

Create Faster, Smarter and More Profitable Marketing Campaigns!

Presented by: Michael Turney
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SAS Overview

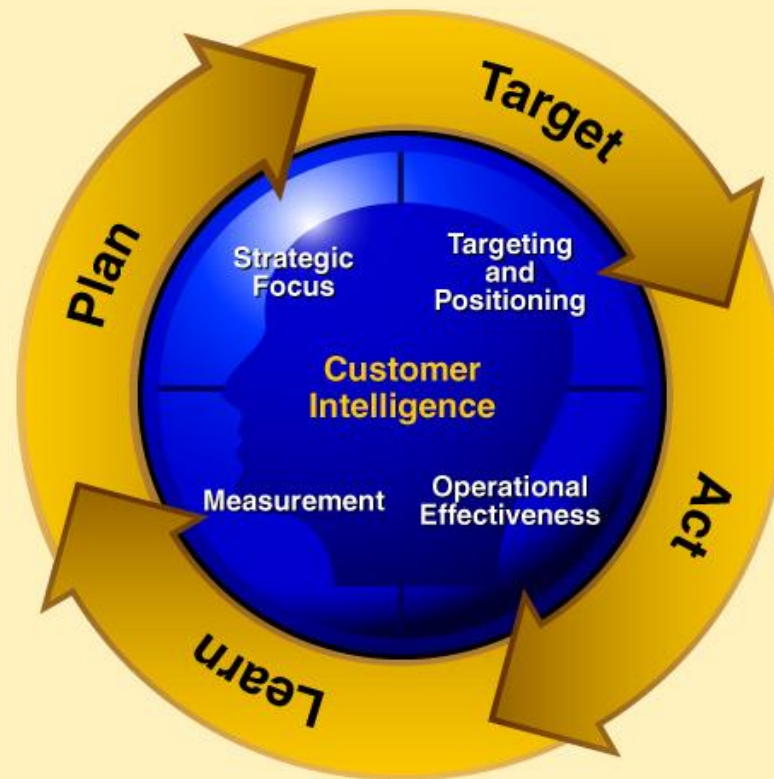
- The world leader in business-intelligence software and services, enabling customers to turn raw data into actionable intelligence
- Largest privately held software company in the world – profitable every year
- Double-digit revenue growth for 26 years
- 90 percent of the overall Fortune 500 are SAS customers
- Serving more than 38,000 business, government and university sites in 119 countries
- Annual revenues in excess of \$1.5 billion
- 30% of revenue devoted to R&D



***Over 250 insurance companies
world-wide using SAS technology...
more than 20 in Canada alone!***

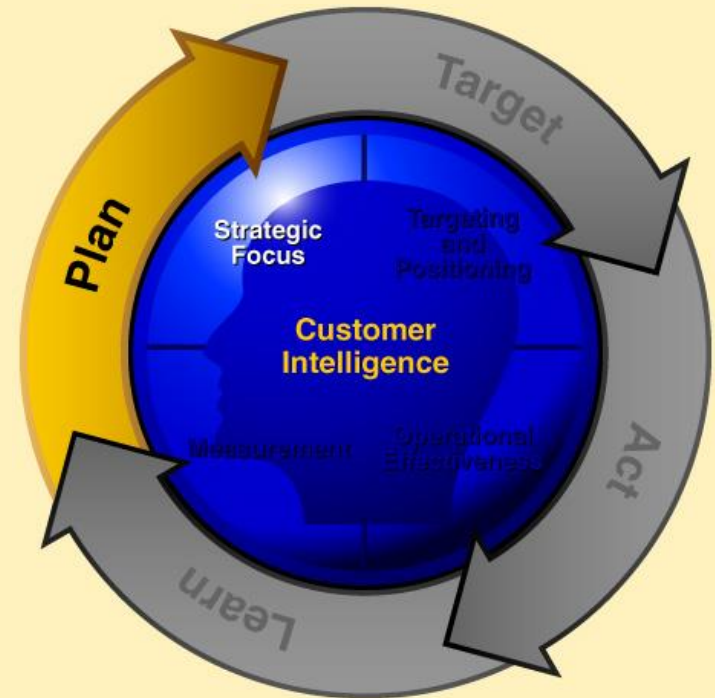


An Enterprise Approach to Marketing Automation



Plan Strategically

1. Align marketing tactics with corporate strategy
2. Tie performance of tactics to measurement of objectives
3. Set KPI's and thresholds
4. Identify necessary data sources
5. Track and Monitor performance
6. Provide a centralized facility to support strategic planning and management



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Marketing Performance

Marketing Scorecard Customer Segmentation Campaign Performance Analytic Performance Search Help Log Off

Select time period **ema21 (01/24/2002)** New Favorite SAS.com Help

Scorecards Tables Views Diagrams Graphs Globals Time Periods Back Forward

Retail marketing scorecard: CRM Strategy Map, View: Perspective by Measure (ema21.Jan2002)

Branding	Channel Mgmt	Service
-----------------	---------------------	----------------

Financial

```
graph BT; A[Increase Customer Profitability] --> B[Increase Customer Revenue]; A --> C[Increase Market Share]; A --> D[Reduce Customer Cost of Service];
```

Customer Retention

```
graph BT; A[Increase Customer Retention] --> B[Enhance Customer Loyalty];
```

Done Local intranet

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Branding Channel Mgmt Service

Financial

```

    graph TD
      A[Increase Customer Profitability] --> B[Increase Customer Revenue]
      A --> C[Increase Market Share]
      A --> D[Reduce Customer Cost of Service]
      B --> E[LTV Growth Potential Index (96.43)]
      B --> F[Customer Revenue Index (95.65)]
      C --> G[Market Share Index (63.00)]
      C --> H[Total Market Demand (99.39)]
      D --> I[Average Cost of Service (97.22)]
  
```

Customer Retention

```

    graph TD
      J[Increase Customer Retention] --> K[Customer Retention Rate (94.12)]
      J --> L[Customer Retention Risk Index]
  
```

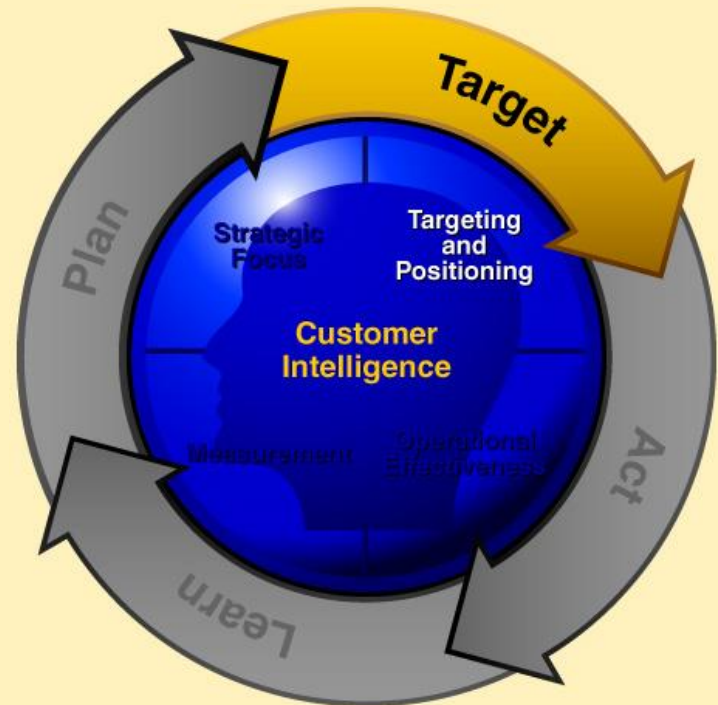
Local intranet

Why apply performance management to CRM and Marketing?

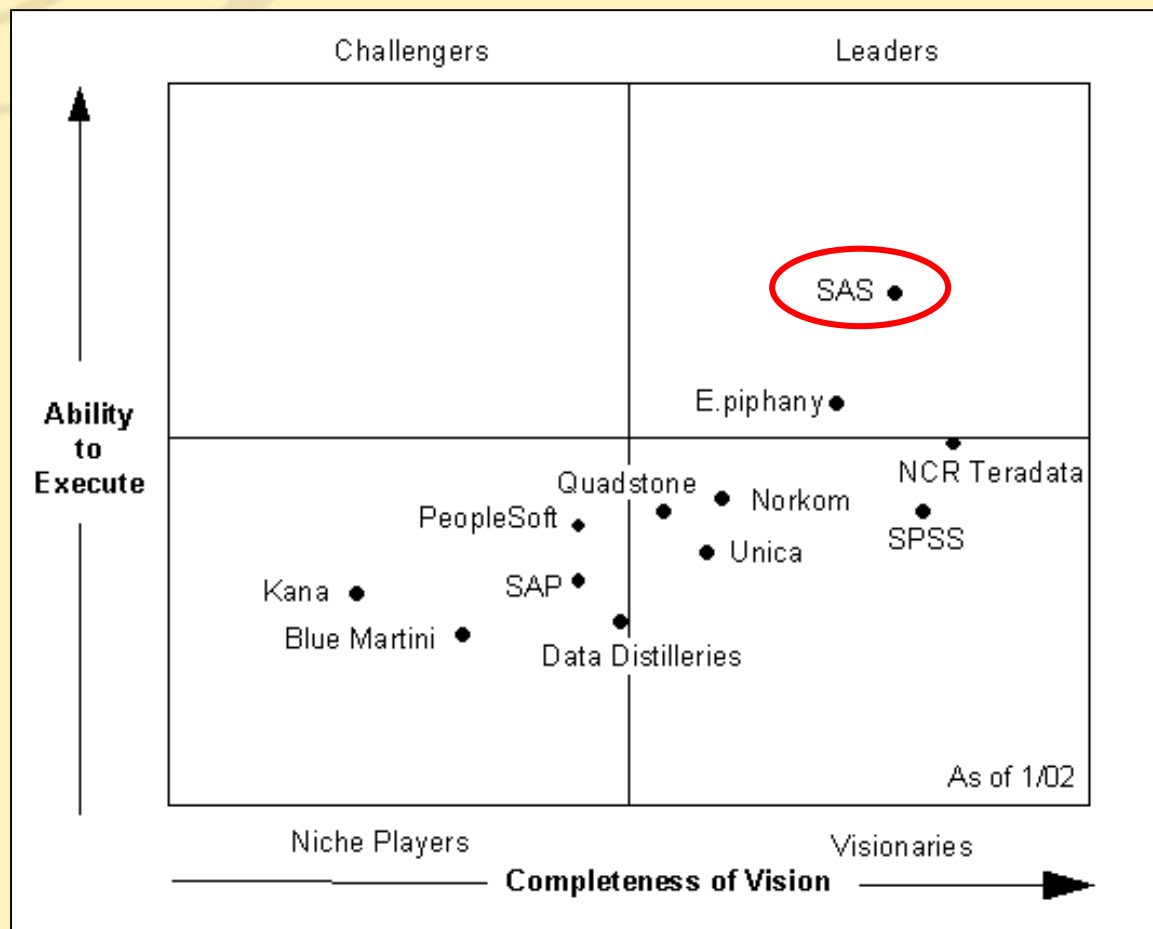
- Effectively communicate priorities and maintain focus on strategic goals
- Reduce risk of failure
- Gain executive sponsorship... budget
- Justify existence – ability to quantify ROI
- Increased effectiveness of information delivery and strategy management

Target Effectively

1. Consolidate data for single view of the customer
2. Detect patterns and predict behaviour
 - Most valuable
 - Most likely to churn
 - Highest risk
3. SEMMA – Sample, Explore, Modify, Model, Assess
4. Provide appropriate user interfaces



Gartner's Magic Quadrant for aCRM

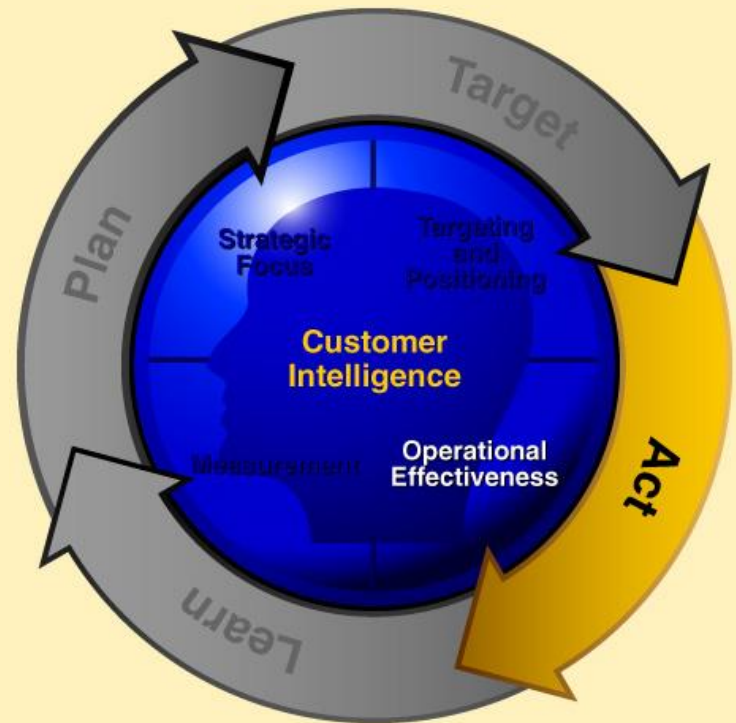


Act – Execution is Key!

“A study of 275 portfolio managers reported that the ability to execute strategy was more important than the quality of the strategy itself.”

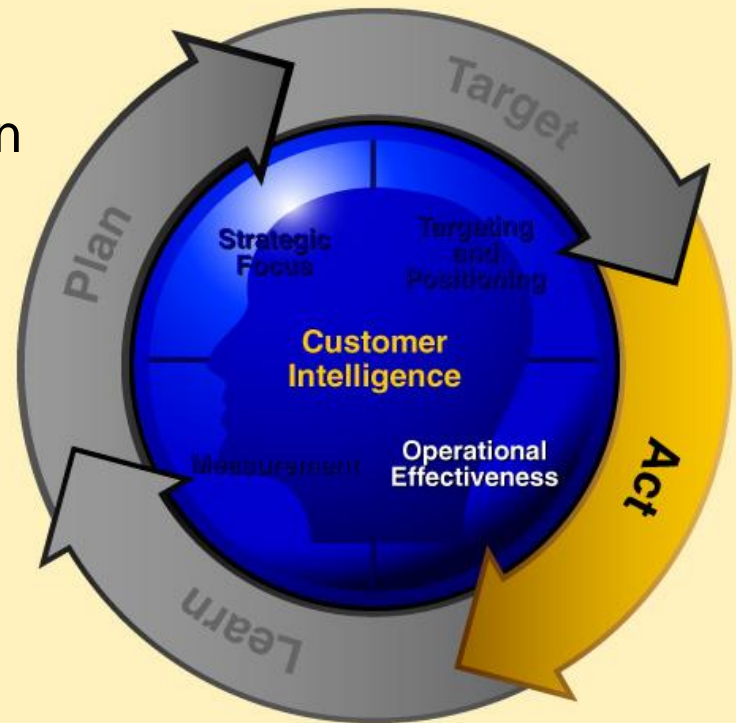
Kaplan & Norton

The Strategy-Focused
Organization



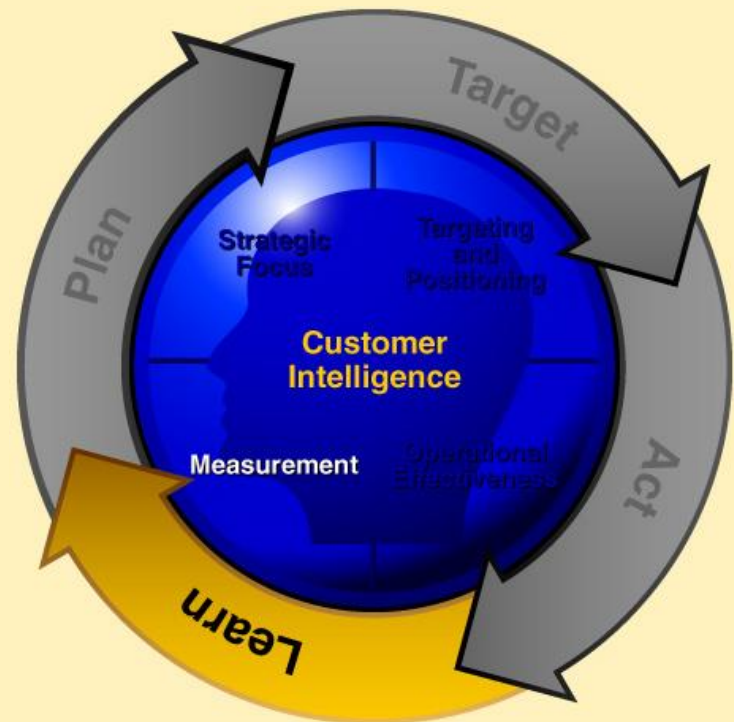
Act – Execution is Key!

1. Knowledge Management
 2. Integrate analytics with campaign management for rapid utilization of models
 3. The Four R's
 4. Build for scalability and automation
 5. Provide an enterprise view of all marketing activity
- ... map to Marketing Scorecard

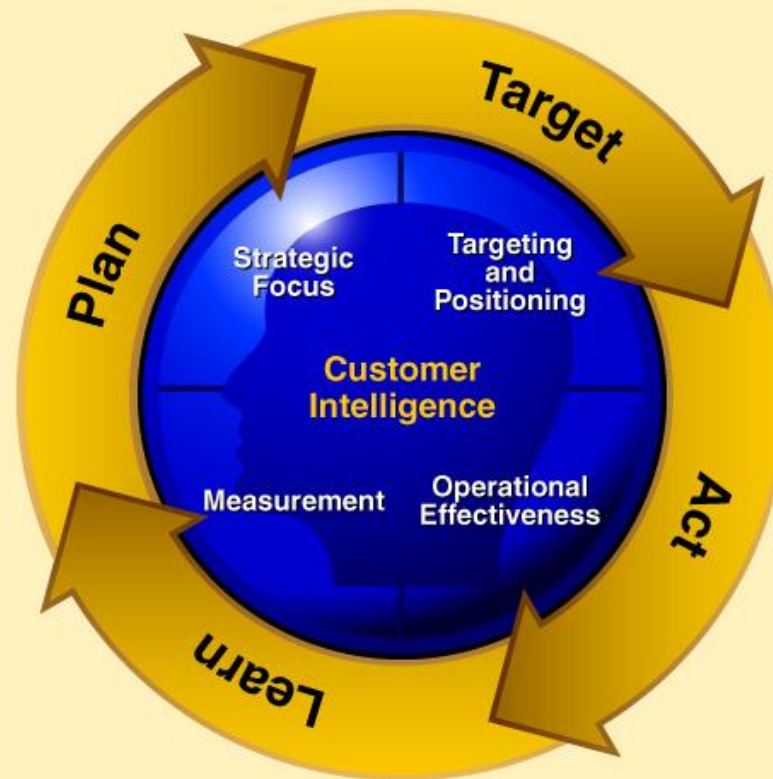


Learn from Experience

1. Impact on strategic goals
2. Model effectiveness
3. Campaign response rates
4. Continuous improvement – closed loop!
5. Provide role-based reporting with actionable intelligence



An Enterprise Approach to Marketing Automation



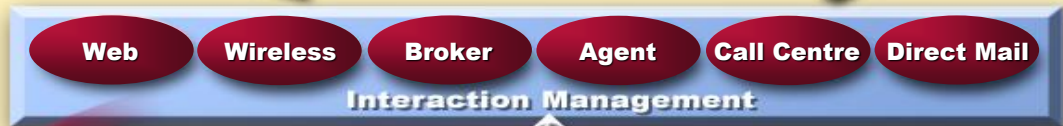
SAS Solutions for CRM

Customer

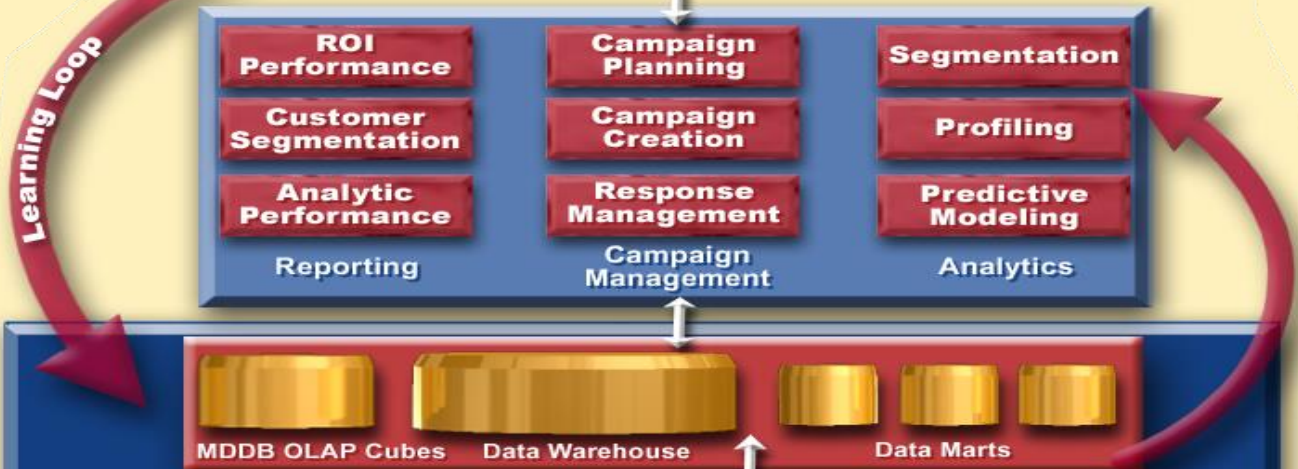
Inbound

Outbound

Operational CRM
"Customer Touch-Points"



Analytical CRM
"Customer Intelligence"



Key Value Propositions of Enterprise Marketing Automation

- Common understanding of our customers
- More effective marketing campaigns
- Enhanced collaboration and information sharing
- Strategic, corporate alignment
- Reduced risk

Industry Trends in Customer Intelligence *...and solutions from SAS*

1. Risk Reduction

- Claims Prediction / Rate Making
- Fraud Control

2. Revenue Generation

- Cross-sell, up-sell and now... extension
- Optimization
- Marketing Automation

3. Performance Management

- Tied to ABC

4. Leveraging Unstructured Data

- Attitudinal Behaviour
- Text Mining

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Success Story

Organization

Chubb & Son

Issue

Lack of consistent customer information analysis capabilities to help **attract, retain and expand** customer relationships, and increase global insurance sales.

Reason

Multiple **disparate data** sources.

SAS Solution

The “Pinpoint” application, powered by SAS, **determines customer value**, groups customers into different buying **segments** and generates lists of **qualified leads** for independent insurance agents.

Result

SAS helped unlock the power of data and provide better information, both from a **tactical and strategic** standpoint, driving Chubb’s business goals over the coming years, including revenue growth, operational efficiency and profit.

Success Story



Organization

Utah Bureau of Medicaid Fraud

Issue

Increased fraud of the Medicaid System.

Reason

Especially susceptible to fraud because they don't have a pre-claims review group. In addition, they had to sift through **hundreds of pages of computer printouts** to detect fraud. This was time consuming and cumbersome... very little fraud was uncovered.

SAS Solution

SAS provided a solution to **analyze and report** on Medicaid billing information and point investigators toward doctors whose billing practices indicated potential fraud.

Result

Fraud **convictions jumped by 140%**. The time it takes to gather information was reduced from as high as **two weeks to a matter of minutes**. One conviction alone resulted in the recovery of \$300,000.

Success Story

Organization

Allianz Elementar Versicherungs

Issue

Need to rethink their **policies** following changes in customer behaviour in recent years.

Reason

The above issue resulting in a **highly competitive situation**, one which calls for stronger customer orientation.

SAS Solution

Provided **made-to-measure insurance quotations** for a range of target groups, identifying "higher-risk" and "lower-risk" customer groups and a price structure to match. The solution carefully analyses the Product – Customer – Sales Channel triangle and highlights hitherto **unsuspected opportunities**.

Result

Allianz recognized an immediate **decrease in loss ratios** and is also able to better **match the appropriate policy and rate** based on the customer's behaviour and needs.