

Providing Personal Attention and Customized Solutions to Banking Customers

Unica® Campaign enables BMO Bank of Montreal to achieve richer, relevant, and timelier customer communications

BACKGROUND

BMO Financial Group is one of the largest financial services providers in North America. With average assets of \$247 billion and more than 33,000 employees, BMO provides a broad range of personal and retail banking, wealth management, and investment banking products and solutions. BMO Bank of Montreal, the Canadian retail arm of BMO Financial Group, serves clients across Canada, the United States, and abroad. It is Canada's oldest bank with 1,100 branches serving individuals, institutions and large and small businesses.

BMO Bank of Montreal has 8.5 million customer records, representing both personal and commercial banking; it counts 5.6 million households among its customers, and has a total of 26 million accounts.

THE CHALLENGES

In the past, BMO Bank of Montreal outsourced both the management of its campaigns and its database. This approach, with its inflexible structure, limited the bank's ability to design and execute marketing communications with the timeliness and relevance it desired. Specifically, BMO Bank of Montreal wanted to move faster, and to have more control over—and access to—its data to build richer, more relevant, and more timely customer conversations. This was not possible with its existing system.

THE SOLUTION

After evaluating several solutions, BMO Bank of Montreal selected Unica's Enterprise Marketing Management (EMM) suite to help design, implement, execute, and automate its marketing activities. Specifically, the bank chose Unica Campaign, Unica's best-in-class campaign management application.

An existing relationship between Unica and another division of BMO Bank of Montreal was a key reason for choosing Unica. Another was the bank's judgment that Unica Campaign could implement daily event-triggered communications easier than any other vendor.

EXAMPLES

BMO Bank of Montreal used Campaign to design and implement a series of marketing campaigns to improve communications with its customers. Two examples are highlighted below: the "Priority Lead" and the "Integrated Campaign."

Priority Lead Campaign

The Priority Lead campaign was a pilot targeted at customers who made deposits significantly larger than their typical deposit. The specific goals were to increase lead quality and volume, engage customers in targeted in dialogs and quickly respond and react to time sensitive opportunities.

On a daily basis, Unica Campaign looks for individuals who meet the criteria of a "significant deposit." What is significant for an individual is based on pre-defined models that look at investment patterns for the individual over three months. If a customer is identified as one who made a significant deposit, he or she is marked as a lead to be acted upon. Business rules and logic are then leveraged to determine the best product offering and communication for each customer. Due to Campaign's open architecture, the customer and proposed contact information and offer are placed in a central area accessible by the Siebel call center and the bank's homegrown branch application. Within 24 hours a representative from the bank conducts an outbound call with the customer.

OBJECTIVES

- Migrate from a product-centric to a customer-centric business
- Increase campaign velocity from eight campaigns per year to daily, event-triggered campaigns
- Increase share of wallet by 5%
- Enhance customer loyalty
- Develop and enhance the bank's business processes

RESULTS

- Improved customer relations
- Reduced customer attrition
- More frequent marketing campaigns
- Increased revenue

Since the national launch of this campaign, the bank has generated an average of \$2,000 for each lead identified. As a result, the bank has recouped its investment in Unica Campaign within the first year of this campaign.

Integrated Campaign

BMO Bank of Montreal's marketing team designed a campaign to determine the best offer strategy across all products for each customer. The main goals were to create an integrated customer view across initiatives, increase share of wallet by one to five percent, boost cross-sells and, ultimately, product penetration while managing contact fatigue and eliminating offer cannibalization.

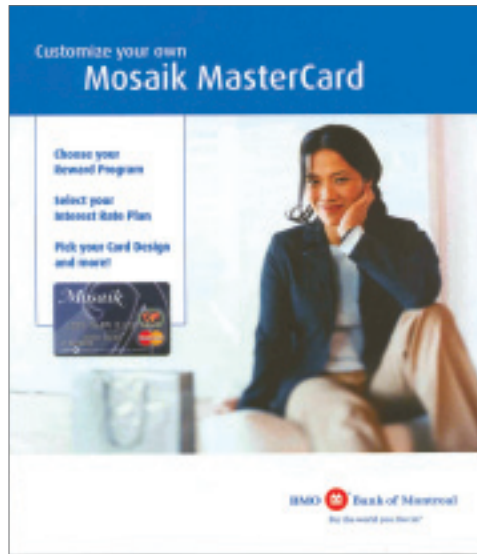
To do this, the bank first created a series of models to determine product purchase propensity. This resulted in a matrix of product solutions by customer. Ultimately each customer would receive offers for the top three products they qualified for: one product via an outbound call, and then all three products via the Siebel call center if an individual called in and a rep had the opportunity to present the targeted offer.

The Integrated Campaign was defined within Unica Campaign using a series of suppressions and business rules to determine the three best banking solutions for each customer. More specifically, the bank created two communication strategies within the Integrated Campaign: a proactive and a reactive strategy. The two strategies leveraged more than 40 business rules defined around events such as pre-approval, mature investments, mortgage renewals, etc. Each event equated to a flowchart within Unica Campaign where rules, models, and logic were used to determine whether an individual was a good target from a business and response likelihood standpoint. Test and control groups were included so the lift of receiving a targeted offer versus not receiving one could be measured.

Ultimately, one over arching set of arbitration rules was used within Unica Campaign to determine, of all the communications an individual qualified for, which were the best three and which were best for the proactive outreach.

RESULTS OF INTEGRATED CAMPAIGN

The profit realized by contacts was 10% over the control group. The Integrated Campaign contributed \$6 million in balance growth and commensurate profit and has reduced customer attrition.



This direct mail piece is an example of the targeted communications sent by BMO Bank of Montreal.

THE FUTURE

Because of its successful experience so far with Unica Campaign, BMO Bank of Montreal plans to roll out the Priority Lead Campaign to its entire retail banking business. All integration will be with the bank's Siebel call center. It will also move from the "prioritization" of integrated campaign events to the "optimization" of integrated campaign events. This will help the bank better determine the priority of proposed offers at the customer level rather than as a consolidated bank view. Additionally, it will enable more flexibility and mathematical algorithms to be used to determine the best communication strategy across channels, products and time rather than just business rules.

"Our primary goal in using Unica Campaign was to migrate from a product-centered business to a customer-centered one. We wanted to provide personal attention to our customers, and offer them truly customized banking solutions, based on their needs. Unica Campaign is giving us the ability to do just that."

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