

BIG DATA, AI AND ML TO BETTER ADDRESS CUSTOMERS' INDIVIDUAL NEEDS

IMPACT

- Processes tens of millions of customer records daily
- Sales funnel uplift is nearly 8 times more effective than traditional mass marketing
- Saw 15% revenue growth within six months of launching OVO UnCover by tailoring products to meet individual requirements
- 78% increased consumer interest in OVO's products, putting OVO on track to sell one million policies

OVO is closing Indonesia's financial inclusion and financial literacy gap by harnessing the power of data analytics, artificial intelligence (AI) and machine learning (ML) to improve its customer packages and outreach programs, towards delivering relevant services to all Indonesians.

OVO is the leading digital payment, rewards, and financial services platform in Indonesia. Widely accepted in more than 426 cities nationwide and present on 115 million devices, OVO is recognized as the #1 digital payments platform in the country. OVO's goal is to enable financial inclusion across Indonesia by providing the most comprehensive suite of financial services. In addition, OVO is committed to building the largest financial payment and technology company in Indonesia.

Challenge

The Indonesian population still struggles with low financial literacy and inclusion, with around 140 million Indonesians reportedly unbanked or underbanked. A 2019 survey by the Financial Services Authority (OJK) found that the country scored 38.03 percent on the financial literacy index and 76.19 percent on the financial inclusion index, up from 29.7 percent and 67.8 percent respectively in 2016. The current situation presents both a challenge and opportunity for OVO: Indonesians are beginning to accept developments of financial products, and there is a growing market if OVO can sway them towards learning about and using financial services.

In line with OVO's goal is to improve financial inclusion and raise the standards of financial literacy in Indonesia, the company aims to provide the most comprehensive suite of financial services to all Indonesians, and is committed to several key areas, including: equal access to financial services to support the growth of the middle economy, providing Indonesians from large cities and remote areas with relevant financial products in support of the unbanked and the underbanked population, and reaching out to the majority - over 95% - of Indonesians currently not covered by insurance protection.

Unlike banks, which rely largely on mass marketing to reach new and existing customers, OVO prioritizes speed, data analytics, and machine learning to reach new customers. By leveraging data-driven technology, OVO looked to operate in real-time, move faster than its competitors, and deliver more personalized, intuitive customer communication for meaningful interactions with Indonesians not yet familiar with the financial system.

Solution

Today, OVO collectively generates tens of millions of data points every day from multiple transaction points. As the volume of products and users within OVO's ecosystem has increased, the ability to ensure marketing effectiveness became critical to optimize time and resources.

To build an intelligent, data-driven, and agile strategy to meet the needs of its customers and its partners, OVO used Cludera's platform to power OVO UnCover. Launched in January 2020, UnCover is OVO's contextual offer engine capable of processing large-scale volumes of data generated by its customers.

15%

Revenue growth in first six months

"With tens of millions of active customers, we are churning billions of records at any one time. Our data scientists and engineers are required to make fast decisions to deliver the best data outcome. Previously, we lacked real-time insight into customer behavior. Plus, if a job failed, we would have to re-run, costing us valuable time. Cloudera's robust system and powerful processing abilities has removed those critical pain points and we can operate at speed, and with confidence. It's the consistency of service that Cloudera's platform provides that allows my team to work their magic."

Raymond Au, Vice-President of Behavioral and Data Science at OVO

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](https://www.cloudera.com)

OVO UnCover manages and analyzes data from a variety of sources – customer loyalty programs, payment ledgers, fraud detection initiatives, sales and credit applications, and multiple transaction points – to identify customer habits, thereby enabling OVO to design more meaningful interactions and better serve their needs.

Through Cloudera's technology, OVO can become more responsive to customer needs in real time, as opposed to its former method of batch processing which resulted in significant time lags of hours or even days before responses were given to users.

With OVO UnCover, OVO now has greater access to the available data, and can convert this to make meaningful business decisions, unlocking the potential for ultra-personalized marketing for each customer. Processing customer data in real time using advanced, intelligent data analytics and machine learning, the Cloudera-powered contextual offer engine builds recommended algorithms to provide the best solutions for its consumers, based on their life stage and requirements. For example, a user who purchased a mobile phone might be prompted to purchase additional mobile phone insurance. A couple who is newly married might be offered family insurance. The final recommendation to the customer is based on their individual needs by tailoring the most suitable and relevant customer product experience.

In addition, this contextual offer engine has helped streamline business opportunities and collaborations with OVO's digital ecosystem partners, enabling easier access to financial products for the brand's digital ecosystem partners, to drive mutual sales and business growth.

Results

OVO leveraged AI and ML to offer new and enhanced services, processing tens of millions of records daily to provide more relevant products for its customers, to deliver the following achievements:

- Increased growth in revenue

In its first six months of going live, OVO UnCover generated 15% of revenue growth, equating to 23% growth in new insurance policies across a broad range of areas including healthcare. The global COVID-19 pandemic saw OVO UnCover undergo a marked increase in health insurance interest from Indonesians, with 78% increased interest in the products, and 17% increase in conversion rates – putting OVO well on track to sell one million policies.

- More effective marketing

The sales funnel uplift achieved using OVO UnCover has proven to be nearly eight times more effective than traditional mass marketing. Intelligent, real-time data analytics has enhanced internal operating efficiencies and enabled OVO to better understand individual customer needs by processing millions of records. As such, OVO UnCover has significantly improved the effectiveness of marketing for OVO and its partner organizations.

- Targeted ad campaigns and budget management

OVO's Marketing team is able to design marketing campaigns for each of its customer segments, instead of mass marketing. OVO UnCover allows the team to access data on individual customers in real time, thus enabling the team to personalize products and deliver these at speed using push notifications and banner spaces within the app. This in turn reduces wasteful marketing spend on irrelevant products that customers do not need.