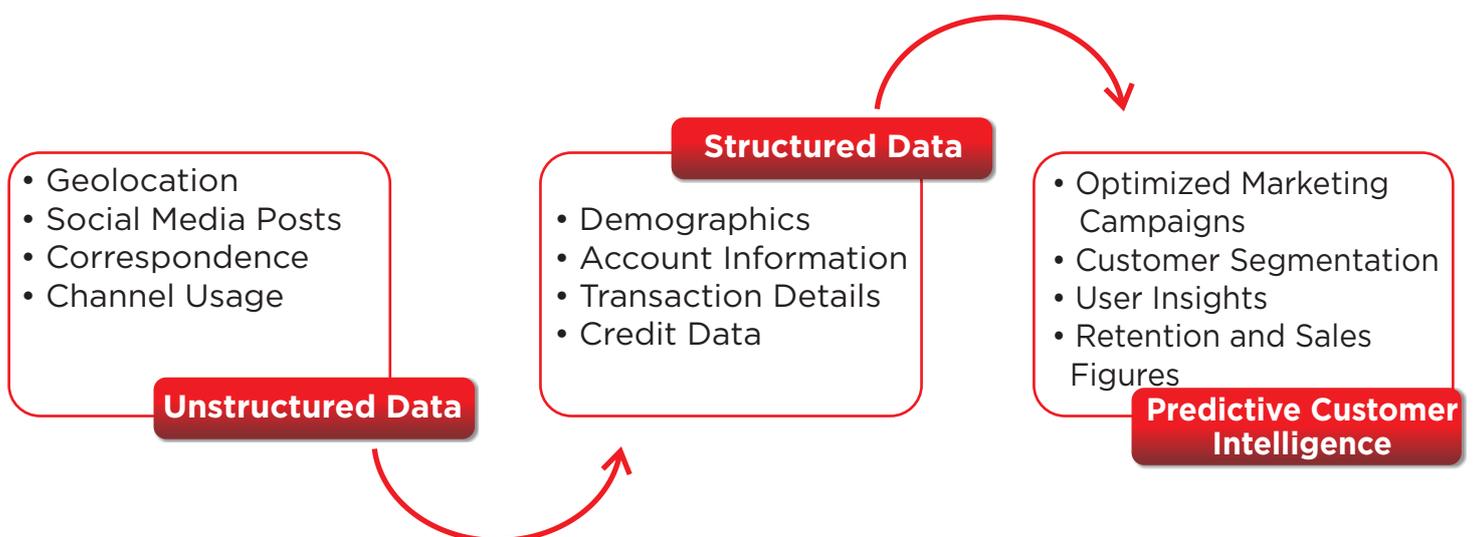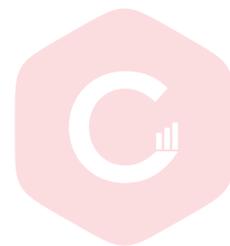# Enabling Banks Maximize PCI benefits

Enabling Banks Maximize PCI benefits

Businesses striving for acquisition, growth, overall retention and customer engagement are increasingly relying on analytics for getting the job done. Although, analytics works in cohesion with a host of entrepreneurial metrics, Predictive Customer Intelligence or PCI is one tool that is getting most of the attention. PCI allows enterprises to improve the bottom-line of the sales funnel by helping them analyze the predictable and unpredictable use cases. Apart from that, this form of business analytics allows an organization to reach out to many customers while taking prudent marketing decisions on the basis of customer engagement.

Predictive Intelligence Explained

Predictive Intelligence, if and when applied to the entrepreneurial arena, helps companies amplify the ROI and improve additional sales. With businesses primarily focusing on growth, it is important for them to offer personalized customer experiences for improving the ROI. PCI, therefore, leverages this essential business requirement and amalgamates existing data sets with a host of external tidbits; precisely for automating the entire process of analysis. In a nutshell, Predictive Intelligence applied to the customer oriented sphere, helps companies preempt the customer profile creations, according to company requirements. Once created, the profiles can be used for gauging scopes of overall engagement, buying patterns and overall customer behavior.

Unstructured Data
- Geolocation
- Social Media Posts
- Correspondence
- Channel Usage

Structured Data
- Demographics
- Account Information
- Transaction Details
- Credit Data

Predictive Customer Intelligence
- Optimized Marketing Campaigns
- Customer Segmentation
- User Insights
- Retention and Sales Figures
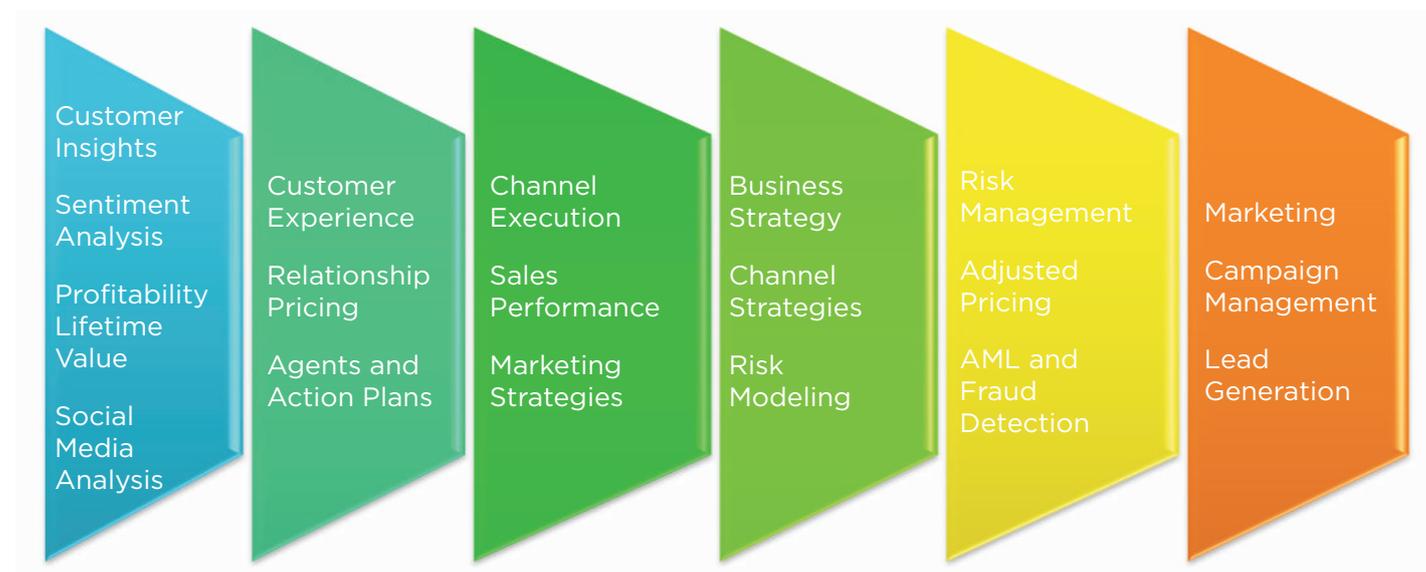
Insights into B2B Growth

Once Predictive Customer Intelligence is put to use, marketers can easily track the sales funnel while being able to rate leads based on the retention volume. PCI improves the process of insights procurement by offering a highly simplified approach towards lead scoring. Moreover, every move made by the marketers with PCI at the helm thrives on the Big Data essentials and a detailed predictive model. B2B growth is facilitated as business can easily search through public databases for finding internal data and optimal prospects. Once identified, it helps improve predictability and overall conversions.

Data reports suggest that companies experience a 38 percent increase in existing conversion with PCI at the helm. Source

PCI and the BFSI Arena

The banking and financial sector needs high-end Predictive Customer Intelligence for many reasons. While some are targeted towards handling the economic turbulence, majority of them are put forth for improving the existing levels of customer engagement.

PCI Drivers for the Financial Sector

| Customer Insights Sentiment Analysis Profitability Lifetime Value Social Media Analysis | Customer Experience Relationship Pricing Agents and Action Plans | Channel Execution Sales Performance Marketing Strategies | Business Strategy Channel Strategies Risk Modeling | Risk Management Adjusted Pricing AML and Fraud Detection | Marketing Campaign Management Lead Generation |

- Minimizing the existing levels of fraudulency
- Combating digitization challenges
- Handling competition and personality expectations
- Analyzing and Combating rapid ramifications on customer behavior

In a nutshell, PCI works perfectly within the BFSI sector as it allows the concerned organizations to obtain actionable data insights for improving balance sheets and avoiding reputational risks.

That said, it is important to understand how banks and other financial organizations make use of predictive customer intelligence for their own benefits. Firstly, the concerned marketers make use of Enterprise Data, in order to leverage higher levels of customer intelligence; precisely for personalizing banking experience.
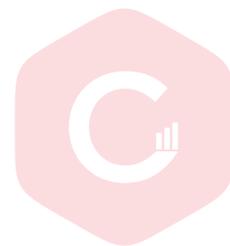
The second perk of using PCI is that new customer insights are revealed on a daily basis which can then be used to address real-time requirements. In addition to that, certain banking organizations also use PCI foe developing tailored services. Next in line are the optimized offers for individual customers which can be conjured depending on the profitability quotient. At the end, PCI also helps enterprises amalgamate text analytics, social insights, CRM events, social media tools, enterprise data and Big Data in order to resolve certain analytical issues related to banking and marketing.

Existing Banking Conundrums

Addressing Real-Time Issues

PCI helps banks address issues related to customer satisfaction in the best possible manner.

1. Marketers can easily accept ad-hoc requests from the internal customers

2. It is now easier to parse verbatim responses from each marketing cycle

3. Banking strategists can now focus easily on other initiatives as PCI minimizes production cycle by almost 66 percent.

Smarter Computing Worries

PCI helps banking organizations devise excellent smart computing strategies which allow customers save a significant share on processing. The concerned banking institutions can now formulate excellent and highly functional computing solutions for catering better to the customers.

Banking Use Cases: PCI Commandments

Predictive Customer Intelligence is a pretty straightforward tool that helps companies with many important aspects. However, if we were to segregate the same into points, PCI covers four important metrics and primarily works upon each one of them for improving the overall customer experience
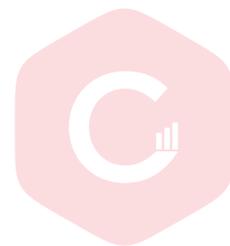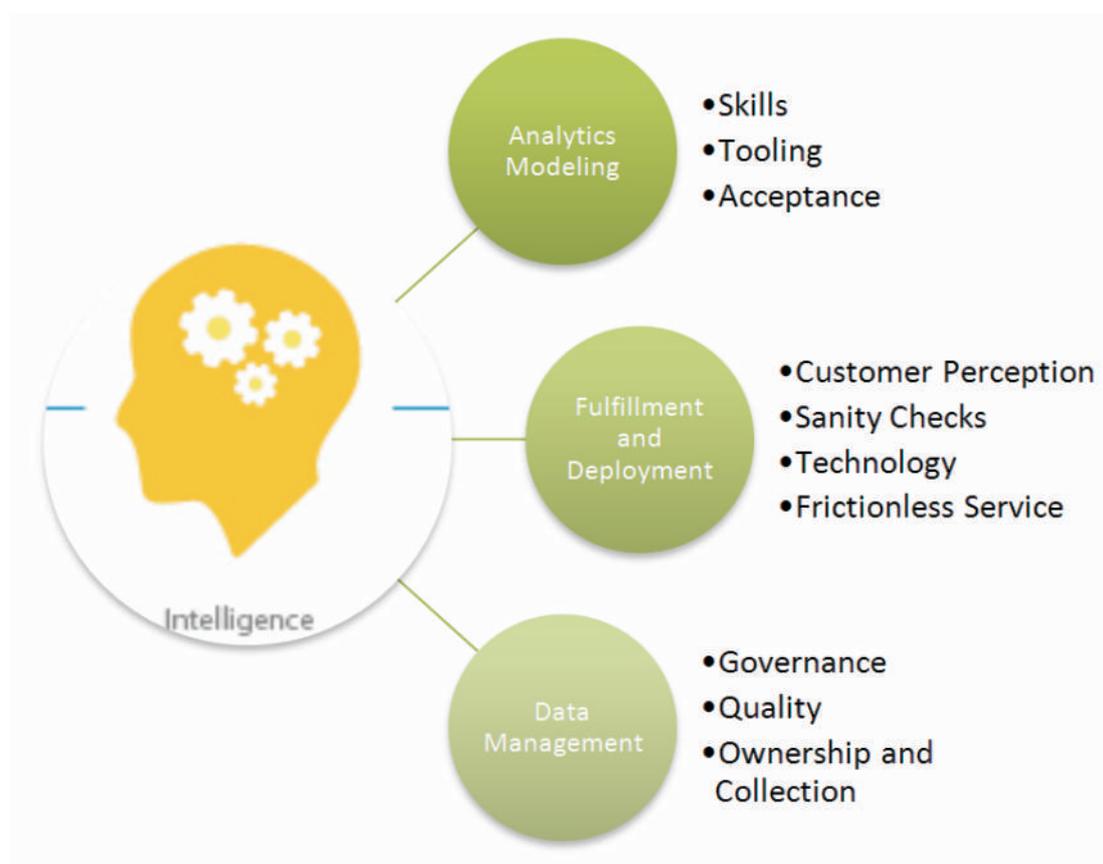
1. Gaining Customer Insights

The first aspect of using Predictive Customer Intelligence is to consolidate the information sets on offer. A highly functional organization covers multiple data sources, starting from information sources within the organization. Even the external data sources are looked at which typically include a host of different customer attributes and essential performance indicators.

A PCI module essentially covers customer transactional behavior, channel preferences, customer value, profitability quotient, product ownership, financial positioning, credit risk information, loyalty profile and the investments.

Benefits

The first PCI approach i.e. gaining customer insights comes with a host of functional benefits:

- Helps ascertain existing CRM activities and other marketing moves
- Functions as a reliable base of predictive modeling for diverse marketing departments
- Minimizes excessive dependency on the IT resources
- Delivers functional customer insights
- Offers personalized customer experience and exceptional satisfaction levels
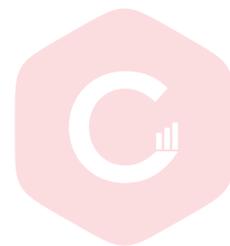
2. Improving Segmentation

Once the insights are procured and banking organizations start segmenting customers based on their loyalty, the existing PCI module helps improve and fine-tune this process. The strategy revolves around dividing customers on the basis of banking behavior, spending patterns, channel preferences and the customer value index. Predictive Customer Intelligence redesigns marketing strategies on the basis of profitability. This process of advanced and highly improved segmentation helps generate profits and increase sales.

Benefits

- Offers better understanding of market trends, requirements and profiles
- Improves the planning process and banking efficiency
- Guides specific segments of the banking department towards better customer satisfaction
- Supports marketing opportunities and identifies new designs and targeted offers
- Uncovers different variations of a company's CRM vision and marketing strategies

## 3. Optimizing Marketing Efforts

The third aspect of Predictive Customer Intelligence aims at optimizing the marketing efforts that are initially proposed by the first two steps. Maximizing profitability and drafting propensity models are important as they help banking organizations with new product offerings and better service sets. With a PCI model in place, it becomes easier to predict offer responses and plan marketing strategies accordingly. This easily saves marketing costs and allows organizations to identify the best plan of action; precisely by evaluating risk scores. This approach works best as the PCI tool combines social data sets with customer relationships and propensity models which in turn helps target customers better.

Benefits

- Pushes forth customer profiles based on loyalty, services, and product selections
- Provides differentiated and personalized risk adjustments, profitability index and customer profiles
- Supports lifecycle value, sales processes and profitability measurement
- Optimizes marketing costs and campaign response rates

4. Improving Loyalty, Customer Acquisition and Retention

While there are many factors that influence the effectiveness of analytical approaches, it is important to identify the existing risk factors that basically prevent customer churn and improve customer loyalty. One way of dealing with the same is to empower the PCI model with early warning signs pertaining to customized offers, reduced transactional volumes and other factors. Predictive Customer Intelligence, therefore, combines segmentation models with optimization techniques, specifically for targeting retention campaigns. In addition to that, PCI also amalgamates social network insights for identifying churn predictions, customer relationships and retention rates.
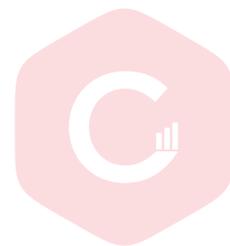
Benefits

- Reveals disloyalty quotient and other factors that determine behavioral changes
- Predicts churn rates and determines risk indicators
- Develops retention strategies
- Examines customer satisfaction and service levels by putting text analytics to use
- Identifies the real reason behind customer disloyalty
- Helps understand the lingering challenges for the concerned banking organizations

How Banks should Approach PCI and Analytics— Case Studies

We must be very clear about the fact that banking organizations usually thrive on the procured information sets for managing their customers better. IBM PCI is one functional tool that has helped many BFSI companies face and counter challenges. Some of these lingering challenges are pretty common for banking organizations

Case Study 1: Trusting Data Warehouses

Employees often find it hard to trust new data reserves as they keep persisting with reports and insights derived from the legacy sources. Moreover, the data sets derived from the legacy sources are first uploaded via manual scripting processes which then kills off a lot of time and analytical competence. Moreover, many banks identified errors while generating essential performance indicator reports from these newly surfaced data reserves.

## Combating this Challenge with IBM PCI

The existing PCI module analyzes the existing technologies, processes and people for keeping a close eye on the data warehouses. Predictive Customer Intelligence facilitates high quality insights by defining data collection standards. This approach validates data reconciliation and specifically checks warehouse data before the same is used by the banking organizations.

Case Study 2: Overcoming Spreadsheet Dependency

Majority of banking organizations prefer pulling data right out of spreadsheets instead of working alongside the IT department. While the former can be handy approach, there are many drawbacks associated with the same. Firstly, data procured via spreadsheets are in the form of calculations and variations which can be often hard to decipher. Moreover, these sheets are often released with minimal control or governance; thereby putting a question mark of the actual truth. Last but not the least, data identification in the form of columns and rows negatively impact the process of analysis. More often than not, the spreadsheet data comes in a non-auditable form.

Combating this Challenge with IBM PCI

Predictive Customer Intelligence addresses this challenge by automating the data extraction process. PCI as a tool also deploys excellent data warehouses which often cover up for the spreadsheets. With robust and functional analytics working alongside customer intelligence, it becomes easier for the banking organizations to gain reporting prowess. IBM offers a multidimensional data approach and advanced analytics for minimizing organizational reliance on spreadsheets.
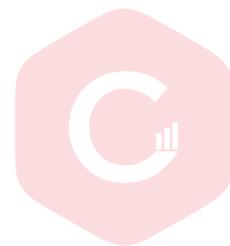
Case Study 3: Adopting Data-Driven Mentality

Drawing conclusions is what PCI models do the best. However, instead of presuming stuffs and business operations, it is important to trust the entire process of data analysis. Moreover, it becomes important for the banks to monitor and configure the existing user base to truly understand the underlining business decisions. Objective reasoning has an important place even in the field of analytics and at present, without PCI at the helm, majority of banking organizations are ignoring the same.

Combating this Challenge with IBM PCI

PCI helps harness the broader banking metrics and allow employees to adopt a more data-driven approach towards handling analytics. Applying data science in the best possible manner is particularly important when it comes to combating this challenge with Predictive Customer Intelligence. Apart from that, IBM also brings a lot of technical expertise to the table while helping banks gain and work alongside meaningful insights.

Case Study 4: Establishing IT and Business Alignment

Discussions between businesses and the IT department hold all the aces. In terms of banking, this alignment can yield a host of different meanings. Loading data sets, in accordance with business users, is often ignored by the banks, especially to begin with. That said, certain specialists that handle the SAR or Suspicious Activity Reports thrive on the IT-Business alignment for doing their jobs, effectively.

Combating this Challenge with IBM PCI

With PCI intuitiveness on-board, IT professionals and the Line-of-Business specialists work in cohesion towards achieving analytical supremacy. The cohesion and collaboration help develop anti-money laundering, problem solving and fraud monitoring analytics which essentially come in handy for the banking organizations.
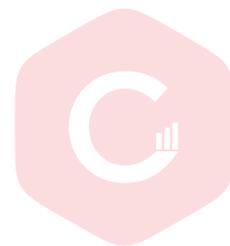
Is You Bank PCI Empowered?

While traditional analytics can identify the reasons behind occurrences, advanced tools like Predictive Customer Intelligence helps enterprises understand the underlining aspects and find the best action plan. In addition to that, traditional analytics can only reveal data sets based on the past experiences whereas predictive analytics can easily figure out the possible permutations for the banking industry.
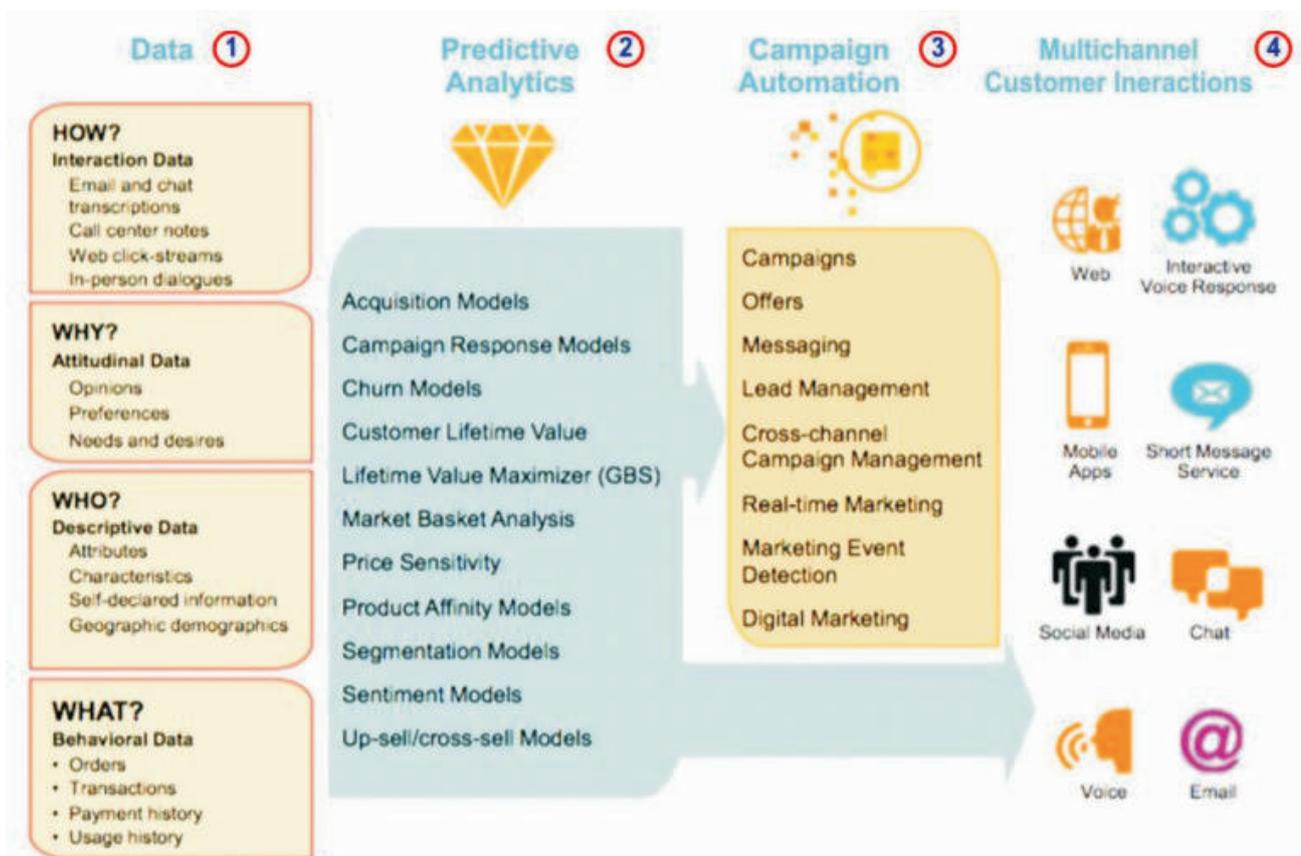
Banks can easily develop better information sets based on cumulative customer interactions. Therefore, it is essential to determine the concerned touch-points by resorting to a highly functional PCI module from an organization of repute.

Inference

Banking organizations have taken the concept of Predictive Customer Intelligence to a whole new level. However, the ways PCI tools function have actually helped the entire BFSI sector maximize the world of possibilities associated with the same. In a nutshell, PCI benefits are increased exponentially as they have helped enterprises combat challenges that were previously mentioned in the discussion. IBM PCI plays a pivotal role in this discussion as it helps identify optimized customer interactions, acts on the subsequent predictions, segments the customer base according to the lifetime value and even assigns necessary marketing campaigns for select audience bases.