Software review

A sample road map for analytical CRM

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Abstract This paper provides a check list of the types of activities that could form part of an analytical customer relationship management (CRM) road map and provides a high level description of these activities, the potential business impact, implications for implementation and examples of best practice. It uses a fictitious telco company to illustrate the initiatives.

INTRODUCTION

This paper provides a list of the types of activities that could form part of an analytical customer relationship management (CRM) road map. It aims to provide a checklist that could be used to drive discussion in this area.

A fictitious mobile telecommunications company is used to illustrate the initiatives. This sector was chosen as, in the author's experience, many of these companies are struggling with this issue. They have developed good processes to address churn but do not know where to go from there.

combination with the customer lifetime value to determine the most appropriate retention offer. It has a simple solution in the call centre to support cross selling but there are no analytics driving this process. Campaign management technology has been in place for a number of years and the campaign performance reporting is stable and robust. The primary source of data for the campaign management, mining and reporting activities is a large data warehouse that has been in place for 6–7 years.

The following section describes a long list of potential CRM initiatives that New Telco could adopt over the next few years. Its primary purpose is to stimulate informed discussion on the possible direction for the business. These initiatives are broken into the following areas:

- Data mining
- Offer management

BACKGROUND

The fictitious mobile telecommunications company is called New Telco. It has been using mining technology for a while to drive retention activities. It has a number of churn models which are used in

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- Segmentation
- Channel management
- Activity based costing (ABC)

Examples of each of these initiatives are described in the following section.

Data mining — Extending the range of targeting models

Use the current mining environment to extend the range of models that are used to target communications activities. The following is a list of models that would be used in a mature business environment.

- Product cross-sell models for the main product categories
 - Voice
 - Data
 - Content
- Product up-sell models for the main product categories
 - Handsets
 - Value added services
- Customer retention offer models
 - Handset
 - Airtime
- Customer recovery models
- Campaign performance models

Business benefits

This initiative will provide New Telco with the ability to extend the benefits of predictive analytics to most, if not all, customer communications.

Typically the use of targeting models results in 10–20 per cent of the proposed target audience being removed without impacting overall response volumes. The primary benefit in this case is cost savings, but it will also improve customer experience by reducing the volume of inappropriate communications. An example would be to build a handset up-sell model for use in retention communications.

Implementation implications

- High impact on business performance
- Low impact on technology if current modelling tools are used and analysis data set is available and well maintained
- Low impact on processes assuming that current campaign management process is designed to exploit models and the current model development process is semi-automated
- Low-medium impact on resource, if current tools are used effectively (assume three days per model)

Best practice

Should be able to build and deploy a model within one day.

Use of this approach can result in 20–30 per cent increase on current response rates.

This is only possible where:

- Mining tool is fully utilised
- Analysis data set is in place and well maintained
- Analyst is experienced and knows the data and business

Technology

Class of technology — data mining
Examples — SPSS Clementine, SAS Enterprise Mining,

Data mining — Integrate models to support next best offer

Use the current and any new cross-sell and up-sell models to determine the next best product for the customer. The choice of next best offer could be based on the highest propensity to purchase or gamma score (ie the propensity score multiplied by potential value) The next best product scores will need to be

integrated into the campaign and call centre offer management solution(s).

Business benefits

This initiative will enable New Telco to select the most appropriate product or service to promote to a customer. This approach will increase the overall return on investment (ROI) on marketing activities by ensuring the best offer is made to the customer. The primary benefit in this case is improved ROIs but customer experience will also be improved by reducing the volume of inappropriate communications. An example would be a customer who is eligible to receive four offers and the next best offer process determines that a handset up sell is most appropriate.

Implementation implications

- High impact on business performance
- Low impact on technology if current modelling tools are used and an analysis data set is available. Integration of the next best offer results into the channels may require enhancement of these systems, however, in which case the impact will be medium (assuming new technologies are required)
- Medium-high impact on processes assuming that the 'people' channels need changes in processes and training in new procedures
- Medium-high impact on IT resources if channel systems need to be modified

Best practice

Can result in a 50–100 per cent increase in overall ROI.

Technology

Class of technology — integration

Examples — Ab Initio, Informatica, SAS ETL Studio

Data mining — Best time of day model for telemarketing calls

Use the current data mining environment to build models that can be used to determine the best time of day to make a call to a customer as part of a pro-active sales or retention activity. Integrate these models into the call centre list management process.

Business benefits

This initiative will ensure that the New Telco telemarketing team call a customer at the most appropriate time of day. This approach will result in higher contact (hit) rates and better response rates and after improved customer experience as calls are less likely to be made at inappropriate times. An example would be to contact a customer in the evening rather than in the morning as mandated by the current process.

Implementation implications

- Medium-low impact on business performance
- Low impact on technology if current modelling tools are used and required data is available
- Low impact on processes assuming that the current campaign management process can support the use of more than one model; the telemarketing team will need to ring customers in the desired sequence

Best practice

Contact rates can be increased by 50–100 per cent, and response rates

improve marginally by 1–5 per cent over current rates

Technology

Class of technology — data mining
Example, — SPSS Clementine, SAS Enterprise Miner

Data mining — Build channel preference

Use historical response data to build customer channel preference models for pro-active communications. Integrate channel preference models with the cross-sell and up-sell models to determine the best product and channel for communications.

Business benefits

This initiative will ensure that New Telco contacts the customer through the best channel. This approach will result in higher response rates. Current rates will be increased by 1–10 per cent depending on the channel. Customer experience will also be improved as the communications will be made through the optimal channel for the customer. An example would be to contact a customer by e-mail where the current process would have contacted them via direct mail.

Implementation implications

- Low-medium impact on business performance
- Low impact on technology if current modelling tools are used and required data is available
- Low impact on processes assuming that the current campaign management process can support the use of more than one model

- Low impact on IT resources as additional model is used in campaign management environment and does not affect other systems

Best practice

Response rate may show a marginal of improvement 1–5 per cent above the current rates.

Technology

Class of technology — data mining
Examples — SAS Enterprise Miner

Data mining — Better integrate contact history into the modelling process

Extend the use of contact history in the process of developing targeting models. This contact history data should include:

- Operational contact history
- Pro-active marketing contact history, eg direct mail campaigns
- Passive marketing contact history, eg real-time offer environment
- Website activity

The integration will involve detailed, not just summarised, contact information.

Business benefits

This initiative will ensure that New Telco exploits valuable contact history and response data as part of the predictive model development process. This approach will result in higher response rates and an improved customer experience as the targeting of communications will be better. An example would be when a customer is excluded from a campaign on the basis of his/her response to previous campaigns.

Implementation implications

- Medium impact on business performance
- Low impact on technology if current modelling tools are used and required data is available
- Low impact on processes (may just require advice on how to include this type of data in the modelling process)
- Low impact on IT resources assuming the data is already available

Best practice

Response rate shows a marginal improvement of 10–20 per cent more than current rates.

Technology

Class of technology — data mining
 Example — SAS Enterprise Miner
 Class of technology — campaign management (maintain contact history)
 Examples — Chordient, SAS Marketing Automation, Unica Affinium suite, NCR Marketing Optimization

Data mining — Increase the timeliness of data used for mining

Modify the update process for the data mining environment to facilitate more frequent refresh of the data.

Business benefits

This initiative will ensure that New Telco has the most up-to-date data for use in mining and campaign management. This approach will result in higher response rates. Customer experience will be improved as the targeting of communications will be better. As New Telco moves to more real time activities, this requirement will become more important. An example

would be to move from a daily refresh to an hourly refresh for telemarketing response data.

Implementation implications

- Low-medium impact on business performance
- Low impact on technology if current extract, transform and load (ETL) tools can handle the changes in update frequency
- Low impact on processes assuming that the only thing that changes is the update process for the campaign management and data mining environments
- Low impact on IT resources assuming the data is already available

Best practice

Response rates may improve by 1–5 per cent above the current rates. These results depend on the types of campaigns and the channels used.

Technology

Class of technology — ETL
 Examples — Informatica, Ab Initio, SAS ETL Studio

Data mining — Build customer price sensitivity models

Use the current mining environment to develop models that determine the customer's price sensitivity. These models can then be used to determine the use of discount as part of the offer or proposition development.

Business benefits

This initiative will ensure that New Telco provides discount offers only to

those customers that require discounts to initiate a response. This approach will result in higher response rates and an improved customer experience, as the communications will discount where appropriate. An example would be for a customer who only ever responds when the discount is high, to be included only in campaigns where this is part of the proposition.

Implementation implications

- Low-medium impact on business performance
- Low impact on technology if current modelling tools are used and required data is available
- Low impact on processes assuming that the current campaign management process can support the use of more than one model
- Low impact on IT resources as additional model is used in campaign management environment and does not affect other systems

Best practice

A marginal improvement of 1–5 per cent in response rate above the current rates. The impact on campaign ROI can be high, as discount is not given to customers that do not require it.

Technology

Class of technology — data mining
Example — SAS Enterprise Miner

Data mining — Implement market mix modelling

Use the current or a slightly enhanced analytics environment to develop and implement a market mix model. This modelling process uses internal and

external data to determine the optimal level of investment in the various components of the marketing mix, including — but not limited to — above and below the line marketing.

Technology

Class of technology — data mining
Examples — SAS Enterprise Miner, SPSS
Class of technology — Time series forecasting
Examples — SAS High Performance Forecasting, SPSS
Class of technology — Simulation
Example — SAS Base

Offer management — Implement offer optimisation

Extend the current modelling and campaign environments to support statistics-based offer optimisation. This process takes a series of campaign lists with purchase propensity scores (or expected values) and a series of business constraints and applies ‘or’ techniques to determine the optimal customer, offer and channel combination. The business constraints can include:

- Budget
- Channel constraints
- Maximum and minimum campaign sizes
- Contact rules
 - Recency
 - Frequency
- Response rates
- Marketing ROI

Business benefits

This initiative will ensure that New Telco optimises both customer response and utilisation of resources (channel, people and financial) and will result in

higher marketing ROI. It does not have any specific impact on customer experience.

For example, five lists of people to be included in a campaign are subjected to an optimisation process where a number of business constraints are applied with one objective function of optimising ROI. These constraints include:

- Maximum or minimum number of communications in a campaign
- Total available budget
- Recency frequency contact rules
- Available capacity in the call centre

In this way, an updated list of customers to be included in the five campaigns is obtained.

Implementation implications

- Medium-high impact on business performance
- High impact on technology, as additional tools will be required
- High impact on processes, as new processes will be required to agree and supply the data to support the objective function and constraint definition
- High impact on IT resources as additional technology and data integration will be required

Best practice

Typical ROI varies from \$3–40 profit per dollar of marketing spend. Overall, the campaign ROI can increase by 50–100 per cent.

Technology

Class of technology — offer optimisation
Examples — SAS Offer Optimization, Unica Offer Management

Offer management — Extend real-time offer environment to other channels

Extend the current call centre real time offer environment to support other channels including the internet and retail branches.

Business benefits

The current cross-sell process could be extended across other channels to improve cross-selling activities in those channels. This approach will result in increased revenue where other channels do not support intelligent cross-selling activities and an improved customer experience if the cross-sell and up-sell offers are timely and relevant. An example would be to extend the current offer management process to New Telco retail stores.

Implementation implications

- High impact on business performance
- Low impact on technology if current offer management solution is used
- High impact on processes — assuming that cross selling is not supported in the other people channels at the moment
- High impact on IT resources, as there will be significant effort required to modify existing channels to integrate the new channels and, potentially, to change the current offer management process

Best practice

Use of the offer management process across all channels including third party dealers combined with an offer rate of 20–80 per cent in people channels (number of customers who received offer when agent is involved). A conversion

rate of 20–30 per cent can be expected for highly targeted offers.

Technology

Class of technology — real time integration

Example — IBM Messaging Services

Offer management — Increased sophistication of offer decisioning

Increase the sophistication of the offer decisioning process that supports the current call centre offer management solution or the extended offer management environment (the web and other channels). This could be achieved by:

- Extending the range of data used in the offer decisioning process to include:
 - More data from the data warehouse
 - More data from the operational systems
 - More data from the channel environment eg agent skill level
- Using the next best offer product and channel preference model scores
- Using a more complex prioritisation process for offers
 - Campaign prioritisation
 - Customer based prioritisation
 - Adaptive learning
- Enhancing the CRS interface to facilitate personalised offers
- Improving the feedback on offer presentation and outcome

Business benefits

This approach will improve the performance of the current offer management process by increasing the intelligence used in the offer decision engine. This benefit could then be increased by extending the improved

offer management process into other channels. Customer experience will be improved if the cross-sell and up-sell offers are timely and relevant. An example would be to implement a more advanced offer management solution such as the Epiphany Cross Sell Advisor.

Implementation implications

- High impact on business performance
- High impact on technology if new solution is required
- High impact on processes assuming that cross-selling is not currently supported in the other people channels or if the new solution requires process changes
- High impact on IT resources as there will be significant effort required to implement the new solution and integrate it into all channels

Best practice

Use offer management process across all channels including third party dealers. Offer rate 20–80 per cent in people channels (number of customers who received offer when an agent was involved). Conversion rate 20–30 per cent for highly targeted offers

Technology

Class of technology — offer optimisation
Examples — Epiphany Advisor, SAS Interaction Management

Segmentation — Extend the range of approaches use to segment customers

A segmentation initiative could be to extend the range of approaches that are used to segment customers. These

approaches could include the following dimensions:

- Credit risk
- Payment behaviour
- Mobile phone usage patterns (recency, frequency and monetary value (RFM) quintiles) for:
 - Voice
 - Data
 - Content
- Psychographics
 - Attitude to mobile communications
 - Attitude to New Telco
- Life stage — eg age, marital status, socio-economic and family situation
- Lifestyle — eg urban, rural etc

The resulting new segments are used to provide input into one mining environment for modelling, real time offer management processes, proposition development and offer development.

Business benefits

This approach will improve the overall management of customer communication activities.

Implementation implications

- Low impact on business performance
- Low impact on technology if current tools are used
- Low impact on processes, assuming the new segmentation approaches are deployed in a similar manner to those currently in use
- Low impact on IT resources assuming all the required data is in place

Best practice

There is a marginal impact on response rates of 1–5 per cent more than current rates.

Technology

Class of technology — data mining
Examples — SAS Enterprise Miner, SPSS

Segmentation — Implement ‘voice of customer’ process

Implementing a ‘voice of customer’ approach to supplement the data mining, segmentation and other customer analytics activities uses a combination of quantitative and qualitative research techniques to supplement customer analytics activities. This approach may also be used to collect specific data points to support mining activities. It also can provide valuable colour for otherwise flat customer analytics and helps to validate the results of data driven activities.

Technology

Class of technology — data mining
Examples — SPSS Clementine, SAS Base

Channel management — Enhance campaign management environment

Enhancing the current campaign management environment can be used to support:

- Automated test and roll-out
- Design of experiments
- Trigger-based campaign — identification of potential triggers
- Distributed campaigns

Business benefits

Most organisations do not fully exploit the functionality that is available to them within a technology solution (in this case campaign management). This activity is concerned with understanding what is

available in the current solution and looking to expand the use of existing functionality. Improved campaign performance could be one key benefit. This activity may have an impact on the customer experience but it is difficult to assess at the initial stage.

Implementation implications

- Unknown impact on business performance
- Low impact on technology if current tools are used
- Low impact on processes, assuming that the only changes required are in the marketing area
- Low impact on IT resources, assuming that activation of the new functionality does not require major changes in the campaign management system

Technology

Class of technology — campaign management

Examples — Chordient Marketing Director, Unica Affinium Suite, SAS Marketing Automation

Channel management — Enhance campaign performance reporting

Extend the current campaign performance reporting environment to support more comprehensive reporting that focuses on exception reporting and the creation of alerts for under- or over-performing campaigns or offers.

Business benefits

This change will result in better monitoring of campaign performance, which in turn allows marketing to refine existing and planned campaign activities.

Implementation implications

- Medium impact on business performance
- Low impact on technology if current tools are used
- Low impact on processes, assuming the users of the reports understand how to monitor and refine campaigns
- Medium impact on IT resources assuming that IT has to build the new reports

Best practice

Daily campaign performance reports that cover metrics such as: communication volumes (gross and net); fixed and variable campaign costs; response volume and value; response rates; cost-per-communication; cost-per-response; conversion rate; contribution (profit); average contribution per response; ROI. These should be available at the campaign and communication levels.

Technology

Class of technology — business intelligence

Examples — Business Objects, Cognos, SAS BI

Channel management — Increase personalisation of communications

Enhance current marketing systems and processes to increase the personalisation of communications. This has implications for multi-channel communication, content management and real time content eg web site.

Business benefits

This approach will result in increased response rates. Customer experience will be improved by tailoring

communications to reflect our understanding of them as individuals. An example would be to include details of recent downloads in an e-mail to a customer.

Implementation implications

- Low–medium impact on business performance
- Low impact on technology if current tools are used
- Low impact on processes, assuming the changes to the current campaign management process are minor
- Low impact on IT resources, assuming current communication channels facilitate personalisation of communications

Best practice

Use as much personal data as possible to support relevant personalisation of a communication.

Technology

Class of technology — campaign management
Example — Chordient Marketing Director

Channel management — Extend available communication channels

Extend the range of channels that are integrated into the campaign and real-time offer management environments. The channels implicated include:

- WAP
- SMS 2 way
- Tele conferencing
- Instant messaging (IM)
- Video
- Video conferencing

- Online events
- Conferences

Business benefits

This approach will provide a wider range of communication methods for marketing to use when communicating with customers. Each of the new and existing channels has advantages when trying to communicate with a customer. The key benefits are increased response rates resulting from the use of more effective channels and reduced cost per communication if the mix changes to the lower cost channels.

Customer experience will be improved by making more effective use of communication channels. An example would be to move from direct mail to personalised e-mail to support a cross-sell communication to retail customers.

Implementation implications

- Medium–high impact on business performance
- Medium–high impact on technology if new technology needs to be put in place
- Medium impact if some of these channels are new to marketing
- High impact on IT resources, assuming these channels are not integrated into the current campaign management environment

Best practice

Use of as many channels as possible and move to the real-time channels, eg e-mail, WAP and instant messaging.

Technology

Class of technology — communication delivery

Example — Accucast E-mail Delivery

Channel management — Implement real-time dialogue management technology

The author believes that one of the killer applications for 3G will be instant messaging. There is a new class of technologies emerging that support automated dialogue with instant messaging. Therefore companies should consider implementing instant messaging and automating dialogue management technologies to support communication between customers and between customers and New Telco. The key technologies here involve IM Robots. These technologies manage automated instant messaging dialogue between one or more users and the host organisation.

Business benefits

This approach will provide a wider range of real time methods for marketing to use when communicating with a customer.

The key benefits are increased response rates resulting from the use of more effective channels, reduced cost per communication if the mix changes to the lower cost channels and a stimulation of a real time change in behaviour. Customer experience will be improved by facilitating real-time two-way communications with customers.

An example would be to use instant messaging to promote access to a live video event.

Implementation implications

- Low–medium impact on business performance until 3G is widely available

- Medium–high impact on technology if new technology needs to be put in place
- Medium impact on processes if the IM channel is not used
- High impact on IT resources, assuming these channels are not integrated into the current campaign management environment

Best practice

Use of IM Robots

Technology

Class of technology — IM Robots

Example — Ailant

Channel management — Implement web analytics

Enhance the current analytical environment to support web analytics. These changes would include extending the range of data to include website usage data for customer and anonymous visitors and adding additional analytics functionality. The resulting capabilities would be used to understand:

- Customers' web visit behaviour, eg recency frequency (RF) of visit
- Website usage behaviour eg type 22 user — content downloader
- Support channel preference models
- Website offer management
- Channel migration

Benefits

Web analytics would enable marketing to better understand the behaviour of both customers and anonymous visitors to the website. This would allow the company to develop online web campaigns to support cross-sell and up-sell activities.

The key benefit would be to increase

revenue from additional cross-sell and up-sell activities. The customer experience could be improved by reducing inappropriate communications. An example would be to present a pop-up ad suggesting that visitors register on the site and offering an incentive (eg free ring tone) when a customer has made three anonymous visits to the site.

Implementation implications

- Medium-high impact on business performance depending on level of usage of current site
- Medium impact on technology if new technology needs to be put in place
- Low-medium impact on processes if cross-selling and up-selling are not currently performed on the site
- Medium impact on IT resources, assuming a new technology has to be implemented and the new data added to the analysis and campaign management environments

Best practice

Amazon.com
Sony Music.com
MLB.com

Technology

Class of technology — web analytics
Examples — Web-trends, SAS Web Analytics, Omniture Web Analytics

Channel management — Integrate provisioning services

Integrate the communication response channels into the product and service provisioning process to automate the fulfilment of responses to marketing communications. This capability can then be extended to all communications

channels, for example, retail branches through the use of kiosks in stores. The obvious response channels are:

- SMS
- WAP
- Mobile internet (3G)
- Instant messaging
- Website

Benefits

This approach will streamline the provisioning of services for the customer and facilitate self-servicing by customers.

The key benefit is the reduced cost of providing a service. The customer experience is improved as both the time to provision a service and human errors are reduced.

Implementation implications

- Medium impact on business performance
- High impact on technology if new technology needs to be put in place
- Low impact on processes
- High impact on IT resources because of the impact on current systems

Best practice

Fully automated provisioning of all services regardless of customer contact method (SMS, interactive voice response (IVR), website, WAP).

Technology

Class of technology — integration
Examples — IBM Messaging Services

Channel management — Forecast channel resource requirements

Use the current or a slightly extended

customer analytics environment (which may need additional forecasting capabilities) to forecast the channel resource requirements generated from marketing communications activities. The key channels that may be impacted are: outbound telemarketing; inbound call centres; outbound SMS; and e-mail.

This information can be used by the channel management teams for resource planning and capacity development. It can also be used to monitor the pattern of responses to marketing communications activities.

Business benefits

This approach will facilitate resource planning and capacity planning in the channels. The key benefits are from reduced costs associated with better utilisation of resources in the channels, particularly telemarketing and customer services. The customer experience is improved because the resources are better managed in the channel. An example would be a monthly plan of expected responses by channel for each campaign, with a daily breakdown provided to the channel teams.

Implementation implications

- Low–medium impact on business performance
- Low impact on technology, if current technology is used
- Low impact on processes, assuming there is some type of planning process in the channels
- Low impact on IT resources assuming the required data is already available

Best practice

As above

Technology

Class of technology — forecasting and/or business intelligence (BI)

Example — SAS High Performance Forecasting

Channel management — Develop a retail network planning model

Develop a retail network planning model that uses regression and or gravity modelling to determine the optimal location for retail sites. These coverage requirements can be used to support the development of New Telco and third a party retail network. This information can be used to support key decisions about new site locations, refitting of existing sites, relocation of sites and the choice of dealers.

This type of analysis requires access to GIS systems and data.

Business benefits

This approach will improve the quality of the investment decision surrounding retail branches and ensure decisions are based on a solid fact base. The key benefit is more accurate investment decisions. Customer experience will be improved by ensuring an optimal network of retail branches servicing the customer and prospect base.

Implementation implications

- Medium–high on business performance because of the level of the investment decisions
- Low–medium on technology, assuming the current technology can support analysis requirements
- Medium impact on processes if the required analysis skills do not exist

- Low impact on IT resources, assuming that the key data is available from either internal or external sources

Best practice

Toyota retail network planning model

Technology

Class of technology — gravity modelling

Examples — requires bespoke products to be developed

Class of technology — geographical information systems (GIS)

Example — ARC GIS

Channel management — Supply chain management

Use the current or a slightly extended customer analytics environment (which may need additional forecasting capabilities) to forecast the sales of handsets stimulated through marketing communications and real-time offers. Use the resulting forecast as input into the overall demand forecast for handsets.

Business benefits

This approach will facilitate the supply chain process and ensure that the impact of marketing activities are taken into account in that process. The key benefits are improved margin (resulting from better stock management) and improved service as a result of reduced stock outs.

The customer experience is improved through wider choice and reduced stock outs. An example would be a monthly plan of expected sales by handset for each campaign, with a daily breakdown provided to the sourcing teams.

Implementation implications

- Medium impact on business performance
- Low impact on technology if current technology is used
- Low impact on processes, assuming there is some type of planning process in the supply chain group
- Low impact on IT resource, assuming the required data is already available

Best practice

SAS supply chain solutions with integration to SAP

Technology

Class of technology — forecasting

Example — SAS High Performance Forecasting

ABC — Implement activity-based costing

Implementing ABC processes can support the cost and profitability analysis of customers, products, channels, campaigns and other processes.

The ABC approach looks at the costs associated with processes, rather than the standard accounts department approach and allows the business to understand the costs associated with specific processes or process components.

Business benefits

This approach will facilitate more accurate costing of processes. The enhanced data can then be used to better manage these processes. The key benefits are more accurate costing data for customer, product and channel performance analysis. Customer experience is not impacted by this activity.

Implementation implications

- Low–medium impact on business performance
- Medium–high impact on technology, as incremental technology would be required
- Medium–high impact on processes, as new skills and processes will be required to collect the data and use the results
- Medium–high impact on IT resources, assuming new technologies and data will be required

Best practice

See www.bettermanagement.com

Technology

Class of technology — activity-based costing

Example — SAS ABC (Oros)

CONCLUSION

The growth of analytical CRM technology over the last 5–10 years, and the creation of a wide body of knowledge on the subject, means that there are significant opportunities for most organisations to expand their activities.

The road map needs to take business strategy, and impact and resource implications into account. In each case, the organisation has to develop a unique road map that enables it to gain and sustain a long-term competitive advance through the use of its customer data.

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 SAS Inc
 SAS Enterprise Miner
 SAS ETL Studio
 SAS Marketing Automation
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