



CASE STUDY

NAB's track record a winner

National Australia Bank's future prosperity lies in the old-fashioned concept of knowing your customers well. writes **Adam Turner.**

OVERNIGHT, the National Australia Bank analysed every transaction made yesterday by every one of its 4 million customers.

For many organisations, such a mammoth task would take months to plan and as long to process but every night the bank interrogates what its customers did that day for clues as to what they might want tomorrow. The customer database that stores all this information is 3.5 terabytes — equal to 175,000 trees cut down to make books or the holdings of a large academic research library.

NAB's National Leads system is a customised version of Teradata CRM database, a customer relationship management suite of tools that finds better ways to help customers and generate more income for the bank.

It tracks hundreds of events — right down to someone checking their account balance at an automatic teller machine — and runs algorithms designed by the bank to detect behaviours indicating, for example, that a customer will take out a loan or switch banks. The analysis considers the customer's earlier behaviour to reduce chances of a false alarm.

The results are prioritised and then forwarded to relation-

ship bankers. To prevent information overload, less important issues are restricted to a weekly update — what the bank calls "appropriate time", says Charles Lawoko, regional head of cross-marketing and customer relationship management. "We're not looking at every transaction in isolation, we're combing over transactions looking for significant changes," Lawoko says.

"When you're lying on the doctor's table and they've got machines connected to you, they don't monitor every little thing that happens in your body. They monitor the critical bits, such as your blood pressure — the things that might be an important indicator that action needs to be taken."

NAB started with Teradata in 1994 to get a better understanding of its customers and, in 1998, they developed a joint campaign marketing software Relationship Optimiser. National Leads was launched in 1999, with the goal to capture its staff members' banking knowledge. It was extended in June 2003 to handle communications channels such as the telephone, post, email and personalised messages on teller machines.

The system manages the frequency and content of communications with customers but

↳ If you walked into your corner bank in a small town in

the 1950s the bank manager knew you. ↗

VINAY SAMUEL

it isn't designed to take decision-making away from bankers, only to better inform their decisions, Lawoko says.

National Leads was a finalist in US Gartner's CRM awards last October, is deployed in New Zealand and will be introduced to Britain.

Teradata specialises in complex analysis of large data sets, detects fraud and manages risk.

Despite Big Brother implications, the bank is only regaining the relationship it had with customers in the past, says Teradata global partnering director Vinay Samuel.

"If you walked into your corner bank in a small town in the 1950s the bank manager knew you, they knew the transaction you wanted, they knew your family and they knew where you were heading in life," Samuel says.

"At the right time, the bank manager would strike up conversations with you, such as when you're looking for a house. This is what they're trying to achieve, to get back to that relationship."

Charles Lawoko, NAB's head of cross-marketing.

PICTURE: DREW RYAN

