Customer Relationship Management using SAS Software

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Customer Relationship Management

- The Growing Pains...
- Complete CRM Business Model
- The Customer Cycle
- Customer Applications
The growing pains of Mrs I. Deer, Marketing Manager, aged 34 3/4

- Increased competition
- Decreased customer loyalty
- Not meeting targets
Increased costs / risks

Decreased resources

Decreasing Profits

The Growing Pains of Mr A. Countant, Finance Director, Aged 45.7784
The Growing Pains of Mr T. Ecke, IT Manager, aged 01010110

Too much data

Too many complex requests

Not delivering to end users
Adding value to Customer Relationship Management

The process of understanding and anticipating customer behaviour, in order to identify the most effective way to acquire new customers, exploit their lifetime value and retain existing ones.
SAS INSTITUTE CUSTOMER RELATIONSHIP MANAGEMENT BUSINESS MODEL

OPERATIONAL APPLICATIONS
- Call Centres
- Campaign Management
- Mailing Centres
- Loyalty Card Schemes
- In Store Activities
- Web Sites / Virtual Malls
- Personalised Offers / Services
- Surveys
- Market Research

OPERATIONAL DATA SOURCES
- Customer EPOS
- Web Sales
- Stocks
- Financial ATM
- Products
- Services
- Demographics
- Profiles
- Survey Results
- Transactions
- Responses
- Mailing Lists
- Newsfeeds
- Competition
- Other External Sources

STRATEGIC TECHNOLOGIES
- Data Warehouse
- Data Mining
- Data Visualisation
- OLAP
- MDDB
- EIS
- Query & Reporting
- Statistics
- Business Reporting

TECHNIQUES
- Database Marketing
- Targeted Marketing
- Customer Profitability
- Householding
- Market Basket Analysis
- Category Management
- Merchandise Management
- Market Segmentation
- Customer Profiling
- Credit Scoring
- Fraud Detection
- Claims Risk
- Behavioural Modelling
- Campaign Analysis
Customer Relationship Management

The Customer Cycle

AIM:
MANAGE AND OPTIMISE THIS PROCESS
Acquiring and selling to target customers.

How can I best use my sales and marketing resources to meet my objectives?
Which customers should I target?
What products and services should I offer them?
What pricing policy should I adopt?
How should I communicate with them?
How can I increase the response rate?
Which customers are good payers?
Which customers will be the most profitable?
How can I measure my success?
Maximising the lifetime value of customers.

Which customers are the most profitable?
How do I identify and exploit their lifetime value?
Which customers should I target?
What products and services should I offer them?
How should I communicate with them?
How can I increase the response rate?
How can I measure my success?
Keeping customers by understanding the reasons why they are likely to leave and how to stop them.

Which customers are likely to leave?
What reasons are they likely to leave for?
What would make them stay?
Is it worth it?
What products & services should we offer them?
How should we communicate with them?
How can we increase the response rate?
How can we measure our success?
Winback

Re-acquiring customers who have left by understanding why they left and what will make them come back.

Why did they leave?
Do we want them back?
Is it worth getting them back?
What would make them come back?
How should we communicate with them?
How can we increase the response rate?
How can we measure our success?
Customer Relationship Management

The Customer Cycle

AIM:
MANAGE AND OPTIMISE THIS PROCESS

- Acquisition
- Winback
- Cross-Selling
- Retention
- Up-Selling

New Customers → Acquisition → Customer → Winback → Cross-Selling → Retention → Up-Selling → Acquisition
Customer Relationship Management

The Customer Cycle

- **Acquisition**
- **Winback**
- **Retention**
- **Cross-Selling**
- **Up-Selling**

New Customers → Acquisition → Winback → Customer → Cross-Selling → Up-Selling

This is where the money is!
Customer Relationship Management Applications - Best of Breed Approach 1
Customer Relationship Management

The Customer Cycle

- New Customers
- Acquisition
- Winback
- Retention
- Customer
- Cross-Selling
- Up-Selling

SAS Software
Customer Relationship Management

- Thank you for your attention
- For more information, please visit the Data Mining / Customer Relationship Management Booth at SEUGI