



# SAS® Customer Segmentation for Credit Unions

Improve member interactions and profitability with flexible segmentation

## Overview

Successful marketing strategies that drive member profitability depend on a credit union's ability to truly understand members and group them according to likely behaviors and potential value – something that many credit unions struggle to do effectively.

Typically, they lack the ability to create analytically derived segments that make sense of the huge volumes of member data collected daily. Often, segmentation is based on simple demographics or basic account information. But such primitive divisions provide no useful insight into current member value, behavior or likely future financial needs. Many credit unions also lack the ability to track changes in member segments (e.g., changes in life stage or overall spending habits), so there's no way to determine the long-term success of marketing efforts.

Without accurate, verifiable segmentation of members according to behavior and value, decision makers can't get the information needed to create and execute strategies to improve member profitability and marketing campaign efficiency.



## Challenges

- Inability to make sense of huge volumes of member data.
- Inability to create analytically derived segments based on behavior or potential profitability.
- Segments often based on simple demographics or basic account information.
- No way to track changes in member segments.
- No consistent way to measure campaign results.

Segmentation is most valuable when members are grouped according to a variety of data – behavior, creditworthiness, life stage, lifestyle, cross-sell and attrition potential, profitability, demographics, etc. And SAS has the solution.



# Better marketing through accurate segmentation

## The solution

**SAS® Customer Segmentation for Credit Unions** is based on the open, extensible SAS architecture. The solution includes:

- **Model scoring**, which enables business users to take advantage of segmentation features for additional analysis and data exploration.
- **Automated data extraction**, which eliminates the most tedious process of cleaning the data for analytic predictive model development.
- An **intuitive user interface** that enables marketing users to create manual segments on the fly using different distribution shapes in addition to statistics such as standard deviation and percentages.

## Why SAS®?

SAS Customer Segmentation for Credit Unions takes advantage of award-winning SAS data warehousing and analytics to create more granular, accurate member segments based on patterns in actual member behavior rather than assumptions. This gives you the power to:

- Create better targeted product offers, member communications and bundled services.
- Reduce your marketing costs.
- Increase member loyalty, profitability and return on assets.

The solution groups members according to a multitude of variables (e.g., demographic, geographic, attitudinal, behavioral and profitability) based on data gathered from across the enterprise. The solution can also draw information from analytic applications to develop highly accurate segments that reflect indicators like cross-sell potential and likelihood of attrition.

Such detailed segmentation enables credit unions to deploy appropriate marketing, service and sales strategies to different segments to improve response rates, member retention and overall business performance.

## Benefits

SAS Customer Segmentation for Credit Unions lets you identify and categorize your member base into distinct groupings with similar characteristics so you can:

- **Create manageable groups for targeted activities**, such as marketing campaigns.
- **Establish more consistent, effective communications** with members and prospects through multiple channels.
- **Identify attributes, needs and wants of each member group** through an integrated modeling capability.
- **Determine segment-specific actions** by comparing the characteristics of different segments.
- **Set effective, measurable goals** for each segment.
- **Establish event triggers** to alert you when customers move from one segment to another.
- **Visually track and assess migration between segments** to understand how marketing strategies affect customer behavior over time.

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### **Develop higher-quality member segments in less time, at lower cost**

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Designed specifically for analyzing franchises at the enterprise level or just for a single line of business, SAS Customer Segmentation for Credit Unions lets business users without a statistical background easily develop and manage sophisticated member segmentation schemes. SAS also enables strategic segmentation so you can establish long-term member groupings, which facilitates organizational alignment and strategic planning intended to enhance relationships with these member segments.

SAS also allows more tactical and intuitive segmentation schemes for campaign management. These capabilities help credit unions develop higher-quality member segments – in less time and at a lower cost.

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### **Establish more consistent, effective member communications**

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With the SAS solution, you can combine member segment information with other key member data, such as channel usage and preferences, to help determine the optimal channel mix.

This capability allows you to determine how each channel recognizes and responds to the member based on which segment the member is in. You can then use that information to develop more consistent and effective communications with members and prospects through multiple channels.

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### **Comprehensive financial services intelligence**

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SAS Customer Segmentation for Credit Unions is part of an integrated suite of software tailored to meet the unique needs of the financial services industry and designed to infuse intelligence into all your strategic business decisions.

With the ability to handle large amounts of data and integrate with existing data warehouse environments, these solutions empower credit unions to implement effective business strategies, maximize revenue, manage corporate and consumer risk and achieve a measurable ROI.

The solutions combine award-winning SAS technology with analytic and dimensional models for attrition and credit scoring. SAS also provides campaign, performance and risk management, all integrated through an enterprise data architecture designed specifically for financial services. An enterprisewide business scorecard with KPIs provides a single, strategic view of your enterprise. Other components include:

- SAS® Campaign Management
- SAS® Strategic Performance Management
- SAS® Cross-Sell and Up-Sell
- SAS® Credit Scoring
- SAS® Customer Retention
- SAS® Credit Risk Management

### **The SAS® difference**

- **Gain a unified, integrated view of members** by pulling together member data from all touch points and channels into one place.
- **Generate more accurate member segments** using market basket analysis techniques and sophisticated predictive modeling analysis.
- **Identify the attributes, needs and wants of each member group** based on demographic, geographic, attitudinal and behavioral data.
- **Gauge the impact of marketing activities** by monitoring member response at all touch points, analyzing changes in member behavior and sharing results via the Web.

## About SAS

SAS is the leader in business intelligence and analytical software and services, with more than three decades of experience working with the financial services industry. More than 2,900 financial services companies worldwide use SAS to manage their strategy, risk, customers and channels, including 96 percent of banks on the 2007 FORTUNE Global 500®.

Customers at 44,000 sites use SAS software to improve performance through insight from data, resulting in faster, more accurate business decisions; more profitable relationships with customers and suppliers; compliance with governmental regulations; research breakthroughs; and better products and processes. Only SAS offers leading data integration, storage, analytics and business intelligence applications within a comprehensive enterprise intelligence platform. Since 1976, SAS has been giving customers around the world THE POWER TO KNOW®. [www.sas.com](http://www.sas.com)



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