



# WINTERTHUR COMPETES ON LOYALTY, NOT PRICE

Retaining valuable customers and increasing response rates with SAS®

## Business Issue

Measuring long-term value of customers and identifying best prospects for retention and cross-sell programs.

## Solution

Data integration and customer intelligence to give a holistic view of the customer and support intelligent marketing activities.

## Benefits

Response rate increase of up to 50 percent on direct marketing programs, closer relationships with key customers and sales agent satisfaction.

## Next Steps

Winterthur is using SAS® Customer Intelligence to identify more personalized actions to keep its best customers loyal – and to increase share of wallet.

**“We simply would not be able to base our marketing on customer insight if we did not have SAS. We built our first customer insight models in 2001, and it is making our marketing more effective every year. Investment in customer insight is the best possible investment in an insurance company’s future.”**

**Marcel Stettler**  
Head of CRM Operations,  
Winterthur

With the advent of the Internet age, the rules have changed in the insurance business. There is much greater price transparency, customers are more likely to shop around for the best deal, contracts are shorter, and customer turnover is at unprecedented levels.

As the No. 1 composite insurer in Switzerland, Winterthur decided it would be a mistake to compete on price alone. “We decided to focus on delivering superior service and claims handling to our best customers,” says Marcel Stettler, Head of CRM Operations at Winterthur.

But what is a “good” customer? “From a marketing and business development point of view, it is the ranking in the context of a campaign that’s of critical interest, not the absolute current value,” says Stettler.

### A holistic view

Analyst Andrew Harper used SAS to calculate present and long-term customer value based on a holistic view of the customer. “It is not just a matter of having powerful analytical tools. Reliable, clean data is critically important to our analysis. SAS enables you to integrate data tables relating to different products quickly and efficiently,” says Harper.

Approximately 22 percent of Winterthur customers generate 80 percent of value. So the next challenge was how to focus marketing efforts. “You need to know which customers are likely to leave for the competition and which are likely to buy other products,” says Harper. Analysis with SAS enabled Winterthur to identify several priority groups for each campaign. The results to date have been impressive. “On a selection of the best 50 percent of prospects, we typically get an increase in response rates in the order of 25 to 50 percent,” says Stettler.

Managing customer loyalty is even more of a fine art. Having identified the customers who are at risk and put the relevant information in front of the sales agents, Winterthur marketers have to work out how best to approach them. Agents are impressed by the strategy. “The next step is to put together packages that make the sales agents feel really confident that they can approach valued customers on an individual basis, one that emphasizes both the rational and emotional advantages of staying with Winterthur,” says Stettler.

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