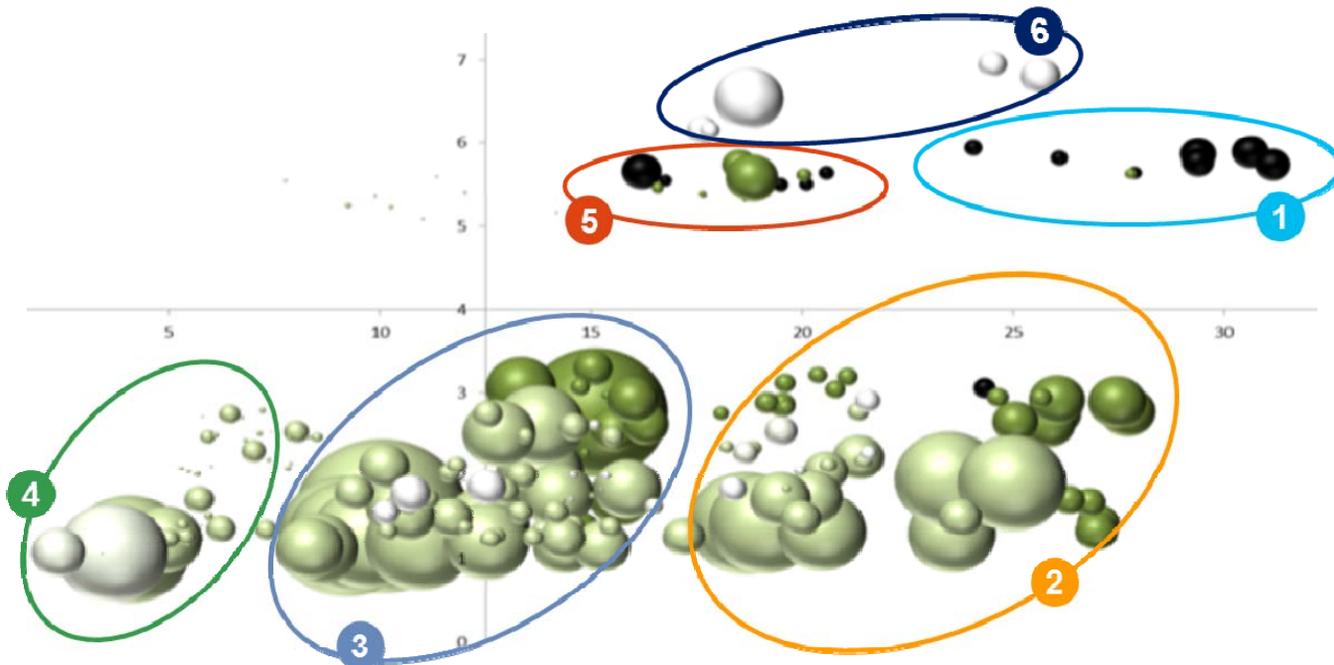
Value is created through “Data to Insight to Action to Outcome”



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# Behavioral micro-segmentation informing a bottom-up distribution strategy and individual Next Best Action



**(1) High Value Seniors**

- 40k customers
- €350 value
- ...

**(2) Mass Seniors**

- 600k customers
- €120 value
- ...

**(3) Mass Med Value**

- 700k customers
- €55 value
- ...

**(4) Youth**

- 130k customers
- €25 value
- ...

**(5) High Value Adults**

- 50k customers
- €330 value
- ...

**(6) High APH, Low Value**

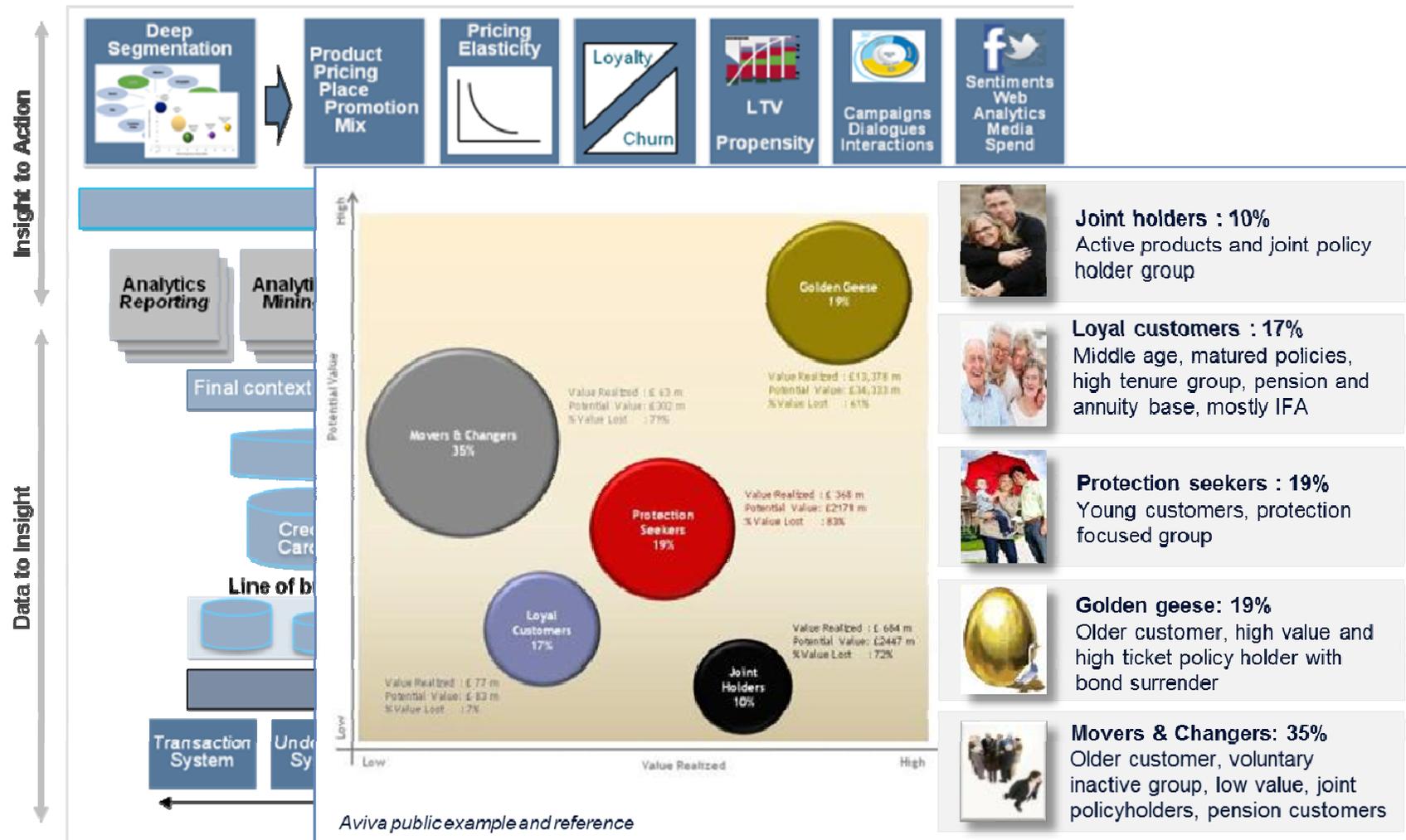
- 30k customers
- -€380 value
- ...



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# Behavioral micro-segments lead to greater insights on product preferences, propensity and churn motivation



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# The Customer Analytical Record (patented) for finding micro-segments



**Legend:**



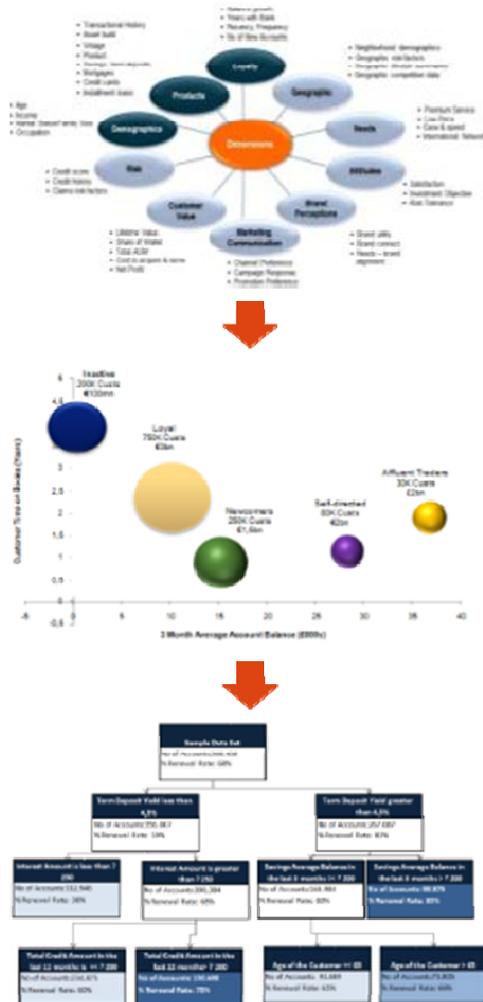
- The CARs (Retail, Business, Wealth, Insurance) lead to Insights and Actions for revenue growth
- They drive the Marketing Ps (Price, Product, Place, Promotion), Propensity, LTV, Loyalty and Churn, etc
- Only a small amount of data fields drive deep segmentation thereby reducing the need for a 'single version of the truth' before one can create value with Analytic



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# Deep, actionable micro-segmentation, based on demographics and behavior, drives all superior customer analytical models



- Yield push and pull campaigns +400%+1000% vs control
- Addressable churn down with 25% to 50%
- Pricing power in credits and deposits +50-100bp

Actionable Sub Segments		Cross Sell	Retain	Win Back	Population	Avg. % Contrib.
Demographic	Savings Behavioural					
New Cocooners	Active Savers	✓			228K	5%
Online Opt-Outs	Big Money Savers	✓	✓		349K	21%
New Sentimentals	Fresh Savers	✓	✓		411K	4%
Elderly Active	Loyal Savers	✓	✓		394K	29%
Online Interactives	Active Savers	✓			219K	7%
Online Opt-Outs	Fresh Savers	✓	✓		47K	6%
Younger Professionals	Inactive Customers			✓	175K	0%
Elderly Responders	Loyal Savers	✓			453K	26%

Case: A leading UKI bank



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# Behavioral segments are determined by only a subset of CAR fields

11 Data points transformed into 20 elements

**Customer Demographic**

- Age and **Age bucket**
- Occupation Type
- **Time on books**
- Region
- Local Area
- Address Change Flag
- Marital Status Change Flag
- Channel Registration Change Flag
- Post Code Change Flag

10 elements

**Customer Preference**

- **Registration Channel used**
- Predominant Application Channel
- **Contact by Mail**
- **Contact by phone**
- **Contact by Internet**

45 Data fields converted to 320 elements

**Customer Savings Behaviour**

- **Average Deposit in last 3 months (Per Account)**

20 Data Fields converted to 50 elements

**Customer Deposits Behaviour**

- Total no of TDs
- **Total number of active / canceled TDs**

5 data fields converted to 20 elements

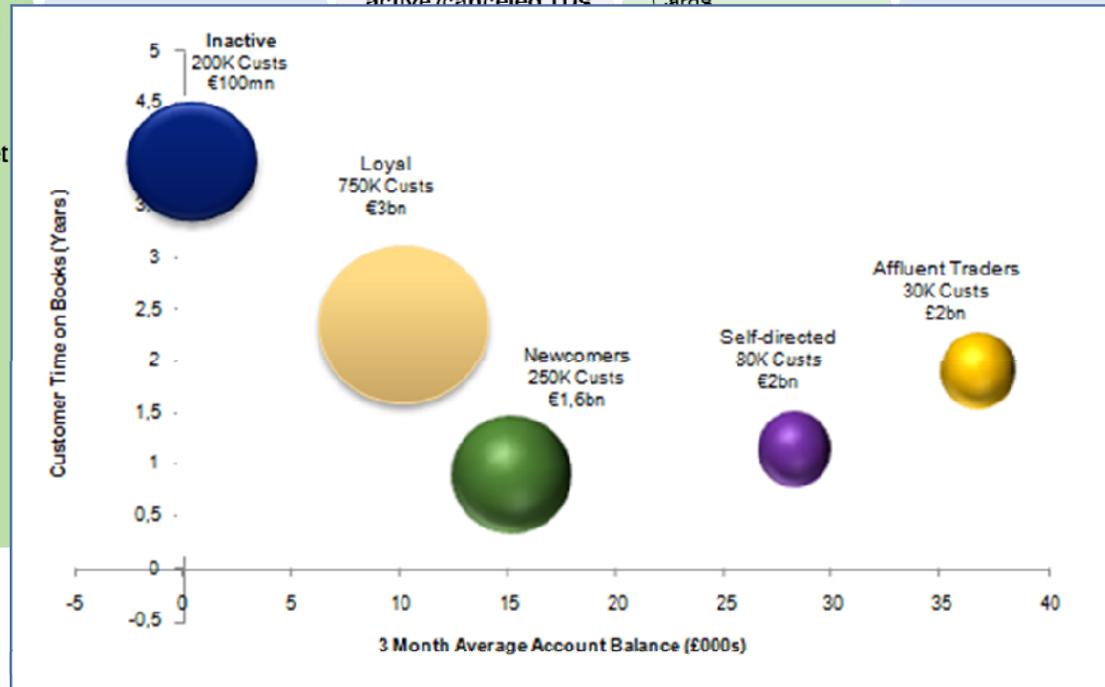
**Credit Card**

- Credit Card Flag
- Number of Credit Cards

40 elements

**Product and Value Variables**

- Total no. of products
- Type of sub products



**Segmentation key fields in bold**

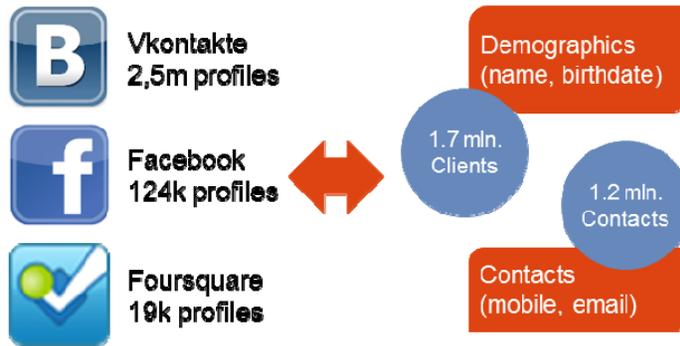
**Case: A leading European bank**



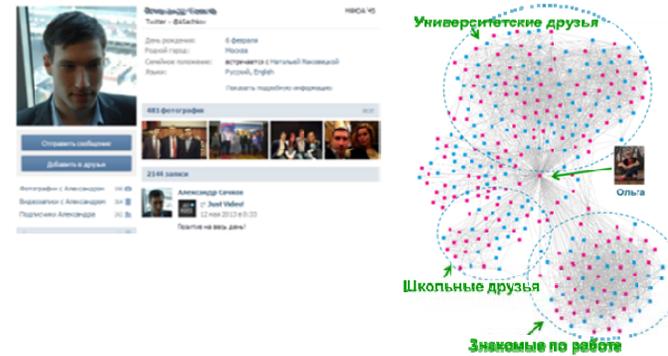
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# Combining social data with internal data to find the digital segments: who are they, where do they live, how do they behave digitally and who are the influencers



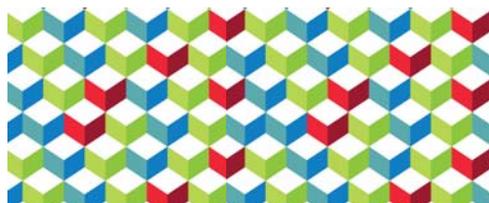
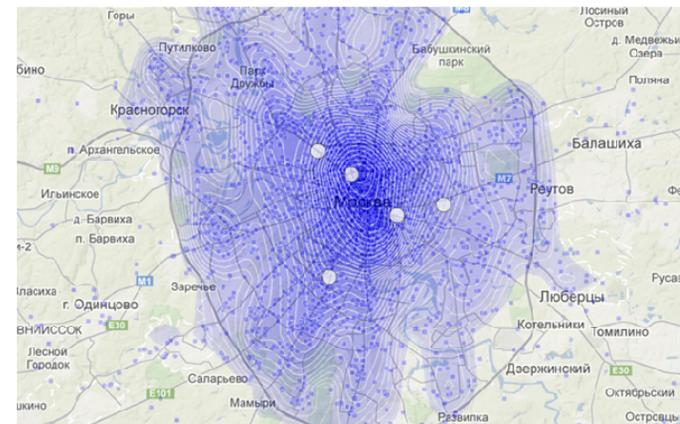
## Social network analysis to find the Opinion leaders



## The digital micro-segments



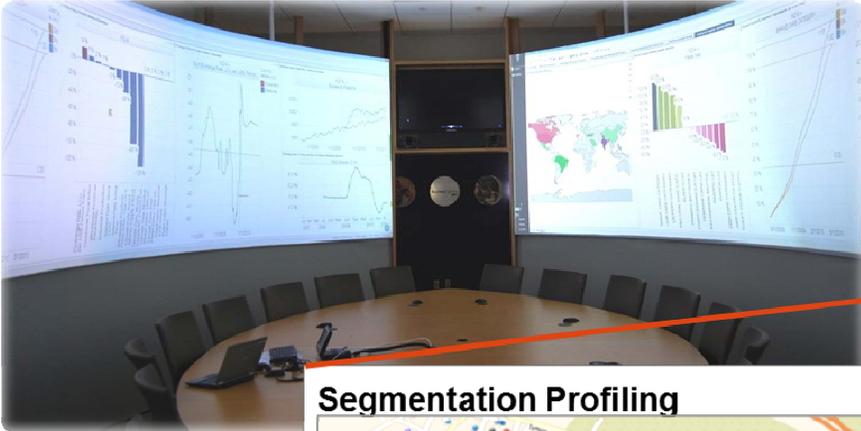
## Where do they live and work?



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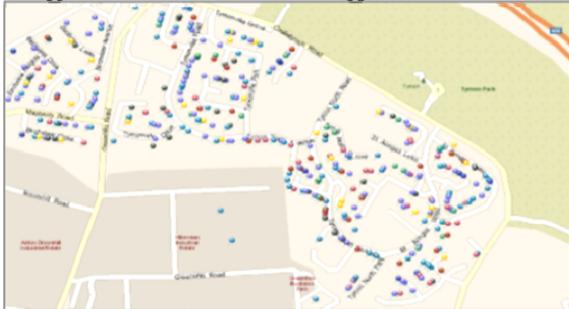


# From a Board-level War Room with Real-Time MIS and Predictive Analytics, drill down to each household in the country



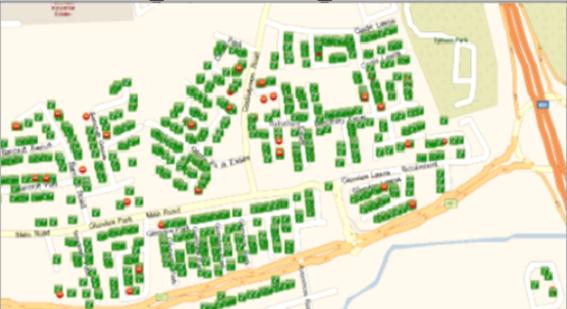
Use External Big Data and Geo-Localization to drive full understanding of Addressable Market Share and Acquisition

## Segmentation Profiling



- Micro-segment 1
- Micro-segment 2
- Micro-segment 3
- Micro-segment 4
- Micro-segment 5
- Micro-segment 6
- Micro-segment 7
- Micro-segment 8

## Assessing Marketing Consent



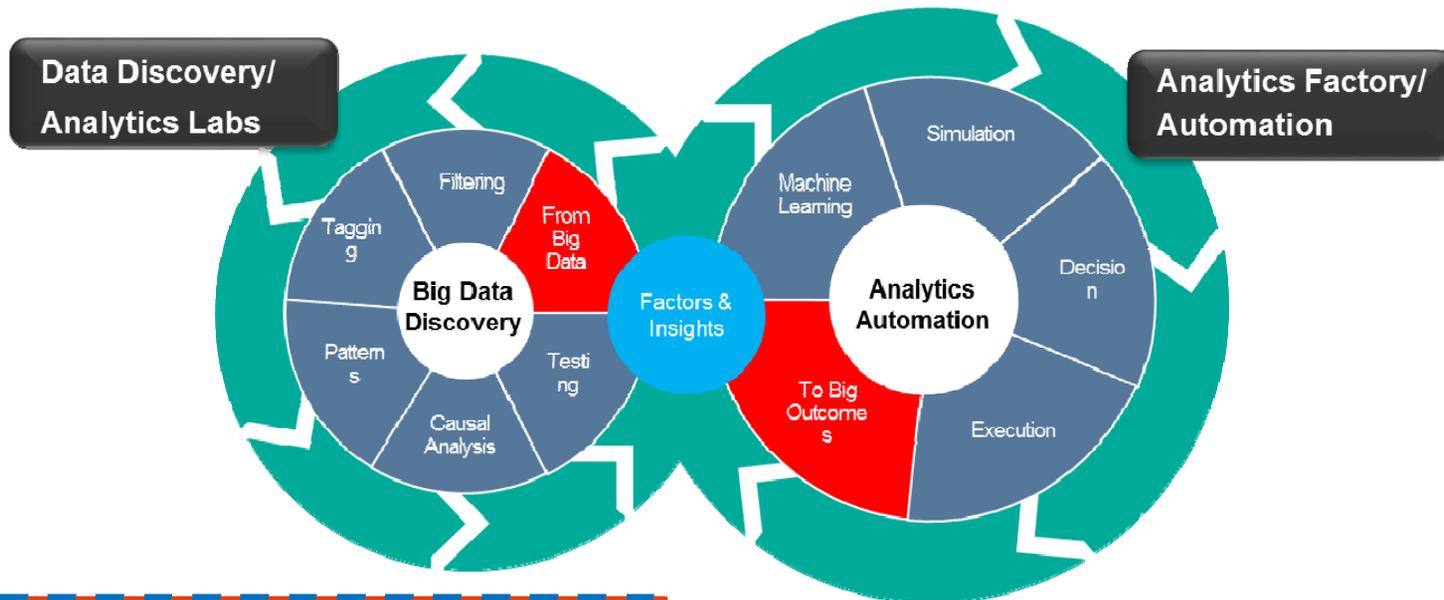
- ⊘ NO
- ✓ YES



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# Big Data enriches “classic” Analytical models but also allows uncovering new insights through Discovery Labs and Platforms



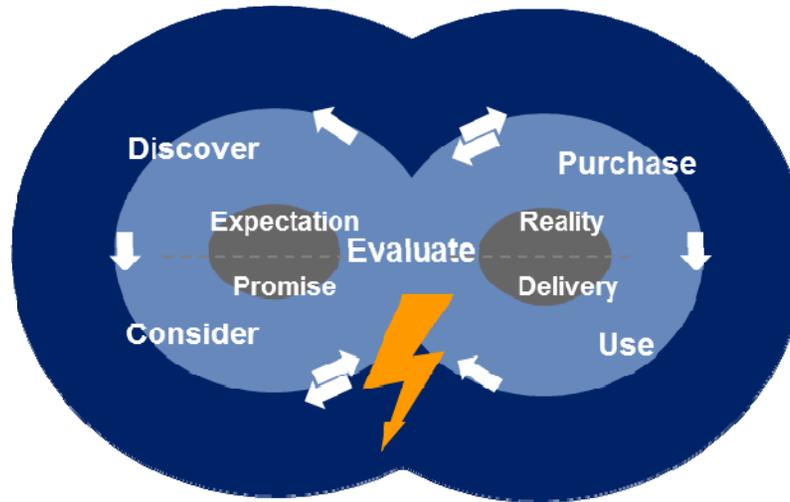
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# Churn: Turn why people leave into a competitive advantage

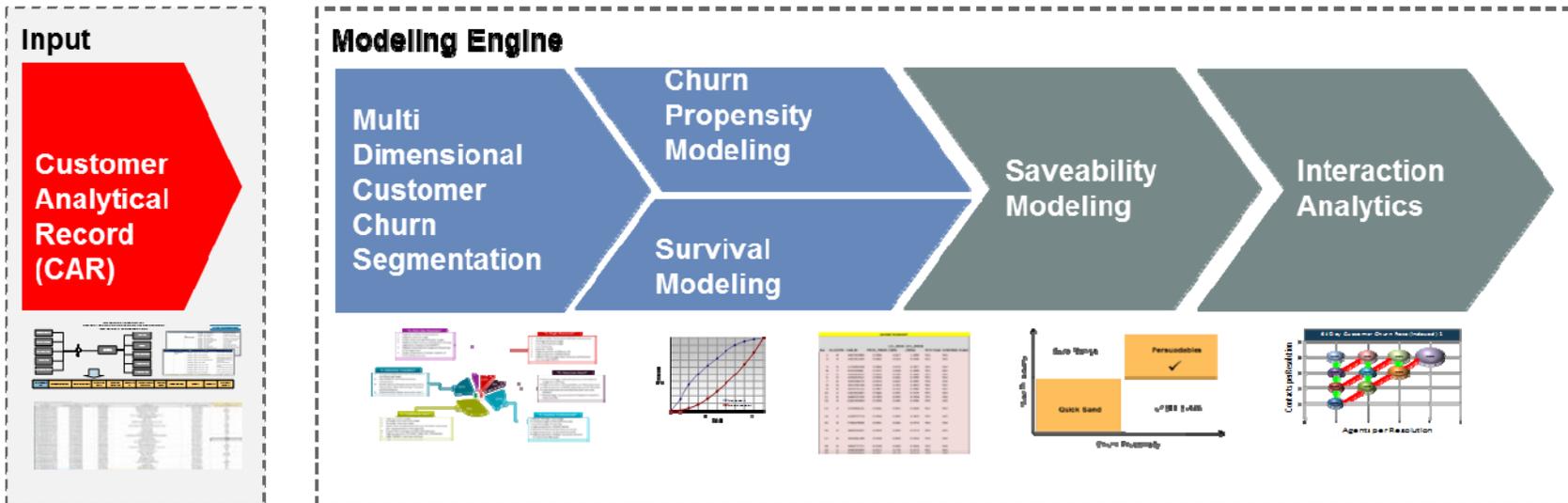
## Expectation Loop Churn Drivers

- Brand Perceptions
- Needs
- Social Influence
- Life stage



## Reality Loop Churn Drivers

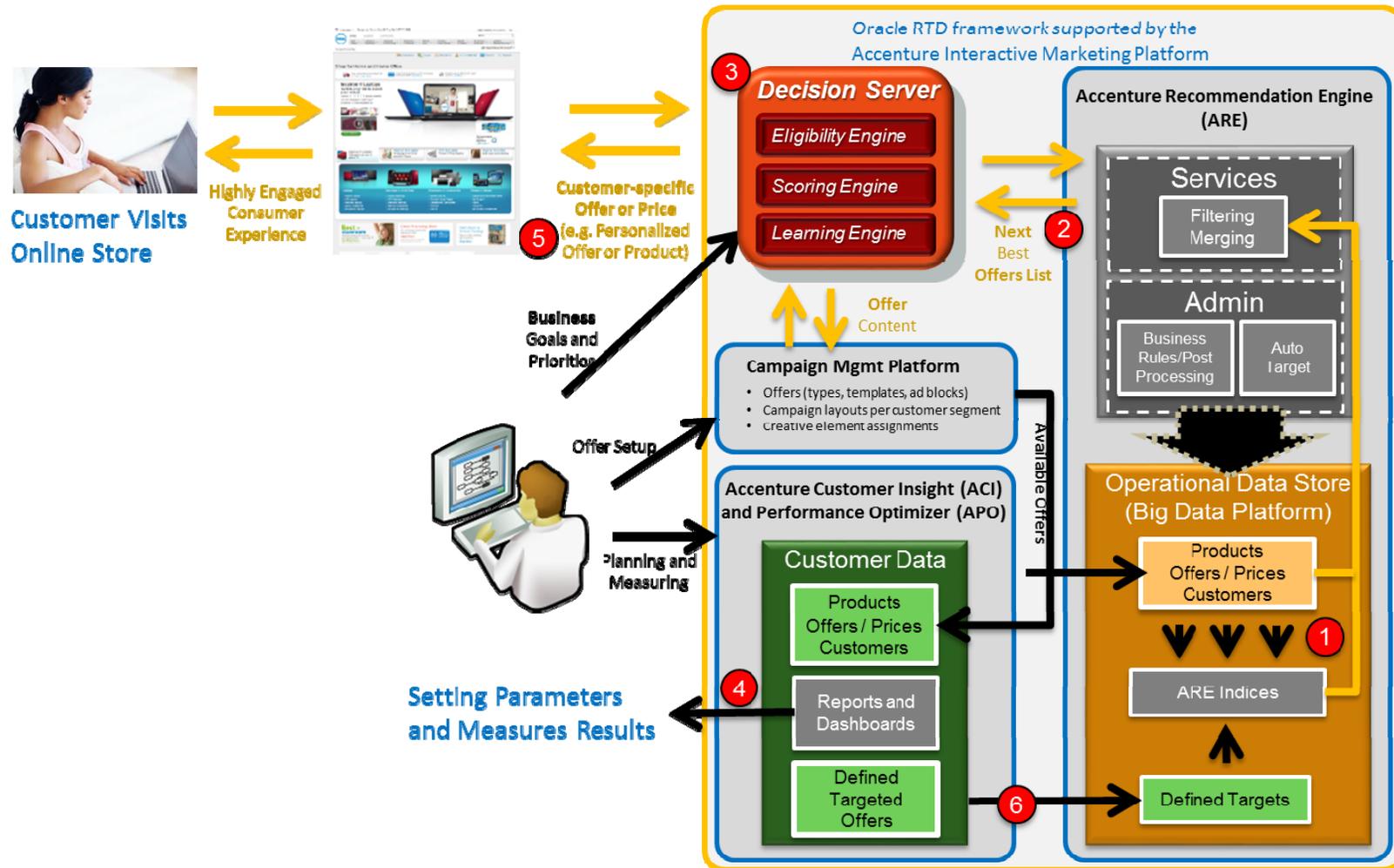
- Usage
- Interactions
- Convenience
- Communication



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# ARE: Accenture Recommendation Engine powering some of the largest retail sites, conversion \* 4



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# Digital Personalization and Optimization

## Helping a global card company optimize all digital touch points

78% uplift  
customer applications

\$48 million  
extra sales estimated

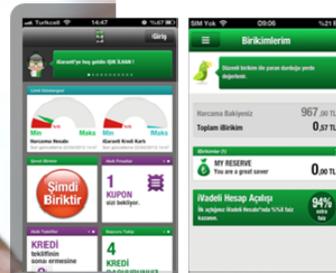
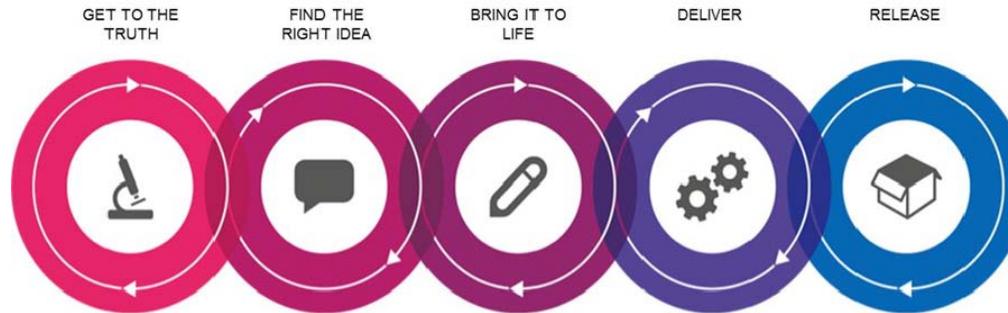
4 weeks  
short time to market



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# Optimize the Customer Experience along his/her Moments of Truth Journey



**MOBILE:**  
WORLD CONGRESS  
Barcelona | 24 - 27 February 2014

**Best App**  
**All categories**



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Telematics will emerge through a car App, forcing insurers to underwrite and price based on behaviour and/or per mile

## Driver Analytics Record (DAR)



## Example of a Connected Car Platform

accenture Digital Connected Platform			
Digital Development and Change Services	Operations, Analytics and Support	Connectivity  vodafone	3rd Party Content Providers

Connected Navigation



Car and Driver



Apple CarPlay?

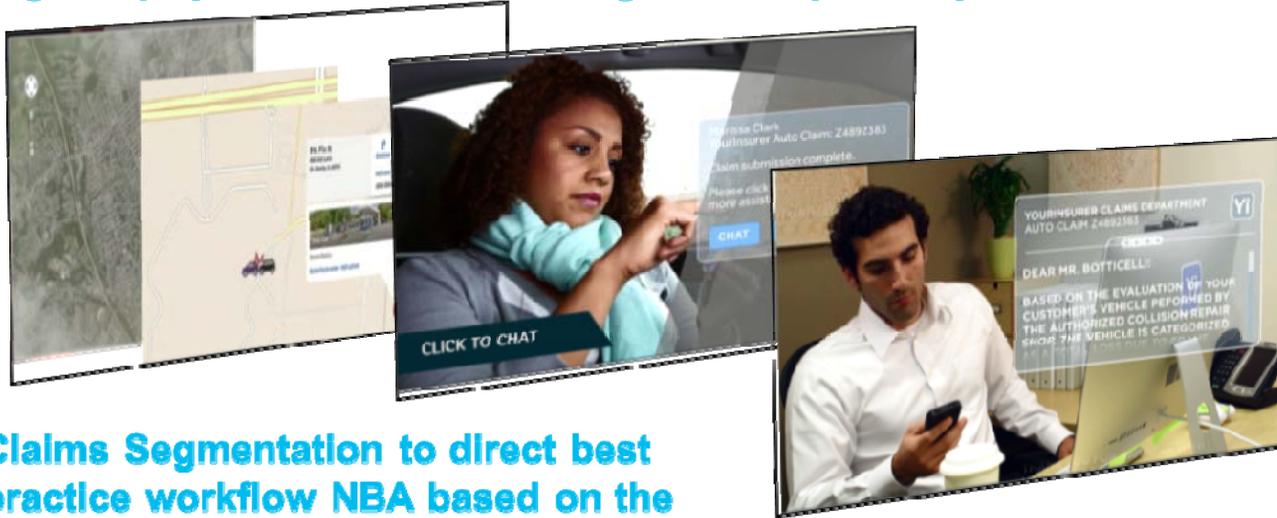


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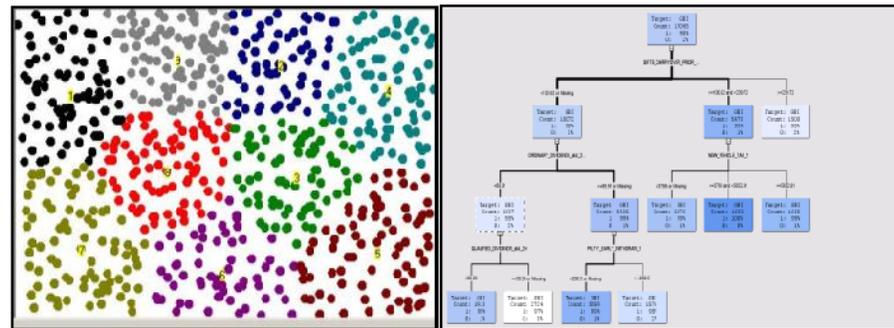
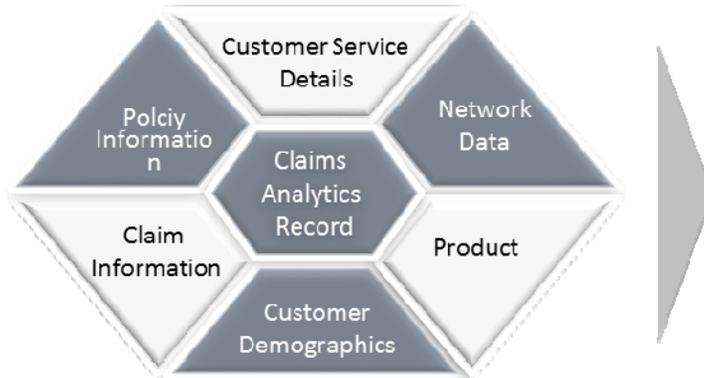


# Digital claims handling

## Digital, paperless FNOL through Smartphone pictures



## Claims Segmentation to direct best practice workflow NBA based on the Claims Analytical Record



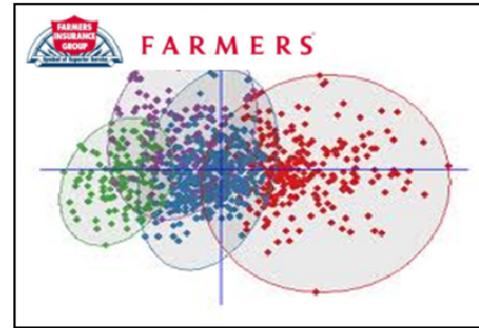
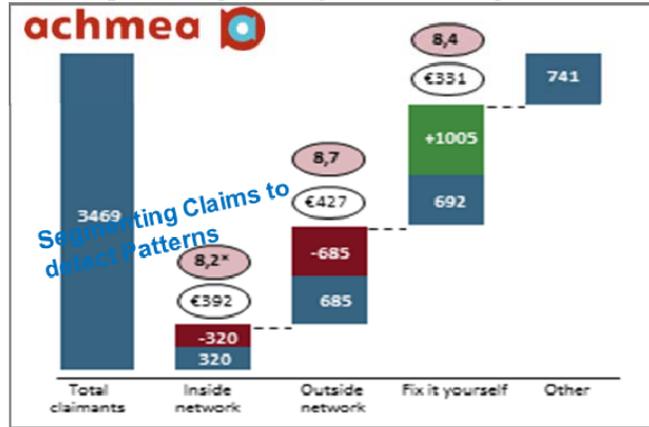
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# Claims loss reduction

## Continuous CDA: leakage detection and mitigation

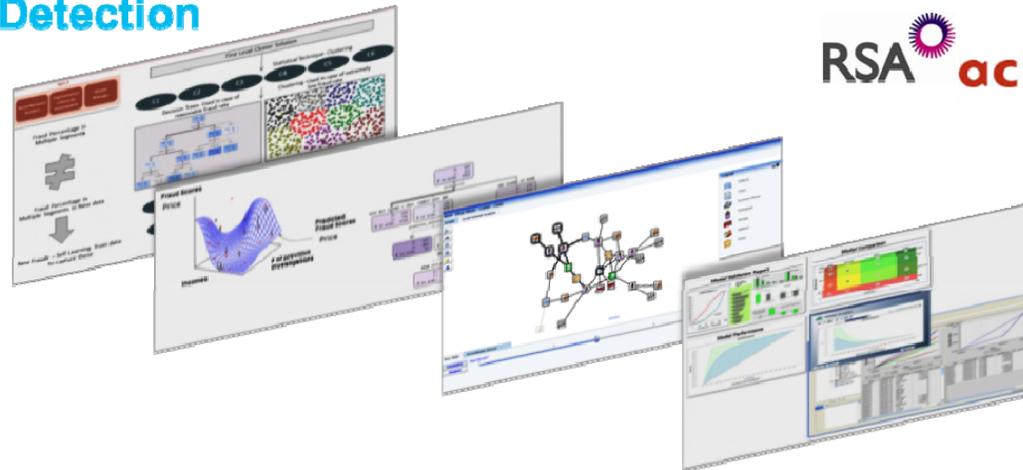
Steering from repair shops to the fix it yourself solution



- Subrogation Detection rate improves by 50
- Number of false referrals reduce by 20%

## Claims Fraud Detection

- Fraud is 8% of claims expense
- Reduce with 33%



RSA achmea

Portuguese Claims Utility

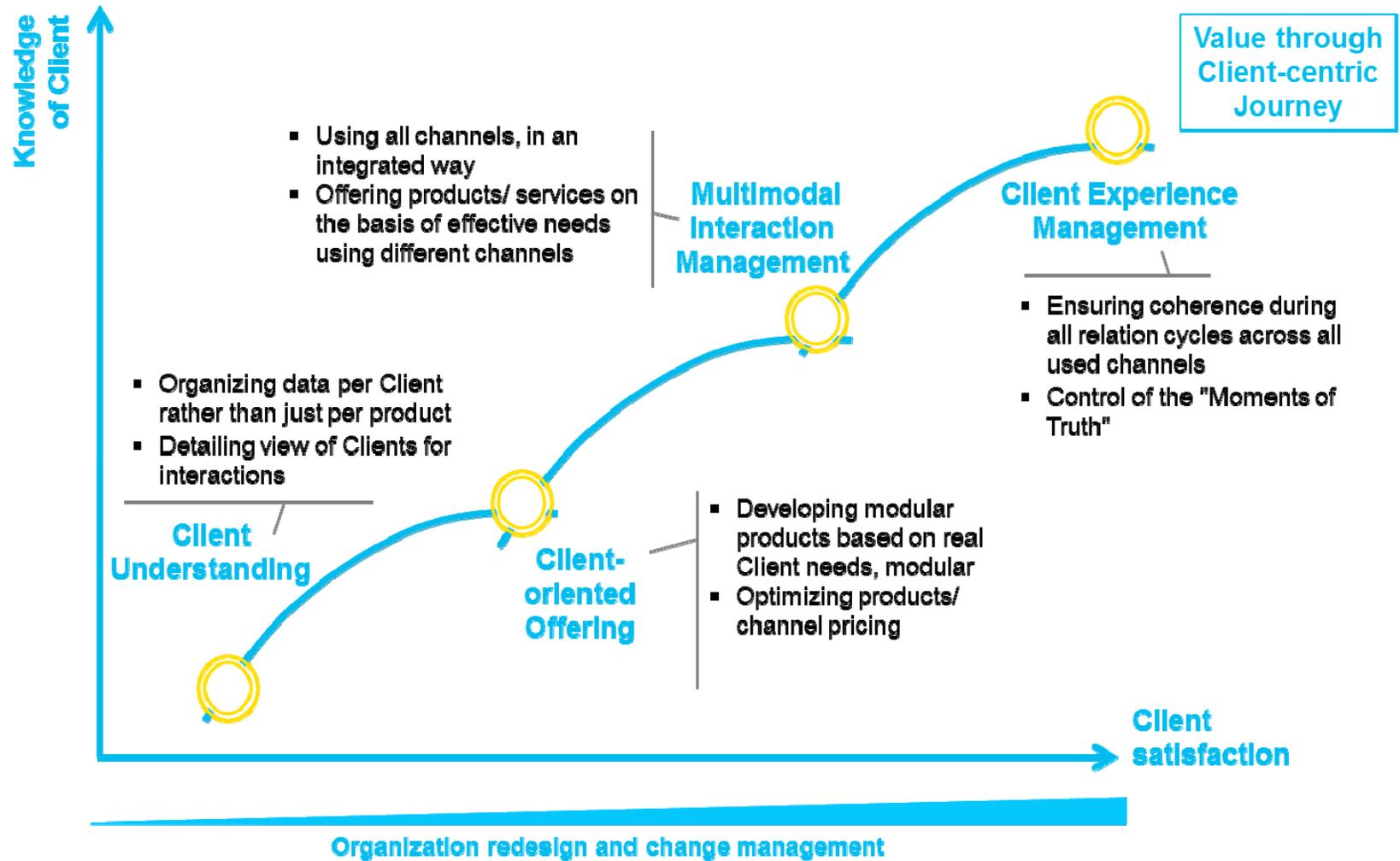
Turkish Insurance Association



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# The journey to becoming a Digital Bank or Insurer



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