



## Unica® Campaign Gives HBOS “Extra”

Following the merger between Halifax and Bank of Scotland, HBOS uses Unica Campaign to support all direct marketing initiatives across multiple channels against a customer database of 20 million

### BACKGROUND

HBOS was formed following the merger between the Bank of Scotland and the Halifax Group plc. It is now one of the UK’s largest companies and the UK’s largest lender with £120 billion in mortgage assets. HBOS holds one in every five UK mortgages and is the UK’s leading savings provider with £88.5 billion in savings.

Following the merger, HBOS found itself with a number of disparate IT systems, which led to a company-wide review of its systems architecture.

Differing software applications were an issue for the HBOS Direct Marketing team. Prior to the merger, Halifax used MIND software from Chordiant on an IBM OS/390 mainframe. Bank of Scotland used Xchange’s Valex with an Oracle database. When the organisations were brought together, the initial plan was for HBOS to roll out Valex across the organisation. However, the marketing team decided that rather than making a decision by default, they should look at the wider campaign management market to identify the best solution for their needs.

### THE CHALLENGES

The central CRM and Direct Marketing department of HBOS provides support to nearly every part of the company, promoting both Halifax and Bank of Scotland products. Approximately 100 direct marketing campaigns are currently executed each month. Because this number is anticipated to increase over the next year, HBOS was looking for a highly scalable solution that could help decrease campaign execution time and increase overall productivity.

The HBOS direct marketing campaigns make a substantial contribution to the acquisition and retention targets of the relevant business areas. For example, approximately 20% of personal loan business and 30% of general insurance business is being driven by direct marketing.

Another key objective for HBOS when selecting a new campaign management tool was the ability to quickly and painlessly remove the dependency on the MIND application. The application is no longer on the market and has not been upgraded or devel-

oped since its implementation at Halifax in January 1998, impeding the execution of effective and targeted marketing programs.

Sara Hobbs, head of customer database at HBOS says: "We needed to be able to build on our existing infrastructure, protecting the investments we had already made. This included being able to use the existing data mart and platform, DB2 on OS/390. We also wanted to upgrade the overall capabilities within direct marketing, delivering both increased efficiencies and sophistication in campaign production.

"Our aim for direct marketing is to deliver income-generating campaigns through a wider range of channels and realise cost savings at the same time."

### THE SOLUTION

Sara Hobbs goes on to explain the procurement process: "Once we decided not to simply move everything over to Valex, we began a review of the marketplace to ensure that the chosen tool was the best fit for our needs."

"Unica didn’t feature in the procurement process at first. Between Bank of Scotland and Halifax, we already had a large supplier roster and we originally intended to select one of them. After speaking to external consultants during the process, we heard about Unica and its Enterprise Marketing Management (EMM) suite, although because of the number of suppliers we were already dealing with, we were concerned about bringing another on board. In the end, Unica suited our needs so well compared to the other products on offer that there was no viable alternative!"

HBOS chose Unica Campaign to replace MIND and Valex across the organisation. Campaign is being used by 13 trained direct marketing end-users. This number will grow to 20 as further campaigns are migrated.

Sara Hobbs explains the key criteria in the selection process: "We initially requested a demonstration to review the functionality. This was supported by references to identify if the application really worked at scale and could handle

### OBJECTIVES

- Rapidly implement a replacement for MIND
- Find a solution that supports existing infrastructure
- Increase marketing productivity by decreasing campaign execution time

### RESULTS

- Unica Campaign was implemented in 12 weeks
- Unica’s Universal Dynamic Interconnect™ enabled HBOS to use its existing database platform
- Reduced dependency on the production database, historically a bottleneck for HBOS

a 20-million-customer database. This meant that vendors needed to provide us with credible large-scale references. Unica proved its pedigree with its existing customers and showed considerable strength in the financial services market.

"The vendors we looked at were strong in some areas and weak in others. Unica has looked at the market and taken the best points from every application available - we couldn't fault it on any of its functionality. Ease of use and flexibility were very strong. Unica Campaign is also able to easily switch between views of data such as transactional, account and customer."

A key deciding factor in the choice of Unica was its support for HBOS' existing database platform, DB2 OS/390. Time and resources have been saved as information does not have to be loaded into a separate database before it can be used - Unica's Universal Dynamic Interconnect (UDI) architecture allows Affinium to use data direct from source.

Sara Hobbs continues: "Before signing the contract, the final hurdle was an intensive proof of concept. Unica was asked to implement Campaign in a test environment, running on our systems with a full scale database, and to educate our campaign analysts to execute campaigns. This took place over a four-week period and proved to us that Campaign was up to the job."

## THE RESULTS

Unica Campaign has been implemented and is operational across the Halifax / Bank of Scotland customer base.

The number of marketable customers Campaign reaches is a total of 20 million. In addition to managing marketing initiatives across mail, email and the call centre, Campaign will be used to supply branch-based campaigns that provide internal information so that employees can better advise customers on financial services products. The 20% of personal loan business and 30% of general insurance business that is being driven by direct marketing will be planned and executed through Unica Campaign.

"Unica Campaign can use re-drafts of campaigns, meaning we can reuse a campaign that has already been set up, either through the use of templates or by repeating campaigns. This saves us from reinventing the wheel every time we want to rework a successful campaign."

"An invaluable piece of functionality in Campaign is its ability to generate and use a 5% sample database. This means that we can set up a mini-campaign, test it and then transfer it back onto the full database. This is much quicker to set up and enables marketers to get estimates on volumes and to validate data much earlier than was possible with the previous solution. It makes any necessary adjustments possible without wasting time running through the whole campaign on the full database.

Currently Campaign's main use is in executing multi-channel campaigns for the Halifax and Bank of Scotland brands and all these campaigns are now migrated from MIND. Campaign migration from Valex for partner brands is planned as well.

"The post-sales service we've received has been extremely good," continues Hobbs. "The product was implemented in 12 weeks and its success has already been proven by the quick adoption of the tool by the direct marketing team and the progress that has been made in campaign migration. User advocacy of the product remains high even for those at the start of the learning curve."

## FUTURE PLANS

"Unica Campaign has already proved to be a valuable marketing tool. We are continually increasing the number of campaigns executed and Campaign is key to this," concludes Hobbs. "We're now looking to the future when Unica will be the sole marketing selection tool for all core branded retail direct marketing at HBOS."



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