DBS inks deal with SMU to make better sense of data

| BY CHAN CHAO PEH |

DBS has a customer base of more than 4.5 million, so it is no surprise there are always long queues at its ATMs. The old response would have been to add machines, but that would only create more queues. Instead, the bank has been drawing on data and insights on customer behaviour to find a solution.

For example, it discovered that a large proportion of customers queued just to check their account balance. With six million such transactions per month, at an average of 12 seconds each, that adds up to 30,000 hours of queue time. DBS is thus trying to find a solution so customers need not queue just for this simple transaction.

Towards this end, the bank announced on Oct 26 a partnership with Singapore Management University to set up the DBS-SMU Life Analytics Lab. The lab's aim is to see how the bank can adopt a more systematic approach to analysing social trends based on publicly available data, in addition to its own.

"How do you make a pattern? How do we individualise? How do we make data more relevant? It will go beyond just product selling," says Sameer Gupta, DBS's executive director, regional business analytics and customer experience, at its consumer banking group, at the recent media briefing.

He adds that banks need to be more relevant to their customers and provide better service in a more convenient way. "No customer wakes up in the morning and goes: 'Yeah! I'm doing banking today'," Gupta says.

While DBS is based in Singapore, it is approaching this partnership from a regional perspective. Among other things, the lab may research how DBS can grow its relatively small consumer presence in China. While business customers there might already have dealings with DBS, retail customers are typically more familiar with local giants such as Bank of China and ICBC.

DBS knows it requires a more focused approach if it wants to grow in this market. One way is by sensing which social media users already have an affinity for Singapore. By extension, there is a higher chance they are already aware of DBS, and so the bank need not undertake an expensive marketing campaign and can adopt a more targeted approach instead.

On its part, SMU has, for the past six years, been actively researching and gathering data in this area. Some of its projects include the collection and analysis of more than 100 million social media accounts in China, says Steven Miller, SMU's vice-provost for research. In Singapore, SMU gathers publicly available data from social media platforms ranging from LinkedIn to Twitter to Foursquare.

DBS' partnership with SMU involves an undisclosed level of funding. It is part of the bank's $200 million commitment to new technologies over a three-year period starting from 2014.

Along with the boost in spending on new digital technologies, Gupta observes a new culture taking root at the bank. As recent as a few years ago, people might have lost their jobs for not pulling off projects successfully. There is now encouragement to innovate. "You don't bet the bank, but we have to create a culture of experimentation and acceptance of failure," he says. Since last year, DBS has conducted some 1,000 experiments to see how various new processes and products can work.

While these new projects are undertaken by the bank's consumer groups, Gupta says there is a possibility of extending them to small and medium-sized enterprise customers and other corporate customers as well. **E**