

Case Study - Large North-American Bancassurer

Background

As a bancassurer, our client did not have a large, established distribution force for insurance products. Distribution of life products was therefore predominantly through direct sales and marketing. In addition, our client used an advanced outsourced model with up to 6 different service partners involved; call centres, TPA, mailing house, fulfillment etc.

As the bancassurer introduced more products and channels, the complexity of the operations increased. Acquisition programs were undertaken to millions of affinity members each year through mail and telemarketing. The acquisition programs were followed by sophisticated up-sell and cross-sell offers to the in-force customer base.

Challenge

The growth in complexity of the business posed several challenges in managing the success of the programs:

- Managing data transfers across the numerous 'hops' from service partner to service partner
- Controlling the frequency and make up of offers to maximize response rates and minimize list exhaustion
- Growth in the use of telemarketing required better, faster response analysis to enable more agile decision making
- Tracking service levels from each of the partners; for instance fulfillment turnaround

Solution

Our client developed a Customer Relationship Management (CRM) system that linked all parties together through an internet accessible relational database. All workflows were mapped into the system. Each day, tapes are uploaded with all customer events logged. The system was developed first as a prototype, then moved into a "shadow mode", prior to going fully live as an operational platform, thereby eliminating all technology risk.

Results

The bottom line is that the bancassurer was able to secure millions of new insurance clients and millions of incremental revenue. Our client was able to scale its direct marketing operations confident that it was under control, that they had a watertight audit trail and with the ability to measure and control service partner performance. Some of the detailed wins from past campaigns include:

Feature Benefit Case Study/Example Historical Database

- Know who has been marketed to, drives segmentation.
- Better targeting gives better results

- Maintains campaigns that otherwise might fall below minimum profitability. Easy elimination of 30% of customers whom had been solicited for the same product within last 4 months - 50,000 leads = \$112,500 in marketing costs saved. Up to date, web accessible, queryable results

- All data in one place.
- Quick decisions can be made during a campaign that radically affect the outcome.
- All parties can access the data simultaneously to arrive at consensus decisions quickly.
- Results available immediately, not 3 months after campaign has completed.
- Don't have to wait to get "final" results from cumbersome legacy systems.
- Data is queried in any cross-tabulated combination vs. flat-file data.
- During a campaign, our client was able to utilize BlueSun's analysis tools to test a hypothesis that we could increase an offer without adversely affecting response and lapse rates. A change of script resulted in an increased average premium of 60% in month 1 of a 6 month campaign.
- Utilizing channel analysis, they recognized that a large proportion of Mail & Telemarketing customers were taking the highest offer. They therefore added a higher offer mid-campaign, boosting net (after lapse) results by 15-20%.
- Pre-BlueSun, a high lapse rate was not discovered until end of campaign resulting in the postponement of the next campaign until the cause was identified.
- Were able to analyse data mid-campaign to support the decision to drive a further marketing campaign into the next quarters plans.

All channel results in one place including gross results and lapse

- Can look at channel mix profitability.
- Use one channel knowledge to improve exploitation of another.
- Unable to get channel mix breakdowns from administration system.
- Ability to immediately query data multiple times to come to a conclusion - this process would normally take weeks at higher cost.
- Analysis of mail results showed 49% take up of joint insurance versus 20% on the phone. An (immediate) adjustment to the call script and some CSR training equalized the take up rates.
- They able to query individual credit card types to eliminate future offers to certain cards.
- Quicker turnaround on analysis means quicker decisions, cost savings over time and hard cost of \$20,000.

Gross/net reports for individual telemarketing reps

- Able to look for agents being too aggressive or using "free look" too much.
- Not able to get this level of detail from administration system or from call centre reports.
- Trends are showing in service partner performance reports, leading to targeted CSR training within the call centre.

Identifies when suppliers are not performing or when data is wrong

- Data Hub means no data interpretation between suppliers.
- Business rules are embedded in and driven by system
- Can track supplier events and audit data quality to ensure:
 - Suppliers doing what they are supposed to, on a timely basis.
 - Data is accurate.
- Data misinterpretation between call centre and fulfillment, where 300 policies fulfilled at wrong benefit level, led to at least \$10,000 in costs and frustrated customers.

- BlueSun identified customers not validated by telemarketing bureau, which led to a vendor charge-back of \$30,000.

Able to outsource to multiple suppliers

- Reduces the management involved in managing data from multiple suppliers.
- Allows rapid supplier versus supplier analysis.
- Facilitates rapid change of suppliers.
- Increased independence and veracity as all reporting and data management executed outside of Telemarketing firm.
- Existing telemarketing supplier ran out of capacity at one location. Addition of an extra telemarketer is simplified as they simply 'plug-in' to BlueSun.
- BlueSun provides telemarketing bureau with one list of 160,000 instead of 8 lists of 20,000 leads for various products. Lists churn quicker in small batches, leading to customer complaints and poor results. This encourages the telemarketer to manage the list better.

Secure hosted BlueSun

- Complete view of all data is in a secure environment.
- Don't have to worry about any one supplier going bankrupt.
- Less information needs to be maintained at supplier locations.
- Supplier went into liquidation and data was lost, leading to missed fulfillment and inaccurate ongoing information about customers. BlueSun as data hub holds a centralised, up-to-date record of work-in-progress and therefore data at the liquidated supplier could be reconstructed.