



Business Impact

There is a 12 percent difference in the retention rates of households that bundle auto and homeowners insurance from the same insurer, compared with monoline auto insurance customers (95 percent vs. 83 percent, respectively).

*Winning and Losing Customers
in Personal Auto Insurance*
J.D. Power and Associates
2008 Insurance Shopping Study

Challenges

- **Disparate customer data.** It's difficult to consolidate data from multiple legacy systems across different lines of business into a single view of the customer.
- **Multiple distribution channels.** Customer loyalty is rapidly decreasing as the Internet and price comparison Web sites make it easier for the customer to find the cheapest price.
- **Inefficient leads communication.** Insurers typically do not have an automated way to pass leads to customer-facing points of contact (e.g., agents and call centers).
- **Lack of new opportunities.** There's no fast, reliable method for identifying new opportunities for organic growth.

How can we drive organic growth through cross-sell and up-sell opportunities?

YOUR GOAL: Increase wallet share and profitability of existing customers

For most businesses, selling to existing customers is the most cost-effective way to achieve sustainable growth. This is particularly true for insurers, as their business models rely on renewal premiums for revenue. Insurance companies that have combined or bundled different policies together have seen the retention rates increase significantly.

Unfortunately, most insurers continue to be product-based rather than customer-centric. Customer data that would help identify good candidates for cross-sell and up-sell opportunities are often scattered throughout the organization, making it difficult to get a clear view of customer preferences and buying behavior. Without that information, it's difficult to know who the best prospects are for cross-sell and up-sell campaigns.

OUR APPROACH

Identifying profitable cross-sell and up-sell opportunities is only the beginning of the process. If you cannot effectively segment your customers based on key demographics and monitor for lifestyle event triggers, potential revenue will be lost – along with your customers. We approach the problem by delivering software and services that help you implement a repeatable, closed-loop process based on customer behaviors and event-driven alerts so you can:

- **Identify cross-sell/up-sell prospects** using detailed segmentation techniques to gain a better understanding of customer behavior.
- **Connect offers to the right customer segments** with automated campaign planning that lets you pull more relevant, intelligent, predictive lists and then pair that information with knowledge of the right opportunities.
- **Efficiently execute campaigns** using alerts and event-driven triggers to make the most relevant offer to the most potentially profitable person, at the most opportune time, via the most appropriate channel – e.g., agent, call center, etc.
- **Gauge campaign effectiveness** and determine the need for midstream adjustments or alterations to future campaigns by measuring campaign response rates so you'll know at any point in time which campaigns are working and which aren't.

SAS helps you achieve a rapid, sustainable return on all your marketing investments. As a result, you'll enjoy greater customer satisfaction, enhanced customer loyalty and more profitable revenue growth.



THE SAS® DIFFERENCE: A closed loop process to improve cross-sell premium revenue

Only SAS provides proven software, services and insurance best practices that combine the crucial areas of customer segmentation and cross-sell/up-sell analysis with campaign management. With SAS, you can:

- Gain a unified, integrated customer view by pulling together customer data from all touch points and distribution channels across the organization into one place.
- Create accurate customer segments using demographic, geographic, attitudinal and behavioral data to group customers with similar attributes, needs and wants.
- Uncover new revenue opportunities using predictive analytics to forecast expected customer behavior, so you can flag those customers most – or least – likely to respond to a promotion or identify at-risk customers before they leave.
- Automate campaigns that include timely, personalized customer communications across multiple distribution channels without sacrificing the depth and sophistication that is essential for effective marketing.
- Understand the results of your marketing activities – and share the results via Web-based reporting – by monitoring customer response at all touch points and analyzing changes in customer behavior.

CASE STUDY: Max New York Life

The India-based company was growing rapidly and needed to create an accurate data warehouse of key information that could be readily acted on to increase customer retention and improve cross-selling efforts.

■ Solution

SAS delivered a solution that included:

- A centralized data warehouse for a single view of the customer.
- Integrated analytics for creating accurate customer segments and identifying the best customers to target for cross-selling opportunities.
- Campaign management capabilities to manage more than 60 campaigns per month.

■ Results

- The company was able to triple the number of cross-sell and up-sell sales to existing customers.
- Premium revenues increased by 40 percent with shorter sales cycles.
- Retention rates improved significantly with customers holding more than one policy.

■ The Vision

Ensure data integrity

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

Gain 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?

Identify cross-sell and up-sell prospects

What if – by analyzing key demographics, claims data and lifestyle changes – you could identify which customers are likely to require new insurance protection and then immediately flag those customers to receive special offers?

Connect offers to the right customer segments

What if you could better manage campaign costs by eliminating guesswork and assigning offers based on actual customer behaviors and trends?

SAS FACTS

- More than 1,000 insurance companies worldwide are SAS customers.
- SAS has more than three decades of experience working with insurance companies across the globe.
- SAS solutions are used at more than 45,000 sites in over 100 countries – including 92 of the top 100 FORTUNE Global 500® companies.

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



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