CUSTOMER CASE STUDY

Spaarbeleg/AEGON Group

Financial services firm generates $30 million in additional sales through its call center

Situation

Spaarbeleg is one of Holland's larger financial services institutions, with 1.6 million customers and more than $5 billion of invested capital. A subsidiary of the AEGON Group—the world's third largest life insurance organization—Spaarbeleg has built a reputation for excellence in high-return savings and investment products during the course of its 80-year history. Its retail banking products include savings accounts, pension programs, stock lease products, share funds, and tax-saving products. These products are all designed to keep restrictions to a minimum; freedom and convenience are major differentiators for the firm.

Spaarbeleg takes a multi-channel approach to interacting with its customers, using a combination of mass media, direct mail, franchises, independent brokers, the Internet, interactive voice response (IVR) units, and call centers.

Critical issue

Spaarbeleg's growth strategy was based on expanding sales to its existing customer base, rather than on acquiring new customers. Aware of the dangers associated with over-saturating its customers with unsolicited messages, Spaarbeleg decided to take an innovative approach, and attempt to convert inbound calls into its service call center into new sales opportunities.

However, in order to make this approach successful, call center agents required targeted guidance to help them identify potential cross-sell opportunities, and support in making the offers.

Company

Spaarbeleg/AEGON Group
Country: The Netherlands
Industry: Financial services
Invested capital: $5 billion

Application

Cross-selling through a services call center

Product

SPSS PredictiveCallCenter

Solution

After assessing various approaches, Spaarbeleg decided to use real-time analytics to generate recommendations for its call center agents. Originally, the company considered generating recommendations in batch for its entire customer base; however, this approach would have provided call center agents with recommendations that were outdated and did not take advantage of new information gathered during the call. Additionally, the batch scoring would not have been a scalable solution, as the number of scoring models and channels was expected to grow significantly.

Spaarbeleg selected PredictiveCallCenter, and integrated it with their existing home-grown call center environment. The implementation took two months.

The application provides Spaarbeleg's call center agents with highly accurate, personalized product offering recommendations for use during service calls. Using business logic, the application generates real-time predictions regarding each individual customer's needs, recommending the product most likely to be of interest to the customer. The result? Satisfied customers and increased revenue for Spaarbeleg.

Results

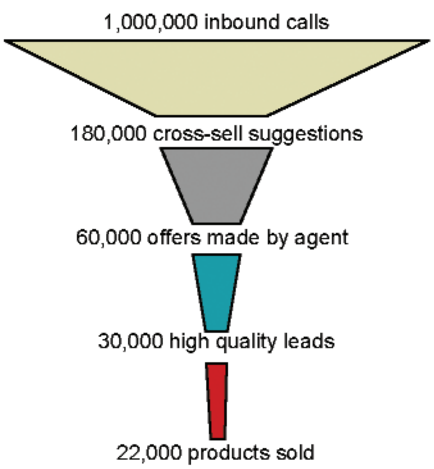
- Generated $30 million in additional sales through its call center, with minimal increase in call center time
- Leveraged its existing environment (data warehouse and call center)
- Transformed its call center from an area of expense to a profit center

The service call center receives approximately one million inbound calls per year. In 18 percent of these calls, PredictiveCallCenter detected a potential cross-selling opportunity, and an offer recommendation was communicated through a pop-up window on the agent's desktop.

For one-third of these recommendation opportunities, the agent made a decision to actually make the offer to the customer. In those cases in which offers were not made, either call center load was too high at the time of the call, and so the agent chose to focus on providing service rather than cross-selling, or the agent made a determination that the customer was not open to a cross-sell suggestion at that moment in time.

In those cases in which an offer was made, 50 percent of the customers responded positively, and were sent additional information. Of this group of customers, 75 percent converted, resulting in the sale of 22,000 products.

The bottom-line impact for Spaarbeleg is that $30 million in additional sales was generated in one year using the PredictiveCallCenter solution. Essentially, Spaarbeleg transformed its service call center into a profit center.



Two factors were crucial to achieving this success:

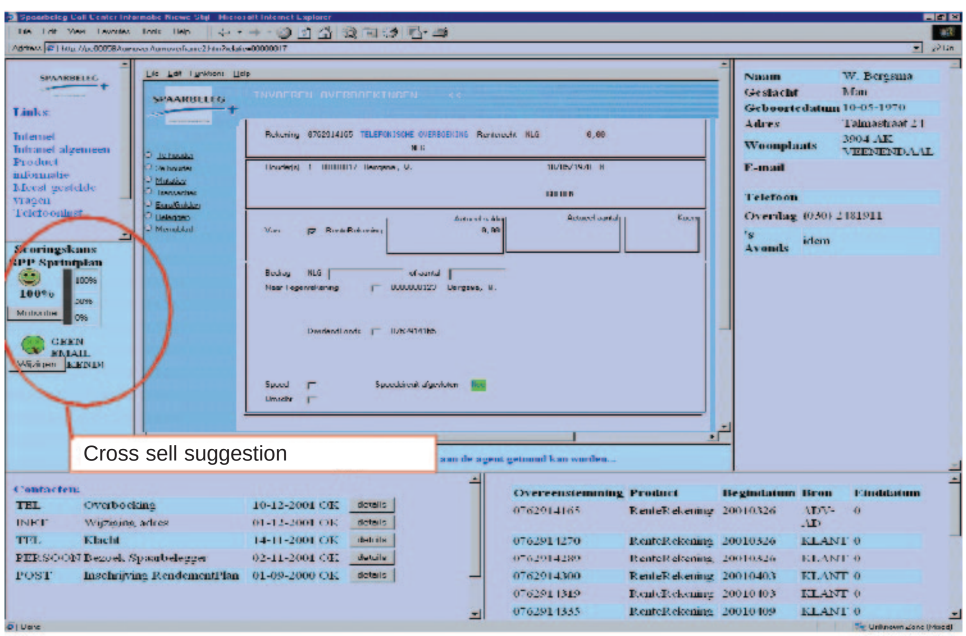
- **The quality of the recommendations needed to be very high in order to be effectively used by the agents.** Spaarbeleg believed that if the system made too many incorrect predictions, call center agents would stop making offers to customers after a number of unsuccessful attempts. Real-time predictions, which take into account the most recent information on the customer, were needed in order to achieve sufficiently high-quality predictions.

- **Call center agents played a pivotal role.** Spaarbeleg allowed their agents autonomy in determining whether to actually make the recommended offer to the customer. PredictiveCallCenter not only provided the recommendation offer directly to the agents' desktops, but also displayed information, such as the quality of the prospect (hot, medium, or cold), a motivation for making the offer, and sales arguments for this particular customer, to assist the agents in successfully closing the sale. In conjunction with the application, Spaarbeleg also implemented an incentive plan to encourage its agents to make the offers and generate new sales.

Spaarbeleg also uses other SPSS predictive analytic applications to increase the efficiency of its other channels:

- SPSS PredictiveMarketing is used to increase the response rates of its conventional direct marketing campaigns
- PredictiveWeb is used to generate leads by placing personalized banners and messages on Spaarbeleg's Web site

In the near future, Spaarbeleg intends to use predictive analytics to generate targeted leads for its franchises and independent brokers. As a result of implementing predictive analytic applications from SPSS, Spaarbeleg found that additional sales revenue is only a telephone call away.



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