



# Realizing the promise of direct marketing at the ATM

**Indonesia's Bank Danamon proves that cost-cutting does not necessarily negatively affect customer engagement.**

The sign of a true industry leader is the ability to act when technologies or markets change. That is the case of Bank Danamon, one of Indonesia's largest private banks, which decided it needed the best technology and software from Wincor Nixdorf to power its ATM network to compete against rival banks.

"The decision was made to grow fee-based transactions at the ATM," says Wichahyo Ratomo, Executive Vice President of Retail Banking at Bank Danamon. "One

bank competitor had 6,000 ATMs so we needed to make our machines stand out to both Bank Danamon and non-Bank Danamon customers."

Bank Danamon adopted Wincor Nixdorf's Direct Marketing software, which is part of the ProClassic/Enterprise Retail Banking Solution Suite, to make its ATMs more engaging to the customer and develop leads to drive sales. The software was installed on Bank Danamon's entire 850-strong ATM fleet, which is made up of 600

Wincor Nixdorf ProCash 1500xe cash dispensers and other vendors' hardware.

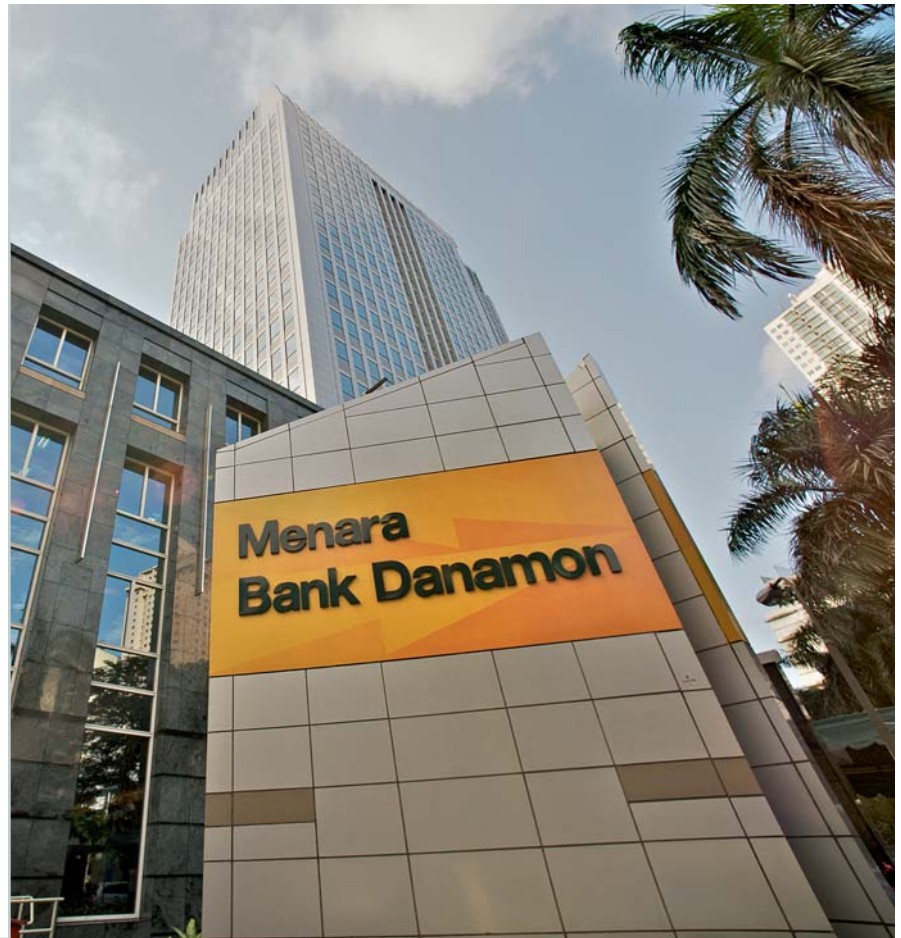
Wincor Nixdorf's Direct Marketing software allows the bank to embed personalized, targeted marketing campaigns into its self-service ATMs, according to content, time and target preferences. The software can be deployed internationally, switched to other languages and used in a multi-vendor environment.

For its first direct marketing campaign, Bank Danamon partnered with a global

## How does Direct Marketing software work?

Direct Marketing software allows banks to intensify customer contacts for the highly used and cost-efficient self-service channel. The solution consists of a client component and a server component. The client component handles the face-to-face marketing dialogue on the ATM, while the server component acts as the campaign manager, scheduling marketing initiatives and sending customer responses to central systems for analysis and follow-up. Direct Marketing software uses customer data that Bank Danamon already has from its CRM system. For instance, Bank Danamon can decide what customers it wants to target, the self-service machines on which to address them, and the particular bank codes of third-party customers that it wants to address.

Both single-level and multi-level marketing campaigns are possible over all sales and service channels at the self-service system, in the counter/teller area and via flat-screen TVs, the Internet and mobile devices. Customers can also make an interactive request to speak with a bank advisor or receive an offer.



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Wicahyo Ratomo, Executive Vice President,  
Retail Banking, Bank Danamon

fast-food giant to offer direct loyalty rewards for each fee-based transaction. Every bill payment, transfer or interbank debit at the financial institution’s ATMs earned Bank Danamon or non-bank Danamon customers a coupon for a free dessert, valued at 5,000 Indonesian rupiahs (approximately US\$0.50).

Customers liked the marketing promotion, as Bank Danamon quickly discovered. “The six-week promotion outperformed our expectations and fee-based transactions rose by 75 percent,” Ratomo recalls. “Response to the six-week promotion was overwhelming.”

Bank Danamon followed up with a second direct marketing drive in cooperation with a large Indonesian mobile phone retailer. This time, the focus was on fee-based transactions and cross-selling. With

each fee-based transaction, customers were awarded loyalty points. At the end of each day, the person with the highest total was awarded a free Blackberry Bold smartphone.

With the Direct Marketing software, Bank Danamon was able to identify the winner and extract the relevant contact information from its own CRM system. “We know who our winners are; this gives us an additional opportunity to draw them into the bank and cross-sell targeted products,” says Ratomo. “In the first month of the promotion, fee-based transactions jumped 50 to 75 percent and new-customer conversion grew by 67 percent.”

With its campaigns, Bank Danamon hit a high note. The bank was able to promote products and services quickly and inex-

**PT Bank Danamon Indonesia**

- Country:** Indonesia
- President Commissioner:** Ng Kee Choe
- History:** Founded in 1956
- Business:** One of Indonesia’s largest private banks
- Network:** The bank operates one of the largest branch networks in Indonesia, with over 1,700 branches in the country

► [www.danamon.co.id](http://www.danamon.co.id)

pensively, gain better insight into its customer base and drive customer traffic to a low-cost and highly-frequented channel to raise more revenue.

Ratomo believes that Wincor Nixdorf’s software has been a key enabler in increasing sales – an integral part of a larger marketing approach that targets the right partners. “We can implement a lot of creative ideas with the software,” he says. “The ROI from using the software is in the impressive three digit zone.” ■