



■ Business impact

Acquisition: As the cost of acquiring new customers increases, acquisition efforts must focus on those customers with the highest potential to become profitable.

Retention: Cross-industry research confirms that acquiring new customers costs more than retaining current ones, but retention is about more than keeping customers; it's also about maintaining their value. Customer "diminishment" accounts for up to 80 percent of value erosion.

■ Challenges

- **Incomplete view of customer value.** Companies 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 into one place.
- **Difficulty predicting customer behavior.** If there's no way to ascertain customers' preferences or what they'll buy next, it's impossible to develop a tiered pricing model or target campaigns accordingly.
- **Inability to measure success.** There's no reliable way to measure return on marketing investments or learn from campaign results in order to make incremental improvements.



**THE
POWER
TO KNOW®**

How can we attract and retain more profitable customers?

YOUR GOAL: Grow your customer base and increase profitability

Most companies constantly look for ways to expand their pool of profitable customers, with the ultimate goal of optimizing each customer's lifetime value (LTV).

Still, it's an ongoing struggle to match compelling offers with the right customers at the right time. Customers consume products and services via multiple channels, and they often have several products and accounts. Disparate customer databases also make it difficult to construct a consistent, consolidated view of each customer.

Without a complete view of the customer and an understanding of which customers are profitable and why, it's impossible to determine which types of customers you should acquire and which ones you should seek to retain.

OUR APPROACH

The key to improved customer acquisition and retention is gathering and analyzing all your customer data in order to understand customer behavior and develop more effective marketing strategies.

SAS can help you acquire high-potential customers and gain a complete picture of their behavior at every touch point—one that includes the current situation, potential growth and future value of each customer instead of just fragmented facts on behaviors, motivators and cost.

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

- **Create a single view of the customer** by consolidating all data in one place regardless of source, cleansing the data 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 embedded data quality routines.
- **Connect the right offers to the right customer segments** using predictive analytics based on demographic, geographic, attitudinal and behavioral data from across the enterprise to accurately predict customer behavior, determine customer value and retention scores, and to improve customer communications.
- **Access information easily** with imbedded query and reporting tools that get critical knowledge into the hands of 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: Predict attrition to increase retention, acquisition and profitability

SAS offers everything you need to identify, retain and recruit valuable, loyal customers. With integrated data, forecasting and predictive behavior models, you have the information to know which factors influence customers' buying decisions. In short, SAS delivers:

- **Superior data integration capabilities** that let you extract 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**, so you can analyze data for trends, determine customer value, potential value and retention scores, and improve customer communications.
- **Automated campaign planning** that enable you to pull more relevant, intelligent, predictive lists, so you can send the right offer to the right person.
- **Intuitive, Web-based reporting** that easily gets critical customer value information into the hands of the people in your organization who need it.

In addition, SAS is the only vendor that gives you the ability to establish retention triggers that send early warning alerts automatically when a key customer's behavior is about to change—so you can intervene early enough to make a difference.

CASE STUDIES

■ A large online gift retailer

A large online gift retailer increased revenues and saw a 15 percent lift in customer retention by using SAS to build intimate customer relationships. The company collects data at all customer contact points and uses it to anticipate customer behavior, meet customer needs, build more profitable relationships and calculate each customer's LTV.

■ A large health insurance provider

A large health insurance provider's integrated and predictive case management program offers savings 2.3 times higher than traditional case management. Like many large insurers, the company stores member data for various claims in separate systems throughout the company. Using SAS, the company brings that data together and creates predictive models for the company's disease management and total health management programs.

■ One of Spain's leading insurance companies

One of Spain's leading insurance companies cut auto insurance cancellation rates by 9 percent using SAS to make campaigns more effective. The company chose SAS to build a predictive cancellation model to determine the customer characteristics that influence policy cancellations.

■ 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?

Clean, reliable data

What if data was cleaned as part of the data integration process so you could be sure of its integrity through every step within marketing?

Advanced, predictive analytics

What if you could create customer segments that go far beyond traditional criteria to incorporate attitudes, preferences and potential profitability so you could accurately target profitable prospects and connect the right offers to the right customers?

Embedded query and reporting

What if you could ensure that detailed, consolidated, accurate knowledge was available for use across your company, so you could accurately predict and offer what customers want to buy next?

SAS FACTS

- SAS has been in business since 1976 and today has customers at more than 40,000 sites worldwide.
- SAS customers make up 96 of the top 100 companies on the 2006 FORTUNE Global 500®.
- CRM magazine has named SAS the leading provider of CRM analytics for four consecutive years.

Learn more about SAS® software and services at: www.sas.com



THE
POWER
TO KNOW.

SAS INSTITUTE INC. WORLD HEADQUARTERS 919 677 8000
U.S. & CANADA SALES 800 727 0025 www.sas.com

SAS and all other SAS Institute Inc. product or service names are registered trademarks or trademarks of SAS Institute Inc. in the USA and other countries. ® indicates USA registration. Other brand and product names are trademarks of their respective companies. Copyright © 2007, SAS Institute Inc. All rights reserved. 102631_413345.0107