UNIONBANK: TAPPING THE POTENTIAL OF DATA TO TRANSFORM THE CUSTOMER EXPERIENCE

IMPACT
- Increased bancassurance bookings in 2021 by 138% with the use of the Cloudera-powered Data Vault Platform
- Enhanced monthly conversion rates for credit cards over telesales and electronic direct mailers in 2021 by 187% and 237%, respectively
- Improved monthly conversions for auto loans via electronic direct mailers in 2021 by 178%

SOLUTION(S)
- Enterprise Data Hub
- Cloudera Data Science Workbench

DATA ARCHITECTURE
- Data Fabric

INDUSTRY
- Financial Services

COUNTRY
- Philippines

CUSTOMER WEBSITE
- https://www.unionbankph.com/

Recognized as one of Asia's digital trailblazers, Union Bank of the Philippines (UnionBank) consistently ranks among the country's top universal banks in terms of profitability and efficiency. UnionBank has always been among the first to embrace technological innovations to empower its customers for the future of banking, serving the growing needs of Filipinos locally and globally.

Increasing digital banking workloads

Government initiatives are encouraging the Philippine banking industry to digitize. This means banks and other financial services players are driven to offer digital products, increasing overall competition in the industry. The Bangko Sentral ng Pilipinas (BSP), the central bank of the Philippines, has set a goal to have half of all local retail payments done digitally by 2023, for example.

With more digital activity, UnionBank's sales teams saw opportunities to deliver more compelling offerings to customers, such as cross-selling bancassurance products (insurance plans sold through banks). As competition grew, UnionBank also needed to automate manual processes that could identify new prospects and meet customer needs faster. In addition, to maximize sales and engagement touchpoints, UnionBank needed a deeper understanding of customer profiles.

"Our aim is to continue being a digital banking trailblazer in the Philippines, and we believe data is the cornerstone to help us achieve that. We sought to harness data to drive digital transformation to stay ahead of these banking trends by meeting the needs of digital-savvy users and mitigating risk," said Dennis Omila, Chief Information and Operations Officer, UnionBank.

Deploying AI/ML models to enhance digital operations

As such, UnionBank built the Data Vault platform—a centralized, organized, clean, governed, and easily accessible repository of quality data sources and assets. Using Cloudera technologies as a core foundation, the Data Vault enabled UnionBank's developers to create data-centric applications and solutions with quality and governed data assets by opening data management capabilities to application programming interfaces (APIs), business process automation (BPA), robotic process automation (RPA), and low-code development platforms.

"Utilizing platforms such as Cloudera has allowed us to accelerate our ability to develop insightful models that ultimately create more value for our customers. Our pursuit of innovative AI and data science technology will continue to help us develop even more impactful projects in the near future"

- Dr. David R. Hardoon, Chief Data & AI Officer, UnionBank

About Cloudera

At Cloudera, we believe that data can make what is impossible today, possible tomorrow. We empower people to transform complex data into clear and actionable insights. Cloudera delivers an enterprise data cloud for any data, anywhere, from the Edge to AI. Powered by the relentless innovation of the open source community, Cloudera advances digital transformation for the world's largest enterprises.

Learn more at cloudera.com

Supported by the Data Vault, UnionBank data scientists and business users worked together to further leverage Cloudera Data Science Workbench (CDSW) tools to use artificial intelligence (AI) and machine learning (ML) to build new capabilities such as AI-based 'look-alike' models and intelligent recommendations for products like bancassurance, credit cards, and auto loans.

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Improving customer earnings

Armed with a central data hub that powers a new suite of AI/ML capabilities, UnionBank improved its standard of customer offerings.

UnionBank has improved its cross-selling capabilities via AI-powered 'look-alike' models. For bancassurance products, the new model leverages data such as customers' average daily balance on record or the relationship manager's personal network of customers to create more leads. By the end of 2021, there was a 138% increase in total bancassurance bookings. The models have also helped UnionBank achieve 187% (telesales) and 237% (electronic direct mailers or EDMs) increases in average monthly conversion rate in credit cards. They also improved monthly auto loans conversion rates by 178% (EDMs). They have also brought about a multitude of business and process improvements including more time saved, higher conversion rates, and better affinity with customers.

Building on this successful momentum, UnionBank intends to further utilize data and AI/ML to drive more business value by exploring solutions such as Cloudera Data Platform (CDP), which manages and secures big data lifecycles in any cloud or data center. The bank also plans to accelerate more AI projects, reducing their operational time from months to weeks.

"Thanks to the Cloudera-powered Data Vault, we are confident of staying ahead of trends and discovering new opportunities to enrich the Philippines' banking and economic landscapes. With AI, UnionBank has the capabilities to apply hyper-personalization and even greater customization across all our products. We can also improve other operations such as loan approvals for our customers. With Cloudera at the core of our capabilities, we have built a solid IT foundation to move to the cloud and are currently exploring solutions such as CDP," Dennis Omila added.

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