

How do you know what you don't know about your customers? How do you know that the gaps in your knowledge aren't hidden pools of revenue and profit? How do you know that the marketing, pricing and promotions you deliver couldn't be more relevant and therefore working far harder to support your business strategy?

The truth is that unless you have embedded advanced marketing analytics into your operations, and layered your historical customer data with rich contextual data that creates a multidimensional picture of each customer, there's a lot you won't know about all these things.

That's because, to use segmentation well, you have to go deeper into the data. Broad slices of your audience are vastly insufficient. Unless you embrace today's more sophisticated versions of marketing segmentation - microsegmentation down to the segment of one - that allow you to build a far more intimate knowledge of your customers, you will never close the gaps in your customer knowledge and revenue potential. And consequently, you'll never know whether the things you don't know about your customers could yield new business value.

Is analytic-driven microsegmentation and beyond, really worth it?

It takes your insight onwards a huge step. Instead of answering questions such as "What will a customer buy?" you'll be able to answer more complex questions such as "Who will respond to a certain kind of offer?" and "What is the next best action for this customer?".

With these insights, derived from using techniques such as behavioural and psychographic analytics, you will be empowered to build more profitable relationships for you and more satisfying relationships for your customers.

Yet there is more to it than that. It's not just about the analytic capability; being able to generate business value from new era segmentation will only happen if you execute the right delivery of offers, messages and experiences.

What could you gain in real terms? Let's take a look, next.

Turn what you don't know about customers into financial advantage

So you want to invest in a new era of segmentation? If you invest in this approach, how will it really transform your bottom line? We'll let the results speak for themselves.

Retail banking: driving profits by re-energising brand loyalty

By using advanced analytics, RBS has rewound corporate culture to deliver a 1970s level of personal service. Being able to pinpoint customers who can save money by consolidating loans, or offering cheaper mortgage rates has helped the bank to reduce mortgage attrition by 5%.

Now when customers sign in to RBS via apps they are reminded how much they will save if they sign up to certain offers. In short, by offering benefits to their customers, even if it means losing out on short-term profits, RBS has been able to rebuild shattered customer loyalty.

Retail firms: driving profits up 43%

By slicing down to the segment of one, Shop Direct offers its customers personalised listings of the products it knows they will like and can afford. This capability has helped the fashion firm to drive profits by 43% in the year to June 2016.

Energy and utility providers: helping to reduce 38% weekly churn rates

A dedicated analytics function focused on customer segmentation allows EDF to perform churn assessments and probability modelling. Analysing the cross-sell opportunity of 2 million accounts, each with 400 data variables.

EDP España has used the principles of superior segmentation to create a win-back programme that has achieved customer recovery rates of 80% and 95% customer loyalty.

Superior segmentation Results snapshot

- Cross-sell/up-sell rates: delivered by 60 predictive models at Harland Clarke
- Reduced churn: a 50% reduction inside two years at Endesa
- Increased marketing performance: 5-fold increase in marketing performance at Haven
- Customer loyalty: 95% loyalty among electricity customers achieved at EDP España
- Vastly improved targeting: effective data selection for 1200 campaigns annually
- Campaign ROI: **HP raised theirs 42% over three years**

If superior segmentation can deliver this level of value to so many SAS customers, isn't it time to start imagining what it could do for you?

Getting started is simple: just identify a use case where deeper, broader, more contextual knowledge at an individual or niche level could help you turn The Unknown into new opportunities to drive sales, change behaviour and enhance the customer experience of your brand. Then, get to ROI faster with SAS Results-as-a-Service, a powerful opportunity to try our world-class advanced analytics supported by our experts - without the capital investment.

Want a deeper dive into superior segmentation?

sas.com/uk/theunknown

