

Spaarbeleg's Contact Center Scores in Real Time

By providing real-time customer information to contact center agents, a Dutch bank is able to generate strong leads and add value to customer interactions.

Core Topics

Business Applications: Business Strategies for Technology-Enabled Marketing; Customer Service Management and Strategy; Database Marketing

Key Issues

How will organizational use of customer data evolve over the next five years?

How will marketing respond to changes in the business and IT environments?

What will be the best practices for managing customer service organizations?

Strategic Planning Assumption

By year-end 2001, more than 50 percent of data-mining models will be applied using dynamic scoring (0.7 probability).

Many marketing organizations are familiar with the application of customer scoring to the improvement of outbound telephone sales and direct-marketing campaigns. The use of this technique to achieve returns on inbound calls is gaining attention. One company applying customer scoring to good effect is Spaarbeleg, a Dutch financial services enterprise.

Problem: Spaarbeleg was faced with the challenge of increasing sales to its customer base. Aware of the danger of oversaturating its customers with unsolicited messages, and with most inbound callers using automated channels, Spaarbeleg was looking for a way to improve the conversion rate of inbound service calls to generate new business.

Objective: To improve the conversion rate of inbound calls, Spaarbeleg decided that its customer service representatives (CSRs) needed a clearer indication of which customers were good prospects for cross-selling. The return on investment (ROI) would come from two primary areas:

- Increased sales volumes generated from more-effective targeting of customers for cross-selling during the interaction; Spaarbeleg estimates that a 0.1 percent increase in successfully cross-sold inbound calls will result in a \$4.4 million (NLG10 million) increase in sales
- More-profitable sales, as a result of identifying the optimal product for cross-selling and eliminating the cost of outbound communications or resellers

Approach: Since the project's goal was to provide CSRs with better customer information, Spaarbeleg needed to perfect the technical aspects of making customer insight available to CSRs, as well as address the issues related to handling the CSRs' know-how. Early in the project, the company decided to use real-time systems to generate customer scores. This decision was

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Note 1**Data Distilleries**

Data Distilleries BV

Kruislaan 402

1098 SM Amsterdam

The Netherlands

www.datadistilleries.com

45 employees (as of year-end 1999)

100 employees estimated (as of year-end 2000)

made because the alternative would be to batch score the entire database, which would not be a scalable option as the number of scoring models grew. With this decision made, the enterprise began to evaluate data-mining vendors, with a focus on finding one that had a vision that matched Spaarbeleg's own. The eventual choice was Data Distilleries (see Note 1).

Ensuring that a technical capability is present does not guarantee that it will be used effectively. Thus, ensuring that a system works well in the contact center environment is crucial to such a project's success. The skill set of the Spaarbeleg contact center determined that the project could be run with the active participation of the CSRs. Three organizational decisions were made: 1) Use of the system by CSRs is voluntary, but an incentive plan provides benefits for those successfully using it. 2) The contact center manager can define how strong a prospect must be before the CSR is prompted to cross-sell. During busy call periods, only the best prospects are displayed, which limits the impact cross-selling has on satisfying routine customer inquiries. 3) The final element of the organizational effectiveness of the project was the creation of an intuitive interface for the CSR. In this case, a simple bar chart represents the customer's propensity score, and the data-mining models used can be easily explained to the CSR.

Note 2**Project Timeline**

- Three months — Pilot
- Six months — Developing vision and obtaining management buy-in
- Six months — Building request for information, vendor selection and negotiation
- Six months — Process analysis and system implementation

Results: The project is in a pilot phase (see Note 2), with only one product being scored; however, early results are promising. The system is performing well, with a three-second response time from the entry of the client's account number to the display (or not) of a cross-selling prompt. The flexible adoption of the system into the operational life of the contact center means that fewer than 20 percent of inbound calls generate a cross-sell suggestion, and less than one-third of the suggestions are acted upon by agents (who exercise their own judgment about the prospects for cross-selling during that call). As a result of this two-stage filtering system, more than 50 percent of prompts generate a qualified lead to the sales force, and its conversion rate is also around 50 percent. Overall, the project is currently returning approximately 10 percent of the business case with only one product (of the anticipated 15 to 20) being modeled and offered to clients.

Critical Success Factors/**Lessons Learned:**

- Selection of a vendor with a matching vision
- Voluntary participation of skilled CSRs
- Intuitive display of customer information
- Training of CSRs

Bottom Line: Effective cross-selling requires the organization to be able to generate and deliver accurate customer information to the point of contact. The integration of customer analysis systems with channels such as the contact center enables significantly more-effective cross-selling when the customer chooses to contact the bank. Spaarbeleg has demonstrated both the feasibility of such a strategy and the significant business benefits that can be gained.

