



## Turundusanalüütika majanduslik mõju.

## Forrester case study.

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# Forrester Consulting

MAKING LEADERS SUCCESSFUL EVERY DAY

Prepared for SAS Institute, Inc.

November 2007

## **The Total Economic Impact Of SAS Marketing Automation**

Project Director: Jeffrey North, Principal Consultant

FORRESTER®

# Large European Bank

- Separate operating units in many Countries
- Worldwide footprint
- Focus on Credit Cards Division
- Prior to SAS implementation – no dedicated campaign management or marketing analytics capability
- Shared proprietary platform developed for the Bank's Retail business
- Using customer segmentations created for Retail business
- Had to fit Credit Card campaigns in with other marketing activities

# Marketing Issues

- Large data flows – due to Credit / Debit Cards being used on a daily basis
- Segmentation problems hampered the Credit Cards business from developing / acting upon a unique understanding of Card customer's behaviour, value and socio-demographic factors
- Limited campaign opportunities – for both prospecting and portfolio management perspectives
- No opportunity to develop the Bank's whole business model – which is greatly reliant on having continuous, meaningful contact with their customers.

# Forrester's findings

Summary Financial Results	Original Estimate	Risk-Adjusted
ROI	481%	371%
Payback Period (Months)	4.5	5.6
Total Costs (PV)	(€2,987,320)	(€3,071,216)
Total Benefits (PV)	€17,360,132)	€14,466,777
<b>TOTAL (NPV)</b>	<b>€14,372,812)</b>	<b>€11,395,561</b>

- Creating 35-40 campaigns per month with a staff of only 4 analysts
- Conducting analysis not previously possible – with attendant increased understanding of customer behaviour and value
- Increasing customer acquisition, retention, repurchase and, consequently, revenue
- Provide data to Bank's Risk Management Team to build risk scoring models
- Expect to higher levels of profitability by optimising its marketing campaigns for credit and debit cards.

# Forrester's findings

**Significant Growth of the Cards business in  
2006**

**35% OVER 2005 INCOME LEVELS**

**Approximately € 12.5 Million**

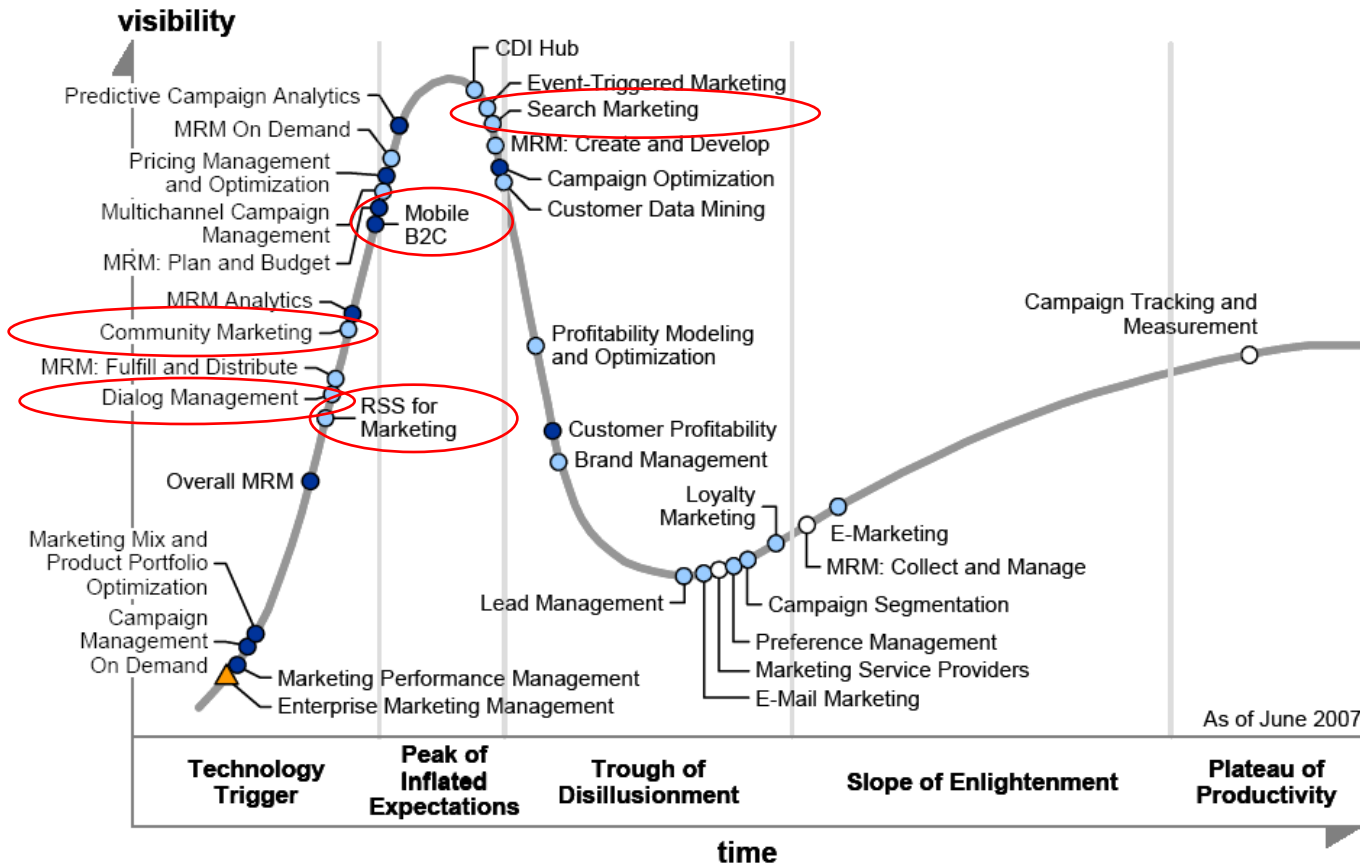
**Conservative attribution of 50% to the SAS MA  
Project or €4.0 Gross Profit per card over 1.5  
Million Cards**

# Study Conclusions

- Organisations can realise benefits in the form of greater efficiency and effectiveness of the firm's direct marketing activities – which translates into a significant increase in top-line revenue and profitability
- Solution can be “Exported” to other parts of an Organisation or in other geographies
- Solution offers a data and analytics platform that can provide value to other groups within the Organisation (eg Risk)
- Provides the basis of a compelling business case for the SAS Marketing Automation investment

# The Hype Cycle

Figure 1. Hype Cycle for CRM Marketing Applications, 2007



Years to mainstream adoption:

- less than 2 years
- 2 to 5 years
- 5 to 10 years
- ▲ more than 10 years
- ⊗ obsolete before plateau

Source: Gartner (June 2007)