NCR's Teradata Value Analyzer Pinpoints Customer Profitability

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DAYTON, Ohio, July 13 /PRNewswire/ -- To enable financial institutions to maximize growth in a competitive environment, Teradata, a division of NCR Corporation (NYSE: NCR), today introduced its Teradata Value Analyzer(TM) 2.0 software, which runs on the Teradata data warehouse engine. Unlike any other solution, Value Analyzer precisely measures the profitability of each retail and commercial banking customer and provides fast answers to critical questions to guide the implementation of marketing and customer service initiates.

"Providing our customers with the right products and services at the right time is a key contributor to our business success," said Kevin Purkiss, senior manager, Customer Analytics, Royal Bank of Canada. "Understanding and measuring client profitability becomes even more important as we design our marketing programs. At Royal Bank, we want to continue to track at the leading edge of CRM, and we're pleased to serve as a beta site for Value Analyzer 2.0."

The Value Analyzer behavioral-based approach is very different from more traditional measurement tools that determine profitability at the organizational level by using high level averages or sample accounts to develop a picture of each customer. Value Analyzer starts with actual client transactions for every account then establishes the measurement using revenue, expense, risk and capital provisions. When the calculation engine runs, it links costs and revenues to every transaction at the account, client, product and channel, across the organization. The resulting information can be used to support strategic decisions.

To boost speed, Value Analyzer calculations are completed inside the Teradata data warehouse engine, rather than consuming precious time by moving large amounts of data in and out of the data warehouse as it is processed. In addition to speed, accuracy is critical when relying on data to make insightful business decisions. Working in a single integrated database, Teradata allows for an exhaustive review of all data, not just a sample that may offer misleading clues to customer profitability behavior.

"In combination with NCR's Teradata platform, Value Analyzer is able to analyze enormous volumes of customer behavior data in hours rather than days," says Andreas Kolind, DataMonitor Group. "The resulting data can then be used to improve decision-making in many areas, including channel migration initiatives, price setting and identifying undeserved customer segments. And because the calculation is based on actual customer transaction volumes, it is more accurate than software packages that use estimations."

From these complex calculations, a profitability report is created that can be used to understand and take action to improve profitability. Value Analyzer delivers usable information with unmatched speed, despite the complexity of the profitability calculations and the massive amounts of information processed.

"There's no such thing as an average customer -- using a profitability measurement solution that depends on averages hardly makes sense. Teradata Value Analyzer is behavioral-based, allowing organizations to really understand their individual customers. Starting at the account level, Teradata Value Analyzer provides 'one version of the truth' for the bank to work with," said Kathleen Khirallah, senior analyst, Tower Group.

One of newest features, "Master Account," offers banks the ability to look at the profitability of complex customer relationships. For example, it can track the profitability of a single large, parent commercial banking customer, or dig into greater detail by looking at each of the parent company's subsidiaries and track every account of the subsidiary. All this information is aggregated for the entire organization and is used as the basis for differential pricing of banking products and services.

"Making the link between customer profitability and shareholder value is critical," said Michelle Houareau, marketing director, Teradata, a division of NCR. "Value Analyzer collects information that can be used to align marketing campaigns with customers' life styles, empower the sales force with relevant product offers, predict client attrition or risk of loan default, encourage customers to use various channels to access services, and forecast client product purchases."

About Teradata Division

Teradata, a division of NCR Corporation, offers powerful analytical solutions that help businesses drive growth. Teradata solutions include the Teradata database, and analytical applications for customer relationship management, operations and financial management, business performance management and e-business. To learn more about Teradata Division and its solutions, go to http://www.Teradata.com .

About NCR Corporation

NCR Corporation (NYSE: NCR) is a leader in providing Relationship Technology(TM) solutions to customers worldwide. NCR's Relationship Technology solutions include the Teradata(R) database and analytical applications for customer relationship management (CRM) and business performance management, store automation systems and automated teller machines (ATMs). The company's business solutions are built on the foundation of its long-established industry knowledge and consulting expertise, value-adding software, global customer support services, a complete line of consumable and media products, and leading edge hardware technology. NCR employs 33,200 in more than 100 countries, and is a component stock of the Standard & Poor's 500 Index. More information about NCR and its solutions may be found at www.ncr.com .

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