

Decision Advantage

Relationship Marketing

Maximize Customer Value, One Relationship at a Time

In the shift from a product- to customer-focused organization, success is based on the ability to identify, acquire, retain and grow the most profitable customers. Unfortunately, most information systems have not kept pace with these rapidly changing business requirements.

Many organizations recognize that maximizing the value of each customer relationship is the key to their long-term viability. However, as a leading industry analyst recently noted, "Companies that want to become customer focused are often held back by the state of their information systems."*

Such organizations often collect a vast amount of customer data from separate production and billing systems supporting individual product lines, functional groups, and geographic locations. They may even have data marts and warehouses that provide discrete views of these data sources. But they find it impractical - if not impossible - to transform all that data into a comprehensive customer view that helps focus investment on those with the most potential.



* Source: "How to Architect a Customer Relationship Management Solution", Wayne Eckerson, Patricia Seybold Group, November 19, 1997.

The challenge is to identify and deploy technology that helps:

- Integrate the organization's cumulative knowledge of its customers and model their behavior.
- Develop and plan actionable treatment strategies suitable for each customer or prospect.
- Support dynamic, event-driven marketing based on real-time customer interaction.
- Track responses, integrate new customer attributes, and measure the return on investment for each initiative.
- Evaluate and refine the customer relationship, marketing strategy and tactics to improve results in subsequent interactions.

Forward-thinking organizations are meeting this challenge with a Decision Advantage Relationship Marketing (RM) solution from C-Byte. Decision Advantage RM serves as the decision support foundation for the business processes and infrastructure that comprise any successful relationship marketing environment.

A Proven Path to Dramatic Results

In as little as 6 months, C-Byte can develop and deliver a Decision Advantage RM solution that provides a cohesive view of integrated customer data drawn from both internal and external sources. Intuitive interfaces empower an organization to manage millions of customers while analyzing and modeling customer behavior at any level - down to the individual, if desired.

Armed with a segmented view of customer attributes, an organization can develop treatment strategies to improve customer satisfaction or devise highly targeted marketing programs that consistently achieve significantly higher response rates - as much as ten times higher than the typical 3 to 5 percent. Then, by collecting and integrating results into the data warehouse, the organization can develop and refine strategies that better reflect demonstrated customer behavior, values and preferences.

Example: Banking

Challenge

In an effort to increase customer retention and profitability, one of the largest banks in the United Kingdom is transitioning to a customer-centric organization. In the process, the company discovered its product-centric information systems actually prevented accurate customer profiling - leading to campaigns that achieved low response rates.

Solution

A C-Byte Decision Advantage RM solution enables marketing to develop measurable profitability goals and conduct lower-cost, highly targeted promotional campaigns that achieve better response rates and increase customer satisfaction. The company estimates the return on investment will exceed \$50 million per year due to increased customer retention, recruitment, and credit card usage and improvements in product development and risk management.

Example: Telecommunications

Challenge

A large telecommunications cooperative launched a Digital Broadcast Satellite (DBS) service that quickly grew to more than 800,000 subscribers. Unfortunately, the organization lacked the IT infrastructure to analyze subscriber purchases, local sales rates, sales promotion effectiveness, or channel member performance against business goals.

Solution

A C-Byte Decision Advantage RM solution led to a significant increase in promotional effectiveness by profiling subscriber behavior and developing highly targeted marketing programs for each segment. The solution also helped the company recognize that by extending the payment period for certain subscribers, its disconnect rate would be sharply reduced and revenue increased.

The Decision Advantage RM Solution

C-Byte's Decision Advantage RM solution consists of four critical components that provide an integrated view of customer behavior and provide the foundation for developing new strategies, products, services and treatments aimed at increasing customer profitability. When combined with C-Byte Contact Advantage - a solution for optimizing each customer interaction through the call center, Web site, personal contact, and elsewhere - an organization establishes a Customer Relationship Management (CRM) framework for managing the entire customer lifecycle.

Customer-Focused Data Warehouse

The foundation for a Decision Advantage RM solution is the data warehouse that stores detailed information about customer attributes, purchasing history, response to promotions, and other interactions with any part of the organization. The process of constructing a customer-focused data warehouse leverages C-Byte's unrivaled ability to thoroughly understand the business and technology requirements and architect the right solution.

We start by creating a detailed design of the logical and physical warehouse architecture and validating the approach with business and IS users. The our expert service professionals quickly implement and fine-tune the data warehouse to deliver the highest quality data to marketing analysts, relationship managers, marketing executives, and others.

Data Integration from Internal and External Sources

To ensure the data warehouse draws information from all relevant sources, we construct a robust data integration process to collect and integrate data from many internal and external sources. Advanced data cleansing and hygiene processes merge, purge, clean, de-dupe, transform, and group internal data and facilitate integration of syndicated data (geographic, demographic, psychographic and credit) from external sources.

With a solid data warehouse and integration process in place, an organization begins to realize significant business benefits. Suddenly, it can build a composite picture of each market segment and the relationship each customer has with the organization at every level. Adding, dropping and refreshing customer data becomes straightforward - not the laborious reprogramming effort inherent with older proprietary systems.

Data Exploration and Statistical Modeling

The next step is to integrate data exploration and statistical modeling tools from C-Byte's industry-leading partners or other preferred suppliers. In this phase, C-Byte integration experts adapt the warehouse to support the unique requirements of this class of tools, either with extensions to the warehouse design or creation of a separate mart to accommodate the particular needs of the analytical modeling and scoring process.

The efficiency of this environment allows analysts to spend less time gathering and scoring data, and more time conducting in-depth analysis. As a result, organizations can unearth hidden customer affinities and devise actionable strategies to connect with the most granular market segments - right down to the individual customer.

Campaign and Customer Management

Finally, we help companies select and integrate campaign and customer management software to help them plot treatment strategies, manage multiple concurrent campaign streams, generate mailing and telemarketing lists, and analyze the effectiveness of initiatives. Whether it involves software from a C-Byte partner or other source, we take the responsibility for testing and fitting the chosen tool and adding it to the organization's marketing management cycle.

Example: Insurance

Challenge

In the shift to direct sales, one of the largest and best know insurers in the United Kingdom experienced decreasing customer retention in an increasingly price-driven market. The company needed technology that would allow it to analyze its customer relationships across 26 product lines and tailor campaigns to the most profitable segments.

Solution

C-Byte constructed a Decision Advantage RM data warehouse that integrates data from disparate product systems and external sources, and allows marketing professionals to target individual customers with the right offer at the right time. The solution has resulted in a substantial increase in the cross-selling and up-selling of insurance products and has increased customer retention.

Requirements for a Successful Relationship Marketing Project

A successful relationship marketing solution is one built on a solid, yet flexible infrastructure that anticipates the organizational and technical requirements of today - and well into the future. Here are just a few of the most important requirements for any relationship marketing project.

Organizational:

- Find an executive sponsor with a customer-centric vision
- Deliver project phases and business benefits in 3 to 6 month intervals
- Create and manage realistic expectations at all levels within the organization
- Involve end users to foster project ownership from the beginning

Technical:

- Develop a data warehouse to serve as the relationship marketing foundation
- Integrate data from all relevant internal and external sources.
- Invest in scalable technologies that can handle inevitable and explosive growth.
- Use data warehouses or marts to support end-user analysis of customer attributes
- Provide simple, yet powerful interfaces that match the needs and skills of the end users
- Update data from sources systems on a daily or weekly basis
- Continually address data quality, depth and breadth

A C-Byte Decision Advantage Relationship Marketing solution enables an organization to maximize customer value - one relationship at a time. For more information about a C-Byte Decision Advantage RM solution, visit our Web site at <http://www.c-byte.com> or call your local C-Byte office.

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