

CASE STUDY

AmTrust Bank

“WE HAVE EVALUATED MORE THAN 100 LOCATIONS IN THE PAST FEW YEARS. WITHOUT THIS SOLUTION, IT IS UNFEASIBLE TO HAVE EFFECTIVELY EVALUATED THIS MANY SITES.”

Zhongcai Zhang, PhD., Vice President & Director, Business Intelligence, AmTrust Bank

A LOOK AT THE RELATIONSHIP BETWEEN BUSINESS INTELLIGENCE AND LOCATION INTELLIGENCE AND ITS IMPACT ON RETAIL BANKING.



Challenge

To keep its competitive edge, AmTrust Bank needed to add a location dimension to its data analysis for more precise insight into its customers and markets and the demographic factors that impact growth strategy.

Solution

AmTrust Bank turned to Pitney Bowes Business Insight for location intelligence to support its key initiatives of de novo branch development and target marketing.

SUMMARY

Founded in Cleveland, Ohio in 1889, AmTrust has grown to become a national presence in retail banking, mortgage and construction lending, investment and insurance services. AmTrust is one of the 50 largest banks in the U.S. with more than \$18 billion in assets. The bank is also one of the country's top fifteen mortgage lenders and a leader in construction lending.

In addition to branches in the Cleveland, Akron and Columbus, Ohio markets, there are AmTrust branches throughout southeast Florida. Expansion into Phoenix, Arizona began in 2000. Since then, additional branches have opened in this burgeoning region, and future expansion is planned.

Since 1999, AmTrust has determined its branch expansion strategy with the extensive use of location intelligence powered by technologies from Pitney Bowes Business Insight, whereas previously, the bank made its location decisions based on subjective understanding about a location plus static demographic reports.

According to Vice President and Director of Business Intelligence Zhongcai Zhang, “AmTrust has made a strategic commitment for long term growth and Pitney Bowes Business Insight continues to enable us to slice and dice geographical data for location-powered decision support.”

AmTrust has also turned to Pitney Bowes Business Insight to locate and fine tune target market areas for various marketing campaigns. These campaigns include new branch grand openings and direct marketing campaigns focused on deposit acquisition, cross-selling, and retention. AmTrust has expanded its location intelligence tool set to include MapInfo Professional®, the leading mapping solution, MapMarker® for address cleaning and geocoding, and MapBasic® for geographic functionality. Block group level demographer datasets for Florida, Arizona and Ohio markets also provides AmTrust with baseline datasets to facilitate a variety of customized analytics for the bank including market potential analysis.

RESULT

“Location intelligence made possible by Pitney Bowes Business Insight tools has become an integral part of what we do from a business planning, implementation and fine tuning perspective,” says Zhang. “In partnership with Pitney Bowes Business Insight, we have built this location intelligence pillar in a fashion as equally solid as the other two pillars (reporting and predictive analysis). This allows us to achieve a greater degree of effectiveness in target marketing and efficiency in site selection, which translates into a higher level of revenues as well as significant savings from process enhancement.

“LOCATION INTELLIGENCE ALLOWS US TO CONTINUALLY ACHIEVE A GREATER DEGREE OF EFFECTIVENESS IN TARGET MARKETING AND EFFICIENCY IN SITE SELECTION.”

Zhongcai Zhang, PhD., Vice President & Director, Business Intelligence, AmTrust Bank

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Location intelligence nowadays is no longer an option. It is an analytic necessity to stay in the ballpark with competitors.”

With Pitney Bowes Business Insight data and technology and other analytic tools, Zhang led his nine-member team to develop a solid threepronged business intelligence infrastructure with core analytic competencies supporting key business areas such as direct marketing, deposit pricing, site selection, and so forth.

“The impact of Pitney Bowes Business Insight is significant,” says Zhang. “Bank management relies on Pitney Bowes Business Insight analytics for branch location screening, in conjunction with real estate developers on the ground, to fine tune the decision-making process and select prospective sites much more efficiently. We have evaluated more than 100 locations in the past few years. Without this solution, it is unfeasible to have effectively evaluated this many sites.”

Since October 2006, AmTrust has opened 10 branches in the South Florida region and the Phoenix, Arizona market, and there are a dozen more forthcoming in 2008 and 2009.

Once a new branch is ready for opening, AmTrust then uses Pitney Bowes Business Insight data and solutions to define the geographic areas and consumer segments within the selected geographies to target with direct mail invitations for the branch grand openings.

“Using the Pitney Bowes Business Insight location based and data-driven analytics, we can visualize and fine-tune the target area as well as the selection of consumer segments before the campaign, and subsequently, display the responses after the campaign to more effectively assess campaign performance across geographic areas,” says Zhang.

“Consumers form strong distance preferences with respect to choosing the bank for their financial services needs. This type of preference varies not only across different financial products for the same consumers, but also different psychographic segments of consumers for the same financial product. GIS tools are a great addition to the tool box of strategic marketing analytics. Since the introduction of the location intelligence component to our business intelligence offerings, our marketing campaigns have been much more focused in terms of determining the target area and understanding the consumers within the targeted trade area.”

THE PITNEY BOWES BUSINESS INSIGHT ADVANTAGE

“Business intelligence is comprised of three foundational pillars—reporting, predictive analytics and the location element. Combined this creates a synergy and a tremendous competitive advantage, which we have gained from collaborating with Pitney Bowes Business Insight. This threepronged business intelligence has added measurable value to the development of our marketing strategy, its daily tactical execution, and the subsequent recalibration. The location element has clearly allowed us to realize significantly more value from the overall business intelligence investment we have made.” — Zhongcai Zhang, PhD., Vice President & Director, Business Intelligence, AmTrust Bank.

