



Jeremy TerBush
RCI Director of Analytics

Group RCI delivers your dream vacation using SAS® predictive analytics

Industry

Hospitality, Entertainment & Other Services

Business Issue

With tight margins in place, RCI needed a quick way to grow company revenue by maximizing vacation choices to members, targeting its customer base and more accurately valuing time-share inventory when delivering to rental channels.

Solution

Building on the SAS® Business Analytics Framework with SAS® Enterprise Miner™, SAS Forecast Server and SAS Marketing Automation, RCI improved pricing structures, prediction of complex supply and demand and the ability to cross- and up-sell.

Benefits

Data integration and data quality initiatives have reduced errors and allowed analysts to spend more time making business decisions rather than managing data.

Group RCI, the worldwide leader in vacation exchange and the European leader in vacation rentals, has a unique business model. RCI runs a vacation exchange platform, for which members both supply and demand inventory, facilitated by RCI assigning appropriate value to property. The successful operating of this platform keeps members returning and exchanging vacations through RCI.

RCI uses SAS predictive analytics to gain a thorough understanding of member characteristics and demand patterns. RCI attributes network growth, better decision making and time savings to SAS through better exchange algorithms, pricing models, supply and demand forecasting and more targeted marketing strategies.

“RCI is hungry for data on members and inventory. The SAS environment harnesses this data for us to make decisions with more frequency than before, and this benefits members through fair and optimal inventory usage,” says Sean Lowe, Senior Vice President of Revenue Management and Analytics.

Pricing improvements

RCI operates the exchange platforms based on several variables, including seasonality, resort popularity, and duration and size of units. SAS data mining and forecasting solutions drive calculations to allocate and value RCI’s inventory with more accuracy and depth than with their previous, less flexible system.

“In our rental business, we’re able to value time share, week level and even

differentiate for currency, which gives us pricing records in the hundreds of thousands as opposed to the several thousand through the legacy system,” says Lowe.

This exchange and pricing algorithm approach requires forecasting that accounts for complex data relying on both finite and intangible supply and demand factors.

Growth in a tough economy

Improved matching of supply and demand ensures RCI’s growth, even in current economic conditions. “We’re in a time where new member enrollment is slowing, but SAS Business Analytics are helping our yield management department produce the best vacation matches that keep members in the network,” Lowe says.

This customer retention secures the future of RCI. Lowe continues, “The superior matching and superior operation of the network from using SAS leads to returns in revenues.”

Jeremy TerBush, Director of Analytics, agrees that matching is critical, saying, “If you don’t make sure that members holding the scarce space get the best exchange, then you prejudice the ability to maintain future streams of the supply.”

In spite of budgetary restraints, RCI continues to invest in analytics because of the proven value of SAS in the following areas:

- Valuation and exchange management decisions.

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RCI Director of Analytics



Sean Lowe
Senior Vice President of Revenue
Management and Analytics

- Financial forecasting.
- Yield management.
- Marketing efficiencies.

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RCI now devotes more resources to making business decisions. “Before, RCI analysts spent 80 percent of their time pulling data from disparate systems,” TerBush continues. “Now, SAS has allowed us to spend 95 percent of our time making business decisions on, say, assigning the right value to inventory, which provides increased member satisfaction and more revenue.”

Customer segmentation for optimization

SAS helps RCI synergize marketing strategies, allowing for trend spotting and cross- and

up-selling opportunities. SAS segments customers by pulling data on travel patterns, and then RCI uses this customer intelligence to recommend vacations that appeal to other members with similar patterns. This merchandising logic is also applied to RCI’s updated Web site, where member preferences trigger online suggestions for cross-sell opportunities.

Further, SAS captures data on outbound campaigns like mailings from call centers or specific markets that have been targeted and when – all pertinent to making seamless marketing decisions, particularly in a global company. The data orchestrates marketing efforts geared toward members everywhere, from Europe and South Africa to the Far East.

“SAS gives us more structure to our business processes to really hone in and understand the real benefits of each marketing campaign and move forward with the most effective ones,” says TerBush.



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SAS Institute Inc. World Headquarters +1 919 677 8000

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