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THE POWER TO KNOW.



**Customer Intelligence
'Marketing Under Pressure'**

Neil Hayward
Global Customer Intelligence Practice

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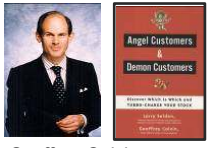
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“Up to 50% of your Customers are Unprofitable”



Source: First Manhattan Consulting Group (average bank).

“150% of your economic profit comes from 20% of your customers!”



Geoffrey Colvin

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Length of CMO Tenure Continues Decline
August 22, 2006

By Constantine von Hoffman

BOSTON -- The tenure for chief marketing officers at the 100 top consumer branded companies has continued to decline, according to a new study. Over the past three years CMOs at these companies have seen their time on the job drop from 23.6 months to 23.2 months, said Greg Welch, who heads the marketing officer practice for the executive search firm Spencer Stuart, Chicago.

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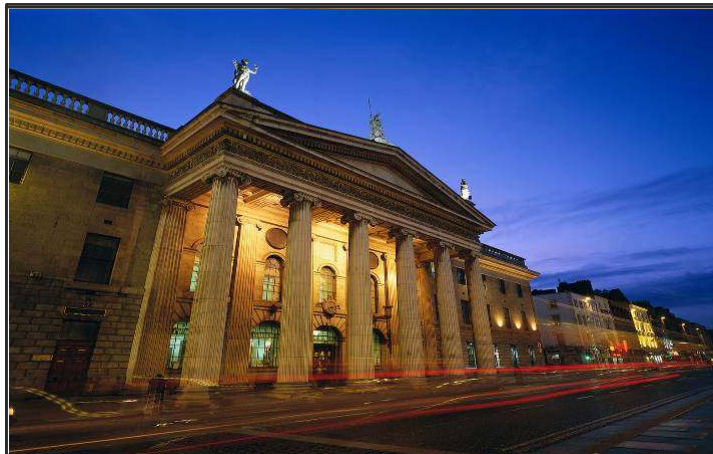
Marketing – Under Pressure to Perform



**At speeds measured
in days not quarters...**

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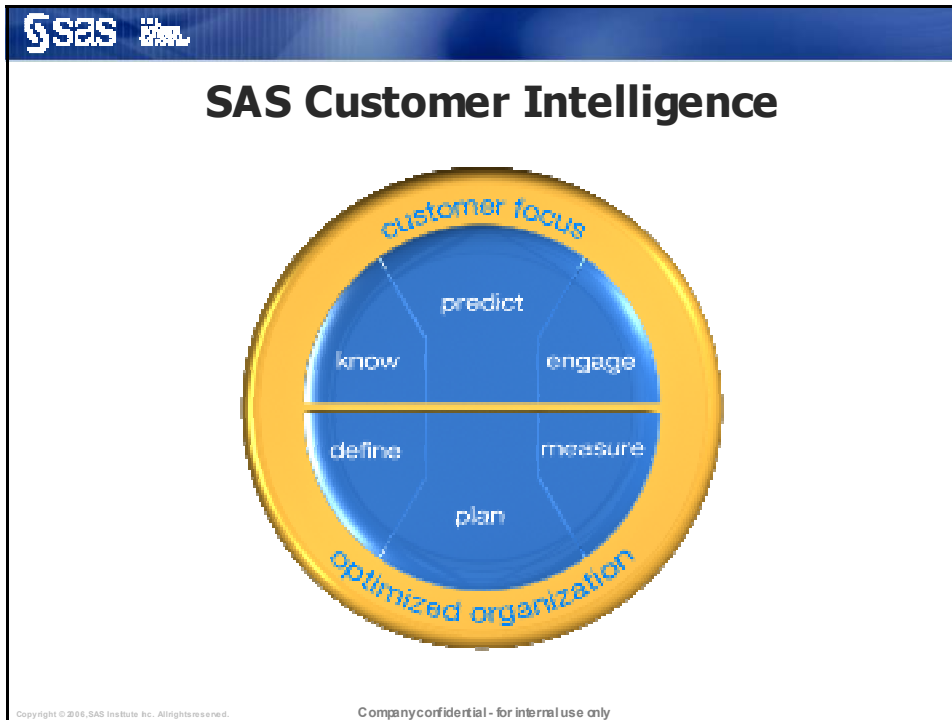
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a customer-focused imperative...

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How does marketing understand and align with strategic goals?

What marketing KPIs should we measure?

How are we performing against KPIs?

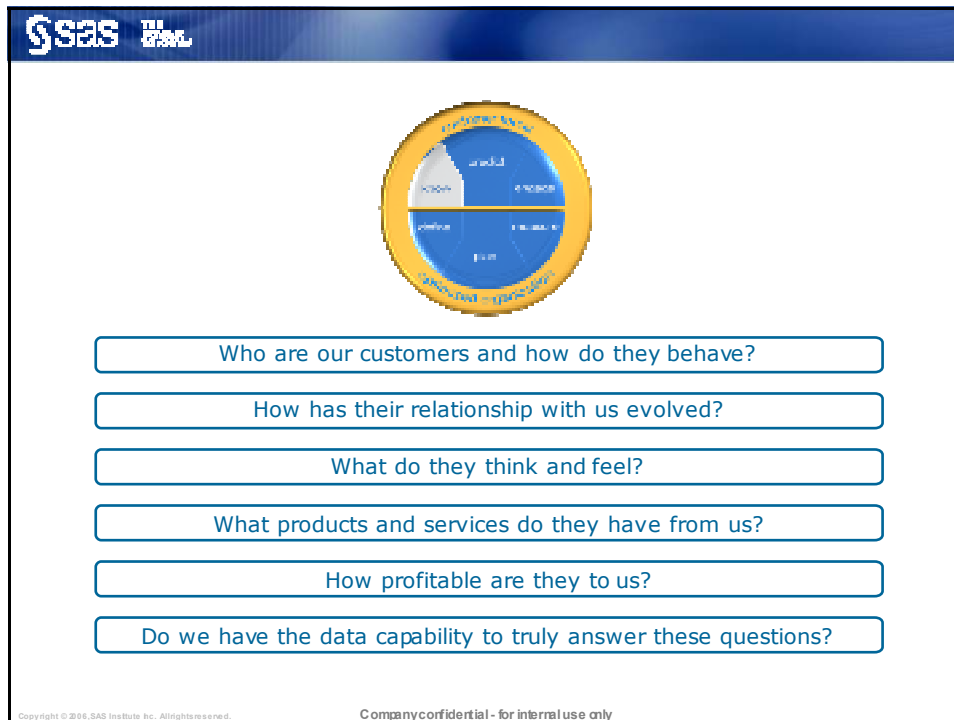
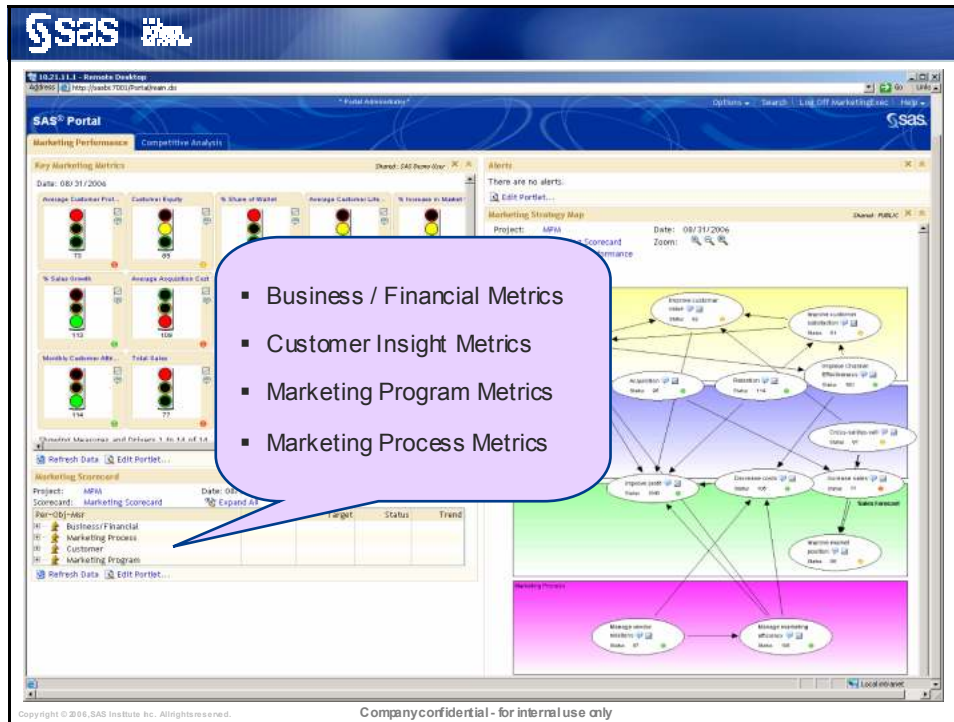
What is the true cost and return of the activities we do?

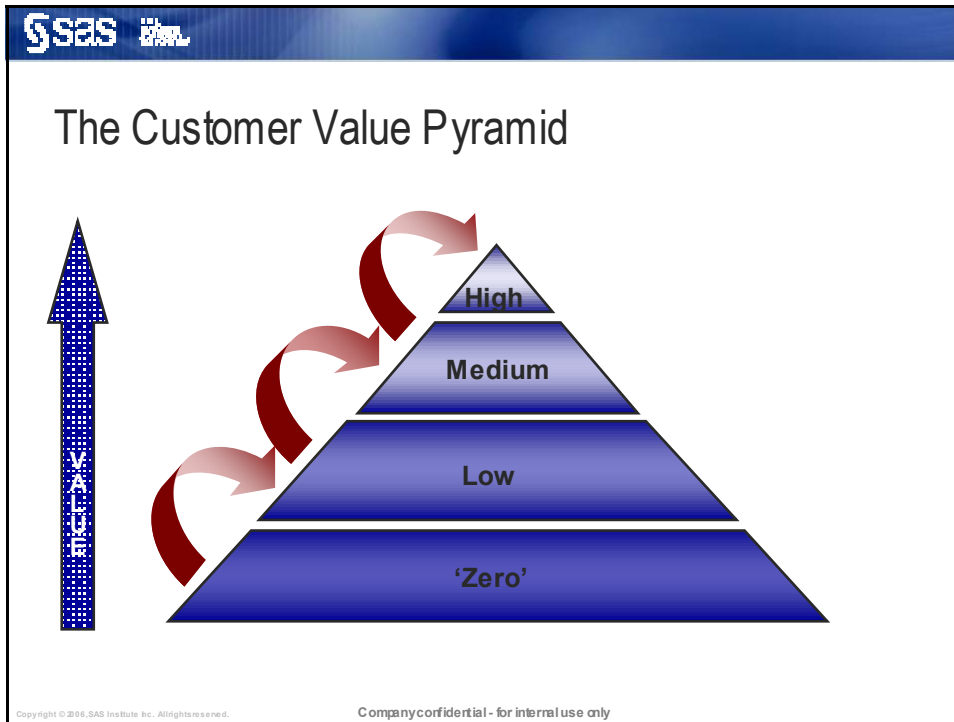
How do we perform against the market ?

Have we optimised our marketing investment?

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SAS - Marketing Executive Network





Marketing Strategies by Customer Value

Attitudinal / Behavioural Dimension


	Segment A	Segment B	Segment C	Segment D
Young Single				
Young Family				
Older Family				
Empty Nester				
Retired				

Geodemographic Dimension

Marketing programs designed to proactively migrate customers:

- Up the layers within the pyramid (same segment)
- From one segment to another

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Who will join, and at what price?

What does each customer need most next?


Who is most likely to leave? When?

What behavior patterns indicate changing circumstance?

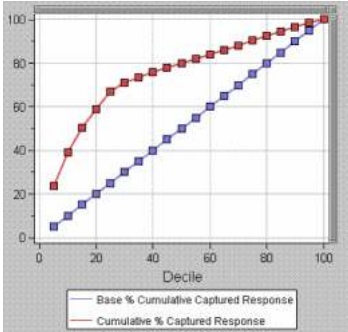
Who represents high financial risk and exposure?

What is the lifetime value of each customer and segment?

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The Analytic Lift



- Purchase Propensity
- Response Propensity
- Next Best Offer
- Attrition Risk
- Credit Risk
- Claims Risk
- Life Time Value

**80% of Responses comes from an identifiable 40% of your customer base.
Analytics finds those 40%.**

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What does the organisation need to achieve strategically?

What products, services, channels, and programs will deliver it?

How should we optimize investment across the marketing mix?

How can we best enhance the customer's experience?


How should we optimize our channel capacities and usage?

What is our optimal contact and engagement strategy?

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Three Opportunities for Influence

		Customer View	Success Rate
Enterprise-Initiated Marketing-Driven	Traditional Campaign 	Intrusive	3%
Customer-Triggered Product as Service	Event Driven Campaign 	Convenient	20%
Customer-Initiated Relationship-Driven	Real Time Interaction 	Appropriate	40%

Source: Gartner, "Leveraging Customer Insight...", 3/02

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How do we design and build the best possible customer interactions?

How do we assure quality and timeliness of communication?

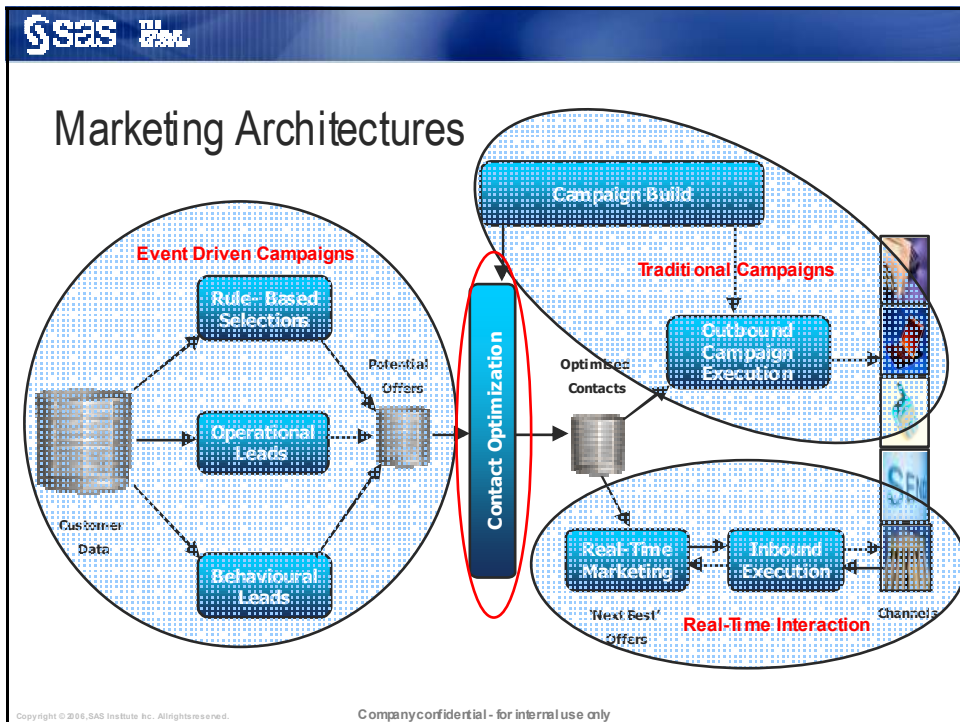
How do we deliver it seamlessly into the dialog?


How can we optimise contacts in each case to maximise ROI?

How do we ensure control over marketing resources ?

How do we automate and make time to act smarter?

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How is each campaign and dialog performing?

Was our message timely, relevant and attractive?

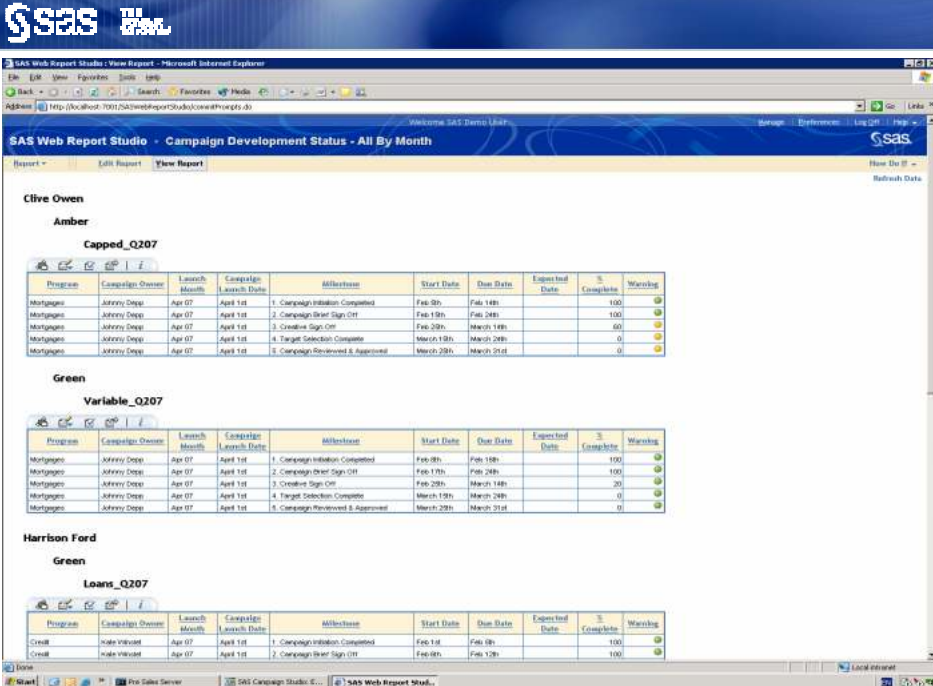
How did the customer respond to it? Resulting value generated?

How is the business affected? Objectives met? KPI's improved?

Do we need to modify tactics or strategy?

Is the marketing department operating efficiently?

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SAS Web Report Studio - Campaign Development Status - All By Month

Clive Owen
Amber
Capped_Q207

Program	Campaign Owner	Launch Month	Campaign Launch Date	Milestone	Start Date	Due Date	Expected Date	% Complete	Warning
Mortgages	Johnny Deep	Apr 07	April 1st	1. Campaign Initiation Completed	Feb 9th	Feb 14th		100	
Mortgages	Johnny Deep	Apr 07	April 1st	2. Campaign Brief Sign Off	Feb 19th	Feb 24th		100	
Mortgages	Johnny Deep	Apr 07	April 1st	3. Creative Sign Off	Feb 26th	March 14th		60	
Mortgages	Johnny Deep	Apr 07	April 1st	4. Target Selection Complete	March 19th	March 26th		0	
Mortgages	Johnny Deep	Apr 07	April 1st	5. Campaign Reviewed & Approved	March 26th	March 27th		0	

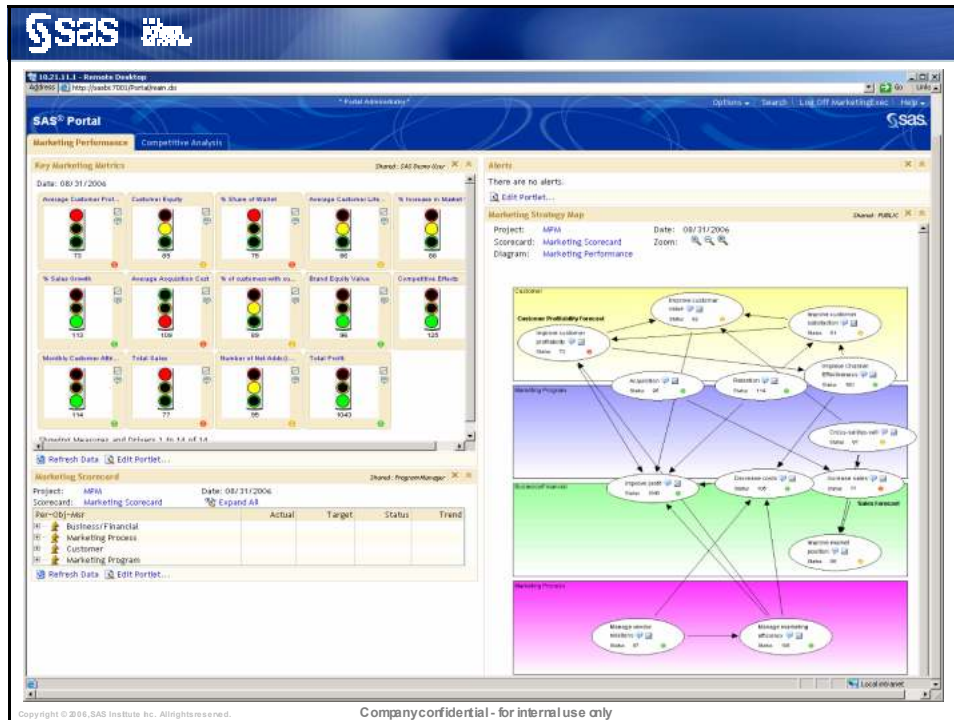
Green
Variable_Q207

Program	Campaign Owner	Launch Month	Campaign Launch Date	Milestone	Start Date	Due Date	Expected Date	% Complete	Warning
Mortgages	Johnny Deep	Apr 07	April 1st	1. Campaign Initiation Completed	Feb 9th	Feb 16th		100	
Mortgages	Johnny Deep	Apr 07	April 1st	2. Campaign Brief Sign Off	Feb 17th	Feb 24th		100	
Mortgages	Johnny Deep	Apr 07	April 1st	3. Creative Sign Off	Feb 26th	March 14th		20	
Mortgages	Johnny Deep	Apr 07	April 1st	4. Target Selection Complete	March 19th	March 26th		0	
Mortgages	Johnny Deep	Apr 07	April 1st	5. Campaign Reviewed & Approved	March 26th	March 27th		0	

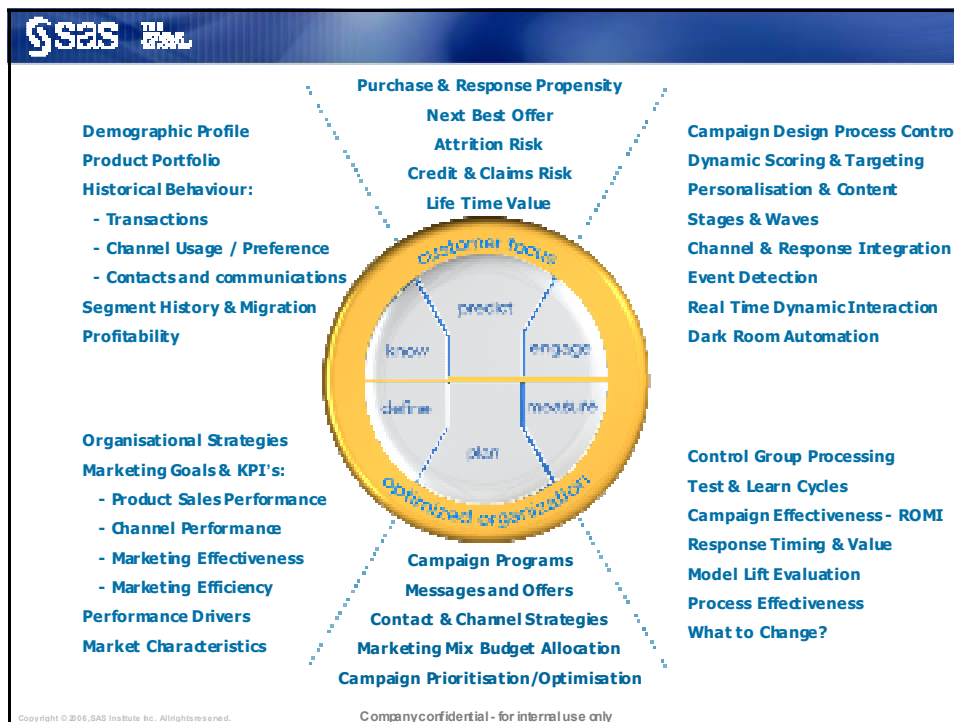
Harrison Ford
Green
Loans_Q207

Program	Campaign Owner	Launch Month	Campaign Launch Date	Milestone	Start Date	Due Date	Expected Date	% Complete	Warning
Coast	Nabe Whitest	Apr 07	April 1st	1. Campaign Initiation Completed	Feb 14th	Feb 9th		100	
Coast	Nabe Whitest	Apr 07	April 1st	2. Campaign Brief Sign Off	Feb 9th	Feb 12th		100	

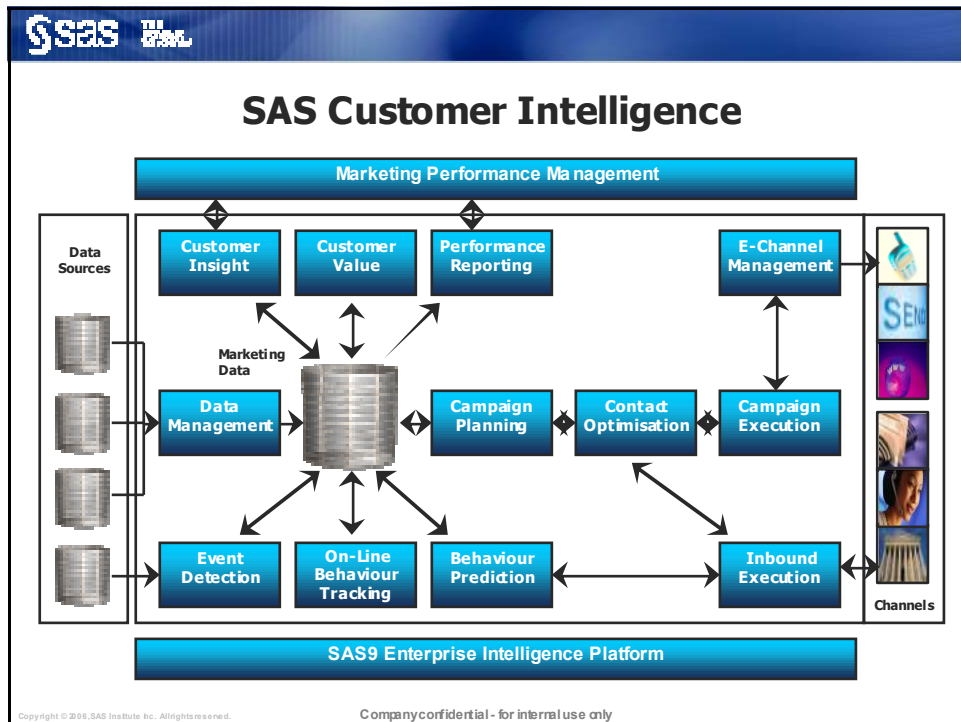
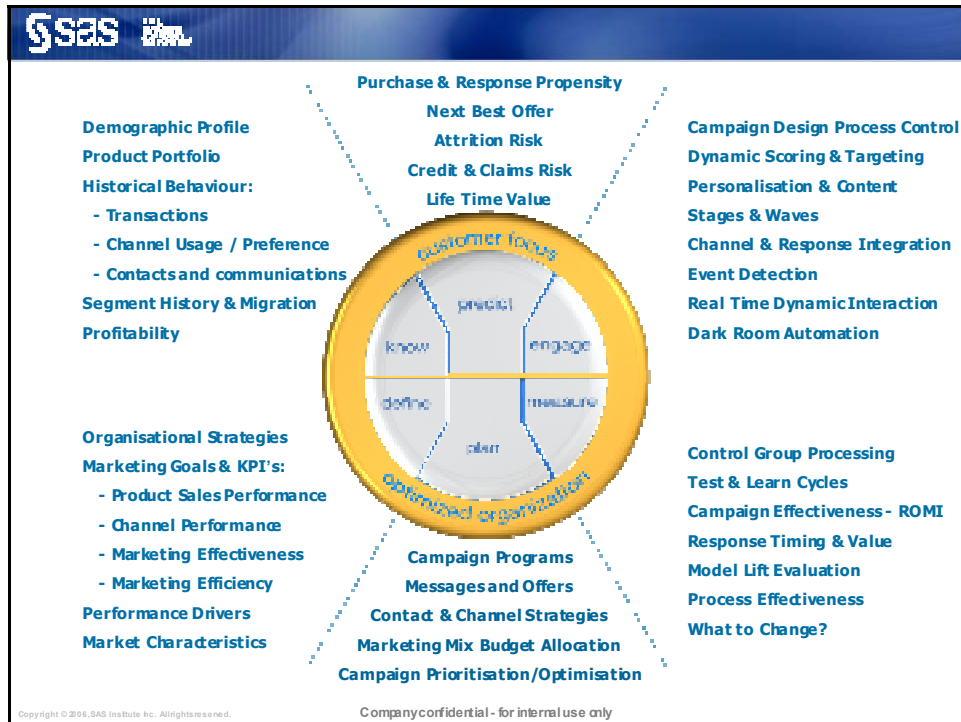
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Challenge	Solution	Results
<p>Dominant UK card provider 70's to 90's</p> <p>Market share started to come under attack from new market entrants</p>	<p>Information-Based Customer Management (IBCM) driven by SAS Customer Intelligence</p>	<p>Boosted customer profitability and reduced attrition significantly</p> <p>Prospect File delivered ROI in 6 months</p> <p>Drove best ever year for new account recruitment in 2003 – 1.7M new customers</p>



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Challenge	Solution	Results
<p>Determine the most profitable customers and products for marketing activities in competitive Telco market</p>	<p>SAS ABM & modelling enabled Fido Solutions Inc. to design more profitable products and retain high valued clients</p>	<p>Reduced low-LTV customers by 50% -</p> <p>But retained high-LTV customers</p>



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Challenge	Solution	Results
<p>Information needed to be better utilised across the group, particularly in direct marketing.</p>	<p>SAS CI solutions have enabled ABSA to reap enormous value, particularly in the areas of lead generation and management information</p>	<p>"Q3 05 - US\$15M from lead-generation activities</p> <p>Significant uplift in credit card sales</p> <p>Behaviour-triggered activities up to 25% response rates</p>




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Challenge	Solution	Results
<p>Predict, for any given mix of campaigns, which products should be marketed to each individual customer</p>	<p>SAS Marketing Optimisation: helps Scotiabank:</p> <ul style="list-style-type: none"> • make better use of its campaign response models • realize the most efficient use of channel resources and marketing dollars 	<p>Expected campaign ROI uplifted > 50% , compared to traditional offer selection techniques</p>



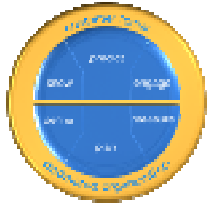
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Challenge	Solution	Results
<p>OPSM saw potential to add value to existing customer's experience by improving the quality and relevance of interactions</p>	<p>SAS Customer Intelligence enabled a more strategic view of customer communications and relationships</p>	<p>More targeted campaigns based on customer needs Improved ROI from 2x to 10x Average campaign lead time cut by 9 weeks</p>

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Challenge	Solution	Results
<p>Build better relationships with 7M loyalty card holders</p> <p>Retain customers against cut-price competitors</p>	<p>Analyse collected card data and run appropriate, automated marketing campaigns</p>	<p>400 automated campaigns per year</p> <p>3-400% increase in response rates – better targeting</p> <p>Greater profitability through better X and up-sell</p> <p>Measure ROI of each campaign</p>

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Office DEPOT
Taking Care of Business

Challenge	Solution	Results
Increase customer spend and driving higher profits across multiple pan-European sales channels	SAS MA segments and targets customers with personalised offers	One-to-one customer contacts Consistent pan-European processes and procedures 2% reduction in 400M Euro marketing spend – 8M cost saving




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Challenge	Solution	Results
Strengthen 'customer experience' and build loyalty	Segmented SAS Customer view drives a complete "customer experience" with the ability to deliver targeted marketing messages via Web, personalized email, instant messages and SMS alerts	Email output increased 5 fold to 1.6 million contacts per hour

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**SAS Customer Intelligence
*'Beyond Marketing'***

Thank You for Listening

Any Questions?

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