



Business impact

Customer retention continues to be an issue in most banks, with annual customer attrition ranging from 12 percent to 18 percent.*

Challenges

- **Incomplete view of customer value.** Banks often have insufficient insight into actual customer profitability and value.
- **Fragmented customer data.** It's difficult to consolidate varied customer data from internal and external systems in one place.
- **Predicting customer behavior.** There's no way to determine customers' preferences or what they will buy next, so it is impossible to target campaigns accordingly or develop a tiered pricing model.
- **Measuring success.** There is no reliable way to measure return on marketing investments or learn from campaign results in order to make incremental improvements.

* Source: ABA Bank Marketing, May 2005



**THE
POWER
TO KNOW®**

How can we attract new, profitable customers and retain our existing ones?

YOUR GOAL: Grow customer base and increase profitability

Financial institutions increasingly have to behave like multichannel retail merchants by focusing on ways to expand into new markets, gain customers, keep them and maximize the profitability of each relationship.

Still, it is an ongoing struggle to match compelling offers to the right customers at the right time. Customers use multiple channels to complete transactions and maintain many types of products and accounts, which makes constructing a consistent, consolidated view of each customer difficult.

For example, many banks manage their credit card operations as a distinct unit. If a customer calls the bank to inquire about card issues, but the branch service representative is only able to see part of the customer relationship information—e.g., checking, savings, auto loan, etc.—the bank won't be able to provide complete customer service and could possibly lose the customer as a result. And banks that are unable to acquire and retain their most valuable customers may face declining market share, revenues and shareholder value.

OUR APPROACH

The key to improved customer acquisition and retention—which leads to stronger income growth, profitability and return on assets (ROA)—is gathering and analyzing all your customer data to understand customer behavior and develop more effective marketing strategies.

We approach the problem by delivering software and services that help you:

- **Create a single view of the customer** by consolidating all data, regardless of source, in one place and then transforming it into a complete picture of an entire customer relationship.
- **Ensure clean, accurate, up-to-date data** throughout the marketing process with SAS' embedded data quality routines.
- **Predict customer behavior** using detailed analytics to determine customer value, potential value and retention scores, and to improve customer communications.
- **Connect offers to the right customer segments** using predictive analytics based on demographic, geographic, attitudinal and behavioral data from across the enterprise.
- **Gain easy access to information** with embedded query and reporting tools that get critical knowledge to those who need it for better, faster sales and marketing decisions.

Ultimately, this approach—with a focus on data quality and predictive analytics—will help you retain your most valuable customers, acquire more like them and improve your overall profitability.

THE SAS® DIFFERENCE: Increase retention, acquisition and profitability

SAS gives you a complete picture of customer behavior at every touch point, including the current situation, growth potential and future value of each customer—not fragmented facts on behaviors, motivators and cost. SAS delivers:

- **Superior data integration capabilities.** Pull data from nearly any source and transform it to identify valuable (and potentially valuable) customers with the highest risk of attrition.
- **The most powerful predictive analytics available.** SAS is the only vendor that enables you to analyze data for trends and establish retention triggers that give you early warning alerts when a key customer's behavior is about to change.
- **Automated campaign planning.** Pull more relevant, intelligent, predictive lists, so you can send the right offer to the right person.
- **Intuitive, Web-based reporting.** Easily communicate critical customer value information to the right people within your organization.

SAS offers everything you need to identify, retain and recruit valuable, loyal customers. With integrated data, forecasting and predictive behavior models, you'll know which factors influence your customers' buying decisions.

CASE STUDY: One of the largest financial services companies in the world

Situation

Declining market share meant this company needed to reduce attrition rates and actively prospect for new customers.

Solution

SAS delivered an end-to-end solution that:

- Integrates customer information to deliver a holistic picture of total customer value, as opposed to fragmented facts.
- Calculates the profitability of every account for the past 24 months, enabling the organization to focus retention efforts accordingly.
- Produces custom scores on prospects, identifying the best candidates for specific campaigns and offers.

Result

- Increased share of wallet through more effective cross-selling and up-selling.
- Working with SAS, the organization delivered a 15 percent compound annual growth rate in profits and acquired 1.7 million new customers.

The vision

A single view of the customer

What if you could gather all your data into a single customer view, thus alleviating the challenges associated with viewing, tracking and measuring the results of customer communications?

Data integrity

What if your data was cleaned as part of the data integration process so you could be confident in its integrity throughout every step?

Advanced, predictive analytics

What if you could target profitable prospects by creating customer segments that go far beyond traditional criteria to incorporate attitudes, predicted preferences and potential profitability?

Easy access to information

What if you could ensure that detailed, consolidated, accurate knowledge was available for use across your company, enabling you to predict and offer the products that customers want next?

SAS FACTS

- More than 2,900 financial institutions worldwide are SAS customers.
- 96 percent of banks in the FORTUNE Global 500® use SAS®.
- SAS has more than three decades of experience working with financial institutions all over the world.

Learn more about SAS® software and services for banking at:
www.sas.com/industry/fsi/



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