Maximize the Value of Customer Event Data

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KB Kookmin Card Profile

http://www.kbcard.co.kr

Asset: 15 B USD
Profit: 300 M USD
Market Share: 14%
Branch: 70
Card Holder: 19,000,000
Card Agency: 2,200,000
Monthly call to CC: 2,000,000
Korea Credit Card Industry

79.7%  Credit Card usage amount of family expenditure

0.X%  Growth Rate of the local industry

40 USD  Average amount of Card transaction

42%  Rate of card transaction less than 9 USD

4  No of Card per 1 person

22  No of Credit Card companies in Korea
Innovation for Credit Card

New Card/Service vs. Innovation by technology

<table>
<thead>
<tr>
<th>First Mover</th>
<th>Follower - Proliferation of competitors</th>
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</thead>
<tbody>
<tr>
<td>Post-pay transportation Card</td>
<td>1997</td>
</tr>
<tr>
<td>2002</td>
<td>Hyundai Card</td>
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<tr>
<td>DCDS (debt cancellation &amp; debt suspension)</td>
<td>2005</td>
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<tr>
<td>2005</td>
<td>Hyundai Card</td>
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Our Problem – Marketing Challenges

AS-IS Campaign

- Performance analysis and reflection (Long-term update)
  - Customer information analysis (Historical Data)
  - Customer segmentation
  - Campaign planning
  - Campaign execution

- Target Accounts (by Segmentation)
  - Who
  - (Fixed & consistent)
    - Product + Offering
  - What

- Limits on sensing changes of customer’s condition
- Limits on real time reaction depending on customer’s behaviors
- Old marketing method based on history
- One way, push in quantity

AS-IS Technical Architecture

- Batch Program
- Offering

- Not right time
- Not right customer
- Not right offering

Low Marketing response rate
Spam SMS to customers
New Strategy for New Marketing Platform

Right Time / Person / Offer
Need: True real-time marketing platform

Personalized Offers Based on Customer Behavior
Need: Data conversion with Big Data

Advanced Analytics
Need: Visual analytics on data assets
Smart Offering Project with TIBCO

1st Project (2013.06-2013.12)
- True Real-Time Marketing Platform
- Data Visualization
- 130 Campaign Scenarios

2nd Project (2016.01-2016.02)
- Performance Enhancement
- Scale-out Architecture
- 300+ Campaign Scenarios

3rd Project (2016.08-2016.10)
- Applied Machine Learning
- Automated Offers & Scenarios Based on Customer Behavior
New Marketing with Technical Innovation

Event Stream Processing

Real-Time Analysis

Action

New Campaign

Analyze performance and update execution rule (Immediate action & reflection)

Customer's behavior, Event (Various Channels)

Sense events

Decide to execute events or not

Execute events

Proper timing

Events outbreak location, channel, type of business

Individual preference, reason of purchase, channel

What

Personalized product & Offering

Who

Individual (Main agent of event)

When

Where

Why

Right Time

Right Place

Right Person
New Architecture for Smart Offering

KB Card Real-time Marketing Platform - Smart Offering

Real-time Marketing System
- Events
- Personalized Offer
- Machine Learning
- Offer by Agency
- Sensing Event
- History Data
- I/I channel
- Monitoring

Market Analysis
- Advanced Analysis
  - Micro Segment
  - Model/Factor Analysis
  - Response Rate
- WAR Room

Who
- Target customer (by Segmentation)

What
- Personalized Offer

Why
- Reason for use

When
- Right Time

Where
- Location + Address

Old Marketing tool

New innovative Marketing tools

Real-time ultra-precise personalized optimal offer
Smart Offering Enables Marketers
Pleasure to Work: Near Real-time Analysis

- Analysis of Commercial Geography
- Analysis of administrative District
- Analysis of Linkage
- Analysis of Time & Industry
Campaign Design & Offers Updated in Near Real Time

1. Analyze historical customer data

2. Make personalized offer to customers

3. Monitor offer acceptance

Spotfire

Business Events
Strong Power to Win – Doing over 300

30+ Scenarios by competitors

VS

300+ Scenarios

100+ Scenarios

50+ Scenarios
Benefit Through Smart Offering System

*High-precision Offering for Exactly Customer style!*

Better Customer Experience
- Right Time
- Right Place
- Right Person
- Right contents
- Right Offer

+Customer Satisfaction
- Offer that customer wants
- Customer loyalty increased

+Revenue
- + 600 M USD per 1 year

Our Marketing capability is at least 5 years ahead of competitors.
On-going Synergy Between KB Card & TIBCO