SSas

THE POWER TO KNOW.

■ Business Impact

"The insights derived from our new analytics capabilities are allowing us to find the sweet spots that will continue to drive loyalty, profitability and sustainable growth."

Carrie Gray
Executive Director for
Medium Business Marketing, Verizon

■ Challenges

- **No unified view of the customer.** Difficulty accessing and using customer information across internal systems and from third parties makes it hard to appropriately segment customers and identify relevant products and services for cross-sell/up-sell programs.

- **Ineffective segmentation/profiling.** Customer segments are often inaccurate because they don't take into account deep customer insights (e.g., historical behavior, attitudes, predicted preferences, purchase propensities, lifetime value, etc.).

- **Inability to determine customer, product and service profitability.** If you don't understand the cost to serve customers, you risk attracting less profitable customers and promoting less profitable products and services.

- **Difficulty growing valuable customers.** Developing "next best" activity strategies that can maximize customer profitability and longevity is often a struggle.

- **Inability to measure success.** There's no reliable way to measure return on campaigns or learn from results to make incremental improvements.

How can we increase average revenue per user (ARPU) effectively and profitably?

YOUR GOAL: Develop insightful segmentation strategies that drive more effective cross-sell and up-sell campaigns

The rapid growth of mobile devices and applications, multigenerational technologies, new rate plans, and Internet and broadband ubiquity has resulted in today's subscribers being overloaded with offers from their communications service providers (CSPs). Consumers demand constant availability and personalization, and competition among CSPs is tight. Data traffic has grown unchecked. As they struggle to remain profitable, some CSPs have developed new rate plans for data usage to replace the flat-rate plans that caused revenue from data traffic to flat-line. Markets have become saturated, limiting the opportunities for acquisitions and shifting the focus to up-selling and cross-selling existing subscribers.

More than ever before, CSPs must innovate by differentiating and promoting offers that customers will pay for – while controlling costs and increasing profits. They are recognizing that the means to growing customer revenue can be found within their customer data. In fact, many believe that customer data has surpassed the network as a CSP's most valuable asset. Unfortunately, existing customer models are no longer sufficient. CSPs need a comprehensive understanding of customers' portfolios, more insight into their behavior and profitability, and a more targeted and closed-loop approach to modeling and marketing campaigns.

OUR APPROACH

Subscribers have a variety of products and services, and they interact with multiple departments – billing, sales, marketing, customer service, etc. In addition to customer data from these departments, there are also call detail records (CDRs), trouble tickets and external data. But none of the data is integrated, nor is it analyzed sufficiently to be of much use. Without comprehensive customer data, models cannot be very effective or accurate. We approach the problem by delivering software and services to help you:

- **Gain a holistic view of the customer** across business units and service lines, and integrate third-party data for more effective targeting, using data management capabilities that also let you identify and remove duplicate customer records.

- **Create more targeted and granular customer models for cross-sell and up-sell** based on predicted behavior and value using data mining, a communications-specific customer model, social influence analysis, and cost and profitability analysis.

- **Connect the right offers to the right customer segments via the right channel** with campaign automation and optimization capabilities that let you maximize ARPU and factor in constraints, such as contact policies, channel and budget.

SAS also provides you with an evolutionary growth path that lets you address your most critical business issues right now and then add new functionality over time as your needs grow and change.

THE SAS® DIFFERENCE: Better insight into customers and their social influence, the optimal offer, hidden costs and potential profits

Only SAS provides an integrated solution for marketing with proven software, services and best practices. Our solution includes:

- **Comprehensive data management.** SAS lets you extract and transform data from nearly any source, as well as integrate data from third parties and across business and service lines, for a holistic customer view.

- **A communications-specific customer data model.** An optional communications data model, optimized for analytics, addresses segmentation, cross-sell/up-sell and churn.

- **Predictive analytics.** Data mining and detailed segmentation/profiling techniques (value analysis, market basket analysis, response modeling, next-best activity modeling, etc.) help you understand and predict customer behavior.

- **Social influence analysis.** Identify social communities and measure social influence based on relationships between customers using role-based variables to enhance existing segmentation models and discover how best to target influencers.

- **Cost and profitability analysis.** Calculate the cost and profitability of activities tied to campaigns, as well as customer, channel and product profitability.

- **Optimization capabilities.** Our patented algorithm is more precise and flexible, and can be applied to many business activities (e.g., marketing campaigns, resource planning and allocations). Multiple weighted objectives can be built into the model for optimal results.

SAS provides the most comprehensive set of customer intelligence offerings to help you improve the value of your customer relationships.

CASE STUDY: Verizon

■ Situation

In a competitive, fragmented market, too few customers were actively managed, channel coverage overlapped and lead lists were inaccurate and too slowly created.

■ Solution

SAS Analytics helped Verizon:

- Deepen customer insight and targeting for better channel alignment/development.
- Aggregate external and internal data sources for a 360-degree customer view.
- Statistically segment mainstream and premium customers into microsegments, grouping various businesses in unexpected new ways.

■ Results

- Campaign close rates (sales) increased by more than 250 percent.
- The time needed to identify a targeted list dropped by two-thirds.
- Campaigns that once took a month can now be done in a day.

■ What if you could ...

Gain a holistic view of the customer

What if you could gather all your data into a unified view of the customer across business units (such as billing and marketing) and services (such as fixed and wireless)?

Develop effective segmentation strategies and appropriate offers

What if you could target profitable prospects for cross-sell and up-sell, and create effective contact strategies by creating segments that incorporate attitudes, predicted preferences and degree of social influence?

Identify valuable customers

What if you could forecast which customers, products and services would be most profitable and which would destroy profits?

Optimize campaign ROI

What if you could strategically manage inbound and outbound interactions, develop multichannel campaigns and ensure that those campaigns were meeting objectives by measuring results and tweaking the campaign midcourse if needed?

■ You can. SAS gives you THE POWER TO KNOW®.

SAS FACTS

- *Customer Interaction Solutions* magazine named SAS a winner of the 2010 CRM Excellence Award.

- Analyst firm IDC has ranked SAS as one of the top three leading business analytics vendors by revenue.

- SAS has more than three decades of experience working with communications companies around the world, and more than 200 communications companies worldwide use SAS.

Learn more about SAS software and services for communications at: www.sas.com/industry/telco/

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