

> Reduce Marketing Costs, Increase Revenue



> Increase campaign revenue and customer value

Like most marketing organizations, yours is probably asked to do more with less. Improve campaign response rates. Acquire and retain more high-value customers. And all with the same limited resources that you had last year.

PredictiveMarketing is the solution to the marketing campaign issues that your department faces every day. It helps you determine who to send offers to, which offers to send, when to send them, and through which channels—and then executes your campaigns. And equally as important, it tells you which customers to leave off your list. So you mail to the right people, increase your response rates and revenues, and decrease your marketing costs—while maintaining or improving customer satisfaction.

In fact, PredictiveMarketing customers are typically able to reduce their direct marketing costs by 25 to 40 percent, while doubling response rates and increasing campaign profits by 25 to 50 percent.

Focus on the customer for better results

Traditional campaign management systems try to find the best customers for each campaign. PredictiveMarketing puts your customers first, taking into account their individual preferences and contact restrictions to help choose campaigns that offer both high value to the company and a high likelihood of customer acceptance. PredictiveMarketing chooses the best offer for each customer, rather than the other way around. This customer-focused approach results in significant increases in response rates and revenues.

Increase productivity with full campaign support

PredictiveMarketing is a complete solution for campaign creation, optimization, and execution, that enables you to:

- Determine the right campaign for each customer
- Select campaigns based on your desired result, such as maximum ROI, or any combination of user-defined criteria
- Choose the right channel for each campaign and customer
- Contact each customer at the right time
- Coordinate all of your campaigns across channels to reduce overlap and maximize response

Whether you send a few large campaigns each year, or dozens of campaign each month, PredictiveMarketing makes your campaigns more timely, effective, and profitable.

Case study: Corona Direct

Corona Direct, Belgium's second-largest direct insurance company, markets to customers through direct mail, call centers, Web channels, and affinity underwriting. To sustain its rapid growth, Corona Direct needed the first-year revenues from new insurance policies to cover the cost of acquisition campaigns. The cost of securing new customers, however, exceeded first-year revenues by almost 50 percent, putting Corona Direct's growth strategy at risk.

The company selected PredictiveMarketing to optimize its campaign strategy and provide sophisticated profit/cost analyses to balance growth targets against profit margins. Using PredictiveMarketing, Corona Direct:

- Balanced speed-of-growth with profitability by selecting the largest possible campaign that would increase revenues
- Reduced campaign costs by 30 percent
- Increased long-term customer profitability by 20 percent through lower acquisition costs per customer
- Significantly increased product sales
- Within six months, achieved revenues that covered the cost of the software investment

Combine business knowledge with powerful analytics

PredictiveMarketing manages your customer interaction process across campaigns and channels with a combination of predictive analytics and advanced business logic. Predictive analytics enables you to anticipate how individual customers will respond to specific campaigns and channels, and calculates which campaigns will provide the greatest revenue to your company.

Users add business rules, such as restrictions on channel load, budget, and customer contacts, and information such as targets or preferred groups, to see the predicted impact of campaigns on costs and revenues. Results are presented in immediately understandable business terms, with no further analysis necessary.

Use the right channel for each customer

How a customer receives an offer can be just as important as the offer itself. One customer may be more likely to respond to an e-mail offer, while another customer may delete that same offer from his inbox, but respond to it in-store. PredictiveMarketing determines the best channel for each customer and campaign, to improve the likelihood of acceptance and response. Cross-channel optimization prevents you from approaching the same customer with multiple offers. If a channel reaches capacity, PredictiveMarketing switches to a backup channel to ensure completion of the campaign.

In addition to optimizing campaigns across channels, PredictiveMarketing enforces internal contact restrictions and interaction policies, as well as external restrictions such as federal and state "do-not-call" lists. This ensures that you don't overcontact customers or contact customers through restricted channels.

Send offers at the right time with event-driven marketing

Timing is everything. An intelligently timed campaign can prevent a customer from turning to a competitor, or result in a successful up-sell. Changes in customer behavior, such as decreased buying or repeatedly exceeding the monthly minutes allotment, are important signals. Most marketing departments, however, don't have the time or resources to monitor individual customer behavior.

Case study: Natexis Assurances

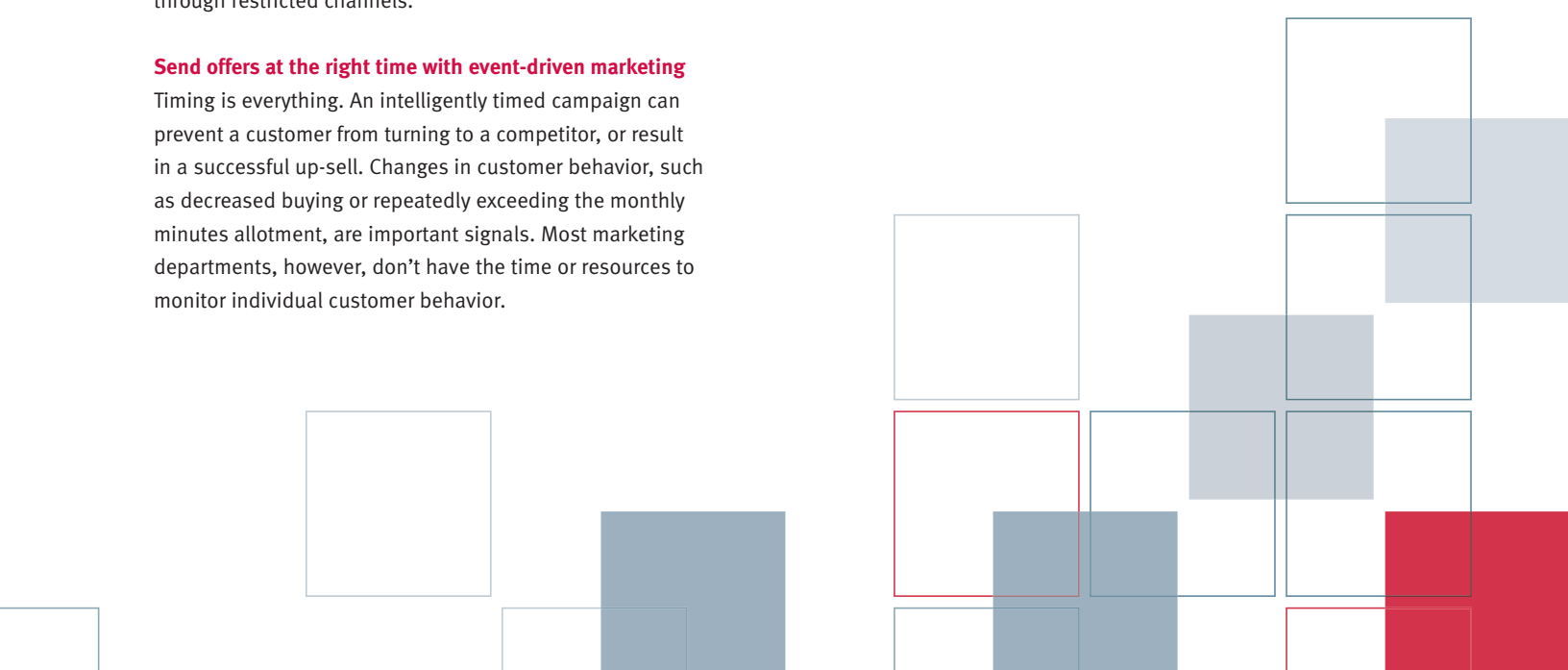
Natexis Assurances, the insurance division of Groupe Banque Populaire, provides more than four million policies to its customers, representing total assets of approximately \$18 billion. Natexis needed to develop campaigns that would result in high-quality leads for its branch offices in order to increase branch participation in its marketing programs.

The company chose PredictiveMarketing because of its ability to target customers that would generate the highest value for the company, as well as for its easy integration with the company's existing marketing processes. PredictiveMarketing enabled Natexis to:

- Increase direct mail revenue by 200 percent
- Reduce direct mail volume by 50 percent

“Two years ago we were mailing four million letters annually at an average cost of \$.50 per letter. After modeling with PredictiveMarketing and then fine-tuning our prospect mailings, we were able to reduce our costs by 30 percent while maintaining new customer conversion rates. With additional data and cross-selling, we are expecting improvements of 50 percent and more.”

– Philippe Neyt
Commercial Director
Corona Direct



PredictiveMarketing automatically looks for changes in customer behavior (known as “events”) that indicate an unmet need or potential loss of value and selects the best campaign for each situation. Customers receive timely offers that address their specific needs.

Seamless integration with existing systems

You may have a single marketing database, or an entire campaign management system. PredictiveMarketing integrates with all major database and campaign management systems to leverage your existing data and processes—you do not have to create a new, separate datamart or data warehouse. On its own, PredictiveMarketing can support every step of the campaign management process, from campaign creation to optimization and execution. Alternatively, as a complement to an existing campaign management system, PredictiveMarketing enables you to get better results from the volume of campaigns you already run.

Optimize the entire customer interaction process

SPSS offers predictive analytic applications that automate and optimize your entire customer interaction process, from marketing to sales and services. Predictive analytic applications integrate across channels and processes to predict and effectively respond to customer needs, preferences, and behaviors. By implementing predictive applications in your inbound and outbound call centers, direct mail operations, and Web site, you see immediate improvements in customer response and satisfaction, and increased revenues across these channels. SPSS predictive analytic applications leverage your existing databases, systems, and processes to deliver results quickly and generate measurable business value.

Contact an SPSS representative today to find out more about PredictiveMarketing and the SPSS predictive analytic applications.



About SPSS Inc.

SPSS Inc. [NASDAQ: SPSS] is the world's leading provider of predictive analytics software and solutions. The company's predictive analytics technology connects data to effective action by drawing reliable conclusions about current conditions and future events. More than 250,000

commercial, academic, and public sector organizations rely on SPSS technology to help increase revenue, reduce costs, improve processes, and detect and prevent fraud. Founded in 1968, SPSS is headquartered in Chicago, Illinois. To learn more, please visit www.spss.com. For SPSS office locations and telephone numbers, go to www.spss.com/worldwide.

Case study: Center Parcs Europe

Center Parcs, Europe's market leader in short-break holidays, operates vacation parks that welcome more than three million visitors a year and produce annual revenues of more than \$500 million. Center Parcs' main objectives are to increase its already impressive 90 percent park occupancy rate, and sell more sports and leisure activities to guests.

Center Parcs implemented PredictiveMarketing to optimize its marketing activities, which previously consisted of two bulk mailings per year. Using PredictiveMarketing, Center Parcs now sends smaller, highly targeted campaigns only to customers that are most likely to respond. As a result, Center Parcs:

- Increased revenue by \$1.65 million
- Reduced direct marketing costs by \$1.5 million
- Streamlined its direct marketing campaign optimization and execution processes

