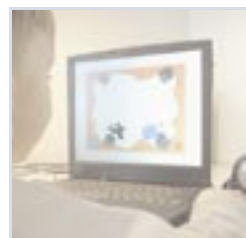
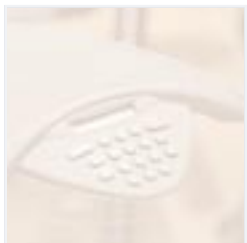
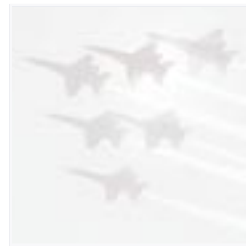
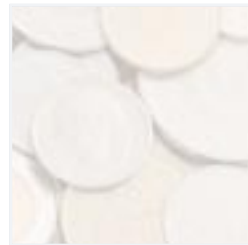


> Leading Organizations Empowered by SPSS Predictive Analytics

A COMPENDIUM OF SPSS CUSTOMER SUCCESS STORIES



> SPSS Predictive Analytics Software: Empowering Leading Organizations Worldwide

Predictive analytics software is at the cutting edge of information technology. It is empowering organizations to generate the critical insight they demand today for a wide range of challenges they face tomorrow.

Top organizations worldwide are increasingly harnessing SPSS predictive analytics software to draw reliable conclusions about current conditions and future events by applying sophisticated analysis techniques to enterprise data. SPSS predictive analytics is helping these organizations, both commercial and non-commercial, drive their most critical operations and obtain high returns on investment (ROI). The analyst firm IDC has found that business applications involving predictive analytics software generate an average ROI of 145 percent—much higher than that for other business analytical software.*

Offering top-of-the-line products for bottom-line results, SPSS' customer footprint is broad and deep:

- Twenty of the top 25 global banks are SPSS customers
- Eight out of 10 global life insurance companies are SPSS customers
- All 50 U.S. state governments use analytics from SPSS
- All of the top U.S. universities use SPSS
- Sixteen of the top 20 retailers worldwide rely on SPSS software
- The world's 25 largest market research firms use SPSS software
- Customers in more than 100 countries use SPSS software

As the pages ahead will illustrate, when it comes to predictive analytics technology, SPSS is the solution of choice among dynamic companies and organizations across the spectrum.

* Source: Predictive Analytics and ROI: Lessons from IDC's Financial Impact Study, IDC #30080, September 2003.

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Leading Community College Analyzes Enrollment Patterns

The mission of Cabrillo College, a two-year community college based in Aptos, California, is to aid students in their pursuit of transfer, career preparation, personal fulfillment, job advancement, and retraining goals. To improve retention, Cabrillo wanted to assess which of its 14,500 students were most likely to drop out, and then conduct proactive interventions such as offering a more relevant selection of classes.

Dr. Jing Luan, Cabrillo College's chief planning and research officer, is gaining a deep understanding of student enrollment patterns and tendencies with predictive analytics technology from SPSS. By predicting which students are less likely to return to school, the administration and faculty can directly or indirectly intervene with academic counseling, financial aid packages, and curriculum offerings. The school can also adjust its curriculum, adding programs or subtracting classes that are disadvantageous to its students' educational plans.

Using SPSS software, Dr. Luan can explore and evaluate a range of variables and predict each student's probability of completing a class, transferring out of a class, or leaving the school altogether. "By predicting which students may need some attention or reinforcement of their education, we can provide each student on an individual basis with relevant information or discuss how we can help them overcome the obstacles negating their staying," said Dr. Luan. "We can also determine what classes should be offered at what times. For example, we found students with particular profiles were more likely to take night classes."

In addition to enrollment management, Dr. Luan feels that SPSS technology will continue to benefit Cabrillo College in future endeavors. "Data mining has tremendous applications in higher education research, including marketing, fund raising, survival analysis, and Web site click-stream analysis. Cabrillo views SPSS as a strategic partner for conducting in-depth research on our students and their enrollment patterns."

Education

Application: Disciplinary evaluation

Louisiana School System Has Better Approach for Addressing Disciplinary Issues

In Thibodaux, La., Lafourche Parish Public Schools is using SPSS predictive analytics software to improve the way its administrators address student disciplinary issues.

School officials are looking to uncover patterns from previous disciplinary-related incidents to ensure future occurrences that are similar in nature are dealt with consistently and appropriately.

Additionally, the school system wants to ensure that its administrators and teachers are well-equipped to properly identify early warning signs that lead to behavioral problems and that they are using the most appropriate approaches when dealing with them.

“By uncovering trends and patterns of students who are referred for discipline—for example, determining whether a student who dressed a particular way or who used profanity regularly is more prone to getting into trouble—then I can provide critical information that will help the district better execute the program and better address the needs of the affected student,” said Chris Bowman, supervisor of federal programs at Lafourche Parish Public Schools.

As an example, Bowman said that within the category defined as suspensions, it is now possible to see how it relates to 14 other categories including interventions, willful disobedience, violence, dress code, etc. Bowman added that as the facts are displayed, he gains more insight into how to ask and frame additional questions.

SPSS predictive analytics software opens the door to that insight with its text mining and data mining capabilities. By scrutinizing the records to identify patterns and trends and then categorize the results, Lafourche Parish Public Schools will be able to extract key concepts and code responses with accuracy and consistency, as well as without prejudice or forethought.

“With SPSS’ software, I’m able to dig deep into the data and categorize student behaviors by various actions associated with them.”

– *Chris Bowman*
Supervisor of Federal Programs
Lafourche Parish Public Schools

Kent State University Gains New Insights into Clinical Data

Generalized anxiety disorder (GAD) currently affects nearly five million people in the U.S. People with GAD experience debilitating pathological anxiety, which interferes with their ability to function normally. In addition to conducting clinical research on GAD, Dr. David Fresco, assistant professor of psychology at Kent State University, in Kent, Ohio, teaches clinical research methods and cognitive behavior therapy.

To better and more quickly identify meaningful relationships in his clinical data, Dr. Fresco required technology that could be used to conduct statistical interpretation and data analysis. Although he's an avid Macintosh® user, Dr. Fresco needed to enable easy collaboration with colleagues who use the Microsoft® Windows® operating system—which he was able to do with SPSS software. Dr. Fresco selected SPSS predictive analytics for both of his major areas of study: the study of causes and treatment of GAD; and the identification, distillation, and dissemination of factors associated with human resilience and excellence.

By using SPSS' data management and statistical software, Dr. Fresco can now rapidly analyze clinical population data and determine which characteristics correlate. According to Dr. Fresco, "The flexibility of SPSS in handling multiple data formats, regardless of whether they're text, Excel®, Access®, etc., is extremely beneficial. Since the datasets are so compact, I can share results with colleagues via the Internet and collaborate in real time."

By identifying patterns and relationships in data, Dr. Fresco can rephrase his questions or adjust his analysis to help identify the cause of the disorder and develop treatments. "The inherent ease of use of SPSS for Macintosh has allowed me to focus less on crunching the data and devote more time to posing harder questions." With SPSS predictive analytics playing an integral role in his analysis, Dr. Fresco will continue to develop and refine treatments in an effort to ensure the highest rate of improvement and foster people's ability to overcome adversity.

Education

Application: Educational assessment

Michigan School District Enhances Analysis of Student Data

Managing an educational system of 40 schools with more than 17,500 students from K-12, Michigan's Lansing School District recognizes the importance of educational data analysis in helping to improve its students' likelihood for success. As the research assistant for the district's Department of Research, Evaluation, and Pupil Accounting, Bethany Deschaine is responsible for analyzing and reporting students' progress based on information stored in multiple databases. Since the district required a technology solution that could thoroughly analyze school district data, Deschaine encouraged Lansing to standardize on SPSS predictive analytics.

Using SPSS statistical and data management software, Deschaine is now able to collect data from all district sources and conveniently compile it into a single file. Additionally, she is able to incorporate open-ended survey response data into her research. Deschaine found that better data provides teachers with more insight into a child's strengths and weaknesses.

Teachers evaluate a student's progress based on information generated from academic markers such as GPA, Iowa, and MEAP test results, and attendance, as well as sometimes overlooked factors such as how often a child transfers schools. Once Deschaine provides teachers with individual student results, the teachers then communicate their conclusions and recommendations to parents. "They can sit down with them at conference time and discuss where the students are strong and where they are weaker. So it's not just providing administrators with numbers; it enables the teacher to provide the parents with some concrete guidance.

"I don't understand why some districts don't want to find a product that makes their life easier and gives them the most accurate information they can get," continued Deschaine. By reducing the time it takes to navigate through the web of information contained in the Lansing School District's databases, SPSS predictive analytics enables Deschaine to meet the requests of teachers and administrators promptly.

□ "It's vital that I give teachers information in time for them to help their students. To really analyze data, to get as deep as you need to get, and to get the insights to the right people as fast as possible, I would go with SPSS."

— *Bethany Deschaine*
Evaluation Assistant
Research, Evaluation, and
Pupil Accounting
Lansing School District



“An analysis is only one click away with SPSS.”

– Sharon Weinberg
Professor of Quantitative
Methods and Psychology
New York University

New York University Presents Real-life Problems in the Classroom

For more than 30 years, Dr. Sharon Weinberg, professor of Quantitative Methods and Psychology, has taught statistics at New York University. Professor Weinberg was concerned that the time-consuming process of number crunching unnecessarily distracted her students from the intellectual exercise of acquiring a conceptual understanding of statistical methods. With the goal of focusing students' attention on learning concepts rather than on formula manipulation, Professor Weinberg introduced predictive analytics software from SPSS into her curriculum.

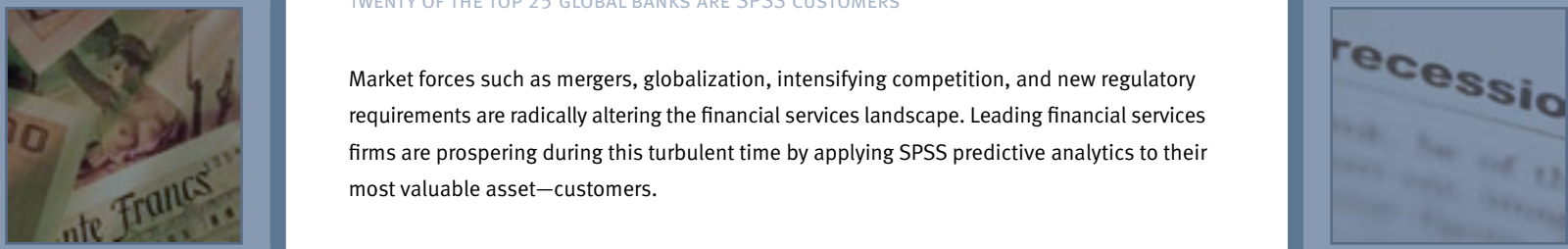
From the beginning, Professor Weinberg was impressed by how well students adapted to SPSS' data management and statistical software. She considers it a “wonderful platform” for students to learn what it means to be a data analyst. Not only is it easy to master, but its capabilities allow Professor Weinberg to approach statistics from a different perspective.

“With SPSS, students can tackle important real-life problems, applying a range of analyses to achieve a solution in a short period of time,” said Professor Weinberg. The software's ability to handle large datasets offers her a teaching tool that can replicate the complexities of real-life problems. Additionally, the software's graphing capabilities provide students with the ability to examine data quickly and effortlessly.

Overall, the use of SPSS predictive analytics to perform computations on real data and create graphical summaries not only enables a greater emphasis on conceptual understanding and interpretation, but also allows students to study statistics in a way that reflects actual statistical practice. By combining over three decades worth of teaching experience with advanced statistical software, Professor Weinberg has created a course in which she and her students have become vested partners in learning—the true aim of higher education.



Finance: Gaining Key Customer Insight



Market forces such as mergers, globalization, intensifying competition, and new regulatory requirements are radically altering the financial services landscape. Leading financial services firms are prospering during this turbulent time by applying SPSS predictive analytics to their most valuable asset—customers.

financial services business—both the wealth of data available and the numerous points of interaction—to gain new insights into customer behavior and preferences. With SPSS predictive analytics, financial organizations are acquiring the right customers cost-effectively, growing these relationships through real-time interactions, and detecting and preventing fraudulent activity.

offers to prospects and keeps costs low. Financial services organizations are building predictive analytics into their acquisition processes, enabling them to minimize acquisition costs by predicting which marketing programs will generate the highest responses—before investing limited marketing budgets in the wrong campaigns or inaccurate targets.

SPSS predictive analytics enables financial services organizations to pursue aggressive customer growth strategies through cross-selling and up-selling. By capitalizing on all customer



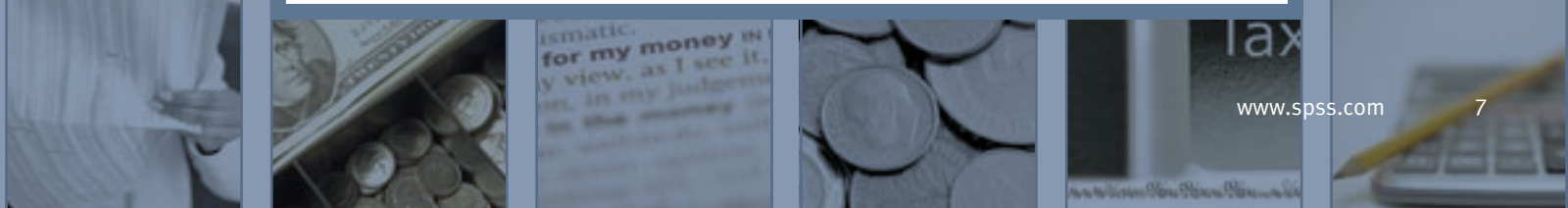
touch points—such as branch offices, contact centers, and web sites—these companies leverage real-time analysis to increase the value of customer interactions by determining which offers provide the highest mutual value, and then applying that insight on demand.

Additionally, both undetected fraudulent activity and unnecessary credit exposure put financial services companies at great financial and legal risk. Predictive analytics helps these organizations increase capital efficiency and compliance by continually minimizing



enables financial services firms to detect and prevent fraudulent activity, prevent money laundering by detecting suspicious patterns, and determine good and bad credit risks.

SPSS helps financial services institutions maximize customer value and minimize risk through the effective application of predictive analytics, transforming data from every channel into important customer insight.



www.spss.com 7

Application: Internal communications

Leading Bank Cuts Costs While Improving Information Flow

ABN AMRO improves internal information flow and facilitates global employee communications through a business-to-business employee portal. The portal provides the company with a communications infrastructure that not only saves money through self-service initiatives, but also benefits employees through greater access to information and services based on their preferences.

ABN AMRO uses SPSS predictive analytics software to provide valuable insight into how employees use the portal. By using SPSS technologies to determine the applications used and the content viewed, ABN AMRO is able to see trends and issues that drive staff development. ABN AMRO also leverages this information when negotiating more favorable licenses with its software application vendors, representing further savings.

ABN AMRO encourages employees to use the portal to carry out a range of tasks, such as requesting leave approvals, making travel bookings, finding out about the company pension plan, and even participating in online training. The insight gained from the SPSS solution has made ABN AMRO aware of the ever-increasing demands on its employees' time, and so the company has designed the portal accordingly, with tools intended to make their lives easier by introducing new services, including Internet banking.

“Having a system in place to provide reporting on portal usage is vital to understanding if employees are finding it useful,” said Jeannine Lehman, senior vice president, wholesale clients e-commerce, ABN AMRO. “With predictive analytics software from SPSS, we can monitor employee satisfaction and increase the utility of the solution, which is the key to the portal’s success.”

Application: Customer retention

Credit Suisse's Marketing Campaigns Increase Profitability and Customer Loyalty

Competition in the financial services industry is intense, and obtaining new customers is an expensive proposition. To maximize profitability, generate targeted customer leads, and tailor marketing programs to appropriate customer segments, Credit Suisse created a "Loyalty Based Management" program. The program relies on SPSS predictive analytics software to increase the efficiency of its direct marketing campaigns.

The organization uses an SPSS data mining solution to analyze a data warehouse storing information on its 2.5 million customers. The analysis is used to identify potential leads among Credit Suisse's customers so that it can intelligently market to them based on their individual preferences and histories. In addition, detailed segmentation of its vast customer base allows Credit Suisse to target its customers with customized solutions.

Credit Suisse understands that it is not enough to know whether customers are interested in a product. It needs to know if they will actually follow through and make a purchase. SPSS software allows Credit Suisse to analyze situations in which customer interest in a service did not correlate with a purchase. Many times, customers did not have good enough credit and were subsequently refused service. Refinement of the models factored in credit-worthiness. As a result, the percentage of customers interested in purchasing a service but who were refused due to bad credit was reduced by almost half. This represented substantial cost savings and enabled Credit Suisse to recoup the total cost of the project in just two years.

"With the help of SPSS predictive analytics software, Credit Suisse's data mining activities—analysis and modeling—have been fully integrated into our business process and have proven their value in many different applications," said Dr. Alex Nippe, head of data analysis/data mining, Credit Suisse. "The demand for data mining within the bank is rising all the time, and the strategic component is becoming increasingly important."

□ "With the help of SPSS Inc., Credit Suisse's data mining activities—analysis and modeling—have been fully integrated into our business processes and have proven their value in many different applications. The demand for data mining within the bank is rising all the time, and the strategic component is becoming increasingly important."

– Dr. Alex Nippe
Head of Data Analysis/Data Mining
Credit Suisse

Bank Increases Lead Generation Effectiveness

A key element of Fortis Bank's customer contact strategy is increasing the effectiveness of every branch office client interaction. Fortis Bank uses SPSS predictive analytics software as the foundation of its lead generation and database marketing environment.

Through SPSS predictive analytics, Fortis Bank is able to analyze its marketing database, automatically predict cross-sell opportunities and attrition risks, and provide targeted sales leads for more than 700 of its account managers across the bank's nationwide branch network. By recommending the best action to take for each individual customer, Fortis Bank significantly increases conversion rates and generates additional revenue. In addition, the financial institution can generate highly qualified leads that enhance its direct marketing and branch network revenue-generation capabilities.

"SPSS PredictiveMarketing™ clearly stands out from the competition and has impressed us with its ability to generate results in a very short time frame," commented Peter Heijt, manager of database marketing from Fortis Bank. "Its effectiveness in identifying and generating qualified leads will put our marketing department in the driver's seat and save our branch-based account managers considerable time and effort. This will enable our account managers to spend more time serving and advising our customers—a key part of local retail banking. We've already begun to experience the benefits of PredictiveMarketing through increased conversion rates."

"Financial institutions like Fortis Bank can generate tremendous additional value from interactions with their customers by better understanding individual customer needs," said Colin Shearer, vice president, customer analytics at SPSS. "Rather than matching groups of customers to particular products or offers, the bank provides personalized offers to individual customers. This stops inappropriate campaigns from bombarding its best clients, an approach which enables Fortis Bank to build even closer customer relationships via its branches and unlock major potential new sources of revenue."

Application: Fraud detection

Lloyds Saves Millions of Pounds with Fraud Detection Application

Lloyds TSB is a part of the Lloyds TSB Group, a leading U.K.-based financial services group, whose businesses provide a comprehensive range of banking and financial services in the U.K. and overseas. Due to the industry-wide increase in credit card fraud, Lloyds TSB recognized the need for improved fraud detection. The bank established a dedicated section within its main fraud department with the sole purpose of using data analysis to reduce card fraud at every potential stage.

While fraud affects only a small percentage of Lloyds TSB's total business, it is costly to the bank, as well as inconvenient to customers whose confidence in the payment process is paramount. Data analysis using SPSS predictive analytics software has enabled Lloyds TSB to improve the fraud detection process and save millions of pounds.

Using a data mining solution from SPSS, Lloyds TSB is able to analyze different types of fraud, such as card or identity theft, and build profiles of tactics adopted by fraudsters. The SPSS solution offers unrivaled analytical power and scalability, as well as visualization features created to give organizations smarter, more productive ways to discover significant groups and create profiles.

In addition to providing significant financial benefits to Lloyds, the SPSS application has reduced the time analysts need to develop a complex business rule from a few days to a few hours. Furthermore, the software enables analysts to simulate models prior to implementation and, therefore, quantify the affected data in advance.

Differentiating between genuine and fraudulent purchases is an ongoing issue facing the financial services industry. While Lloyds TSB could potentially stop nearly all card fraud by speaking directly to cardholders every time a transaction is made, with several million credit cards in circulation, this is simply not possible. Instead, it deploys SPSS predictive analytics to improve both its fraud detection and prevention capabilities, limiting the negative impact on customers and shareholders.

“Within the two-week pilot period, we had built 24 fully working predictive models with an estimated annual savings of over £2.5 million (approximately \$3.5 million).”

– David Cooper
Head of Fraud Strategy
Lloyds TSB

Applications: Cross-sell/up-sell,
database marketing

Of the approximate one million inbound calls that Spaarbeleg receives annually, SPSS predictive analytics detected a potential cross-selling opportunity in 18 percent of these calls.

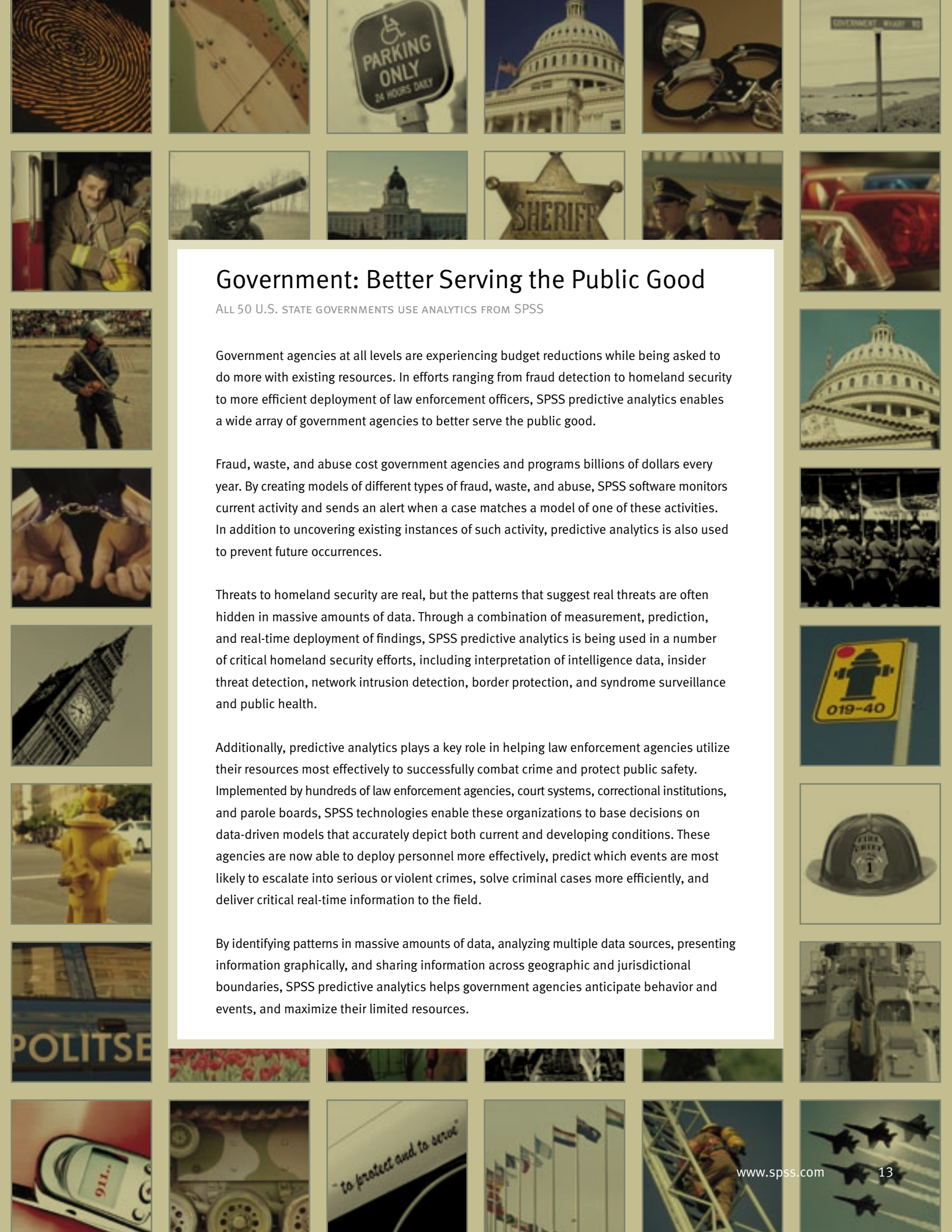
Top Dutch Financial Firm Transforms Inbound Service Calls into \$30 Million in Revenue

The growth strategy of Spaarbeleg, one of Holland's larger financial services institutions, is based on expanding sales to its existing customer base. Aware of the dangers associated with over-saturating its customers with unsolicited messages, Spaarbeleg takes an innovative approach by converting inbound calls into its service call center into new sales opportunities. Spaarbeleg achieves this using SPSS predictive analytics software, which has been integrated with an existing home-grown call center environment.

The SPSS solution provides Spaarbeleg's call center agents with highly accurate, personalized product offering recommendations during service calls. Using business logic, the application generates real-time predictions regarding each individual customer's needs, recommending the product most likely to be of interest. Additionally, Spaarbeleg uses the SPSS solution to increase the response rates of its conventional direct marketing campaigns.

During the first year of implementation, SPSS predictive analytics software detected a potential cross-selling opportunity for 18 percent of Spaarbeleg's one million inbound calls. Offer recommendations were communicated through a pop-up window on the agent's desktop. In those cases in which an offer was made, 50 percent of the customers responded positively and were sent additional information. Of this group of customers, 75 percent converted, resulting in the sale of 22,000 products.

The bottom-line impact for Spaarbeleg is that \$30 million in additional sales was generated in one year.



Government: Better Serving the Public Good

ALL 50 U.S. STATE GOVERNMENTS USE ANALYTICS FROM SPSS

Government agencies at all levels are experiencing budget reductions while being asked to do more with existing resources. In efforts ranging from fraud detection to homeland security to more efficient deployment of law enforcement officers, SPSS predictive analytics enables a wide array of government agencies to better serve the public good.

Fraud, waste, and abuse cost government agencies and programs billions of dollars every year. By creating models of different types of fraud, waste, and abuse, SPSS software monitors current activity and sends an alert when a case matches a model of one of these activities. In addition to uncovering existing instances of such activity, predictive analytics is also used to prevent future occurrences.

Threats to homeland security are real, but the patterns that suggest real threats are often hidden in massive amounts of data. Through a combination of measurement, prediction, and real-time deployment of findings, SPSS predictive analytics is being used in a number of critical homeland security efforts, including interpretation of intelligence data, insider threat detection, network intrusion detection, border protection, and syndrome surveillance and public health.

Additionally, predictive analytics plays a key role in helping law enforcement agencies utilize their resources most effectively to successfully combat crime and protect public safety. Implemented by hundreds of law enforcement agencies, court systems, correctional institutions, and parole boards, SPSS technologies enable these organizations to base decisions on data-driven models that accurately depict both current and developing conditions. These agencies are now able to deploy personnel more effectively, predict which events are most likely to escalate into serious or violent crimes, solve criminal cases more efficiently, and deliver critical real-time information to the field.

By identifying patterns in massive amounts of data, analyzing multiple data sources, presenting information graphically, and sharing information across geographic and jurisdictional boundaries, SPSS predictive analytics helps government agencies anticipate behavior and events, and maximize their limited resources.

Atlanta Police Department Reduces Crime and Increases Officer Safety

As part of the federal Project Safe Neighborhoods initiative, the Atlanta Police Department (APD) focuses on the city's firearm crime hot spots. The APD turned to Applied Research Services, a public policy research firm, to analyze criminal history records. Using SPSS predictive analytics, Applied Research Services analyzed the massive amounts of data contained in the Georgia State Criminal History Records Repository. Now, police and patrol officers can be strategically assigned to areas frequented by Atlanta's most dangerous offenders, allowing the APD to maximize its patrolling capabilities and increase efficiencies during a time when it does not have the budget to hire additional officers.

"By focusing our efforts on those individuals who are the most criminally active and have a violent history, the Atlanta Police Department will have a longer-lasting impact on reducing crime in the city," said Major Jim Sellers of the APD.

The data provided by Applied Research Services has also improved the safety of patrol officers, according to Sellers. By using map information in conjunction with SPSS statistical and data management software, officers are notified where high-risk offenders living on their beat are located. This information has allowed officers to better prepare themselves for criminal encounters and has decreased the element of surprise from their daily routine.

"At first glance, people would rather have more police feet on the street than research or technology," said John Speir, co-owner of Applied Research Services. "But we're working hard to show everyone that research can help officers to do their jobs better and more efficiently. . . . We're truly grateful that we have an amazing product like SPSS for Windows® to crunch, sort, and organize this type of information."

Thanks to SPSS technology and the expertise of Applied Research Services, the Atlanta Police Department can now optimize its deployment of over 1,700 sworn officers while also increasing their safety, helping them to fulfill its mission, "To reduce crime and promote the quality of life, in partnership with our community."



Government

Application: Survey research

Community Housing Organization Improves Residents' Quality of Life

First Community Housing (FCH) is a not-for-profit organization dedicated to providing affordable housing and services to lower-income individuals in the San Jose, California, area. Based on information revealed by SPSS predictive analytics, First Community Housing was able to improve the quality of life in its developments by increasing resident employment in high-demand industries and increasing social interaction between residents.

FCH's first step in making improvements was to better understand the needs of its residents. Through the use of SPSS statistical analysis software, the non-profit organization learned that residents were interested in additional information about, and training for, technical jobs. In response, FCH created a computer-training program for its residents. According to FCH resident services coordinator Vincente Rivero, the number of residents employed in the computer industry increased 24 percent, and use of FCH's existing computer lab increased 42 percent.

The results from the SPSS analysis enabled FCH to identify no- or low-participation programs, freeing up funds that were then redirected to more popular programs. For instance, the analysis revealed that residents did not use FCH's software purchase program. FCH cancelled the program and used the funds to expand its financial counseling services and increase the number of recreational programs for children—programs that now boast user rates of more than 70 percent.

With help from SPSS products, FCH also discovered that a majority of residents wanted more social programs. Yet only 10 percent of residents used existing social resources—such as the clubhouse—and usage had steadily declined. FCH began to publicize clubhouse events and added new features. Clubhouse use more than doubled and, in an informal survey conducted after the changes were implemented, 63 percent of residents indicated that they socialized more. These changes have improved community life at FCH. Residents demonstrate improved morale in their increased willingness to volunteer for tasks such as computer lab upkeep—and by spending less time gossiping about crime in the complex.

“Instead of funneling money into buying software that wasn't being used, . . . we funneled that money over to children's services and created programs such as boys' and girls' clubs.”

– Vincente Rivero
Resident Services Coordinator
First Community Housing

Applications: Customer segmentation,
customer profiling

Royal Mail Measures Popularity of SmartStamp™ System Before Release

Royal Mail Group plc is a public limited company wholly owned by the U.K. government, with annual sales in excess of £8 billion and more than 200,000 employees.

Royal Mail launched SmartStamp, an online system enabling small business customers to download logos, photos, or slogans alongside the postage impression, print them on their own printers and then mail them to their customers, reaching them with a truly personal touch.

SmartStamp was enabled by an address interpretation (AI) platform developed by Lockheed Martin and its partner, GFT AG.

Before SmartStamp was officially launched, Royal Mail sought to understand the demand for such a service and predict what the actual usage would be. They chose to run a trial of the service among financial advisors, accountants, doctors, and other professionals who would typically rely on the postal service. While the initial results were favorable, Royal Mail also wanted to determine the likely interest across the U.K. as a whole.

Using SPSS technology, Lockheed Martin and Royal Mail worked together to establish segmentation and profiling of SmartStamp customers that could be used to drive future marketing campaigns.

Results showed that the market for the new digital stamp was primarily small- to medium-size enterprises (SMEs) with one to five employees. Royal Mail, therefore, applied this to its marketing going forward, targeting SMEs.

“SmartStamp was launched to help small businesses make their mailings more effective, while saving them time,” said Tim Rivett, head of small business at Royal Mail. “We are delighted with the interest from small businesses across the U.K.”

Government

Application: Public safety

Queensland Fire and Rescue Authority Saves Time, Money, and Lives

The Queensland Fire and Rescue Authority in Australia oversees the fire and safety practices that cover the state's 3.5 million people. The Authority tracks details such as the time, date, and address of fires; the amount of property lost; the cause and cost of the fire; and the number of casualties—all with the goal of improving the firefighting and emergency services provided to the public. To simplify and expedite the analysis of the data it collects, the Authority uses SPSS predictive analytics.

The Authority's statistician turned to SPSS statistical analysis software to consolidate their data files, increase the usability of the system, and reduce the time needed to complete data analyses.

"We now have people walk in and say, 'I need an analysis of how many fires there were in a certain region in a certain time period,' and it takes longer to print the analysis than it does to run it," said Brian Maclachlan, principal adviser for statistical research and analysis. "Prior to implementing SPSS, I would have said, 'Come back in a few months and we'll have it for you.'"

In addition, SPSS software enables the Authority to measure success and place resources where they're needed. For example, the Authority is using the data it collects to determine whether fire stations are operating in the right locations. "With SPSS, I can focus on areas of analysis that have been ignored in the past," said Maclachlan. "We're now actually using the data we're collecting."

"Using SPSS, one particular incident trend analysis that used to take us several months to complete can now be repeated and ready for publication in less than a day."

– *Brian C. Maclachlan*
*Principal Adviser, Statistical Research
and Analysis*
Queensland Fire and Rescue Authority

Police Department Analyzes Data to Predict, Prevent, and Solve Crime

At the Richmond (Virginia) Police Department, no analyst or team of analysts could manually analyze all of the data available in a timely manner. Within this deluge of data, however, lies the key to increasing the safety of the public. To swiftly and accurately sift through all the data, the Richmond Police Department turned to SPSS predictive analytics.

Critical to crime fighting is the recognition of patterns, based on the intelligent and timely analysis of the thousands of incident reports, crime tips, calls for service, and other pieces of data that police departments receive every day. The Richmond Police Department turned to SPSS' data mining workbench to help analysts identify actionable patterns in these huge datasets and make effective decisions.

To enable multiple users within the department to access models and score data on an ad hoc basis, the Richmond Police Department also uses a Web-based data mining deployment tool from SPSS. The police department's analysts deploy the predictive models they develop through data mining over the department's intranet to operational personnel, such as police detectives. The detectives are then able to enter information through a Web interface, which includes simple prompts and pull-down menus, and receive immediate output, regardless of whether crime analysts are on duty.

"Criminal actions follow the same predictable patterns of most human behavior. Some criminals have geographic comfort zones or may commit crimes only at certain times of the day. These tendencies can be easily uncovered using SPSS predictive analytics, which enables law enforcement agencies to analyze their raw data in order to predict, prevent, and solve crime, and keep their communities safer. "It's as close to a crystal ball as we are ever going to get," said Colleen McCue, program manager of the department's crime analysis unit.

"Clementine® and data mining represent a revolution in our ability to access previously unobtainable data and pull meaning and value from it. This is as close to a crystal ball as we are ever going to get."

– Colleen McCue

Program Manager of the Crime

Analysis Unit

Richmond Police Department



Insurance: Maximizing Customer Relationships

EIGHT OF THE TOP 10 GLOBAL LIFE INSURANCE ORGANIZATIONS USE PREDICTIVE ANALYTICS FROM SPSS

In today's volatile market, insurance claim losses and unprofitable customer relationships can quickly overwhelm an insurance provider. To transform these potentially costly challenges into opportunities, many insurance companies are harnessing predictive analytics from SPSS to improve their daily operations. SPSS helps insurance companies maximize customer value and minimize claims risk by integrating real-time analysis into existing systems and processes.

Understanding customer value segments is the first step in any strategy for winning profitable customers, growing those relationships, and maintaining them longer. SPSS enables insurance companies to leverage their organizational understanding of customer value segments, using all relevant information—including claim, behavioral, demographic, text, Web, and attitudinal data.

SPSS predictive analytics also enables insurance firms to target outbound and inbound marketing programs to the prospects most likely to respond and become profitable customers. As the insurance business experiences what are perhaps the highest customer acquisition costs of any industry, the ability to minimize those costs by predicting which marketing programs will generate the highest response provides a strong competitive advantage.

Additionally, opportunities exist for cost-effectively growing customer relationships through optimized cross-selling and up-selling. By using predictive models to uncover complex purchasing behavior and identify events that reveal new policyholder needs, SPSS enables insurance companies to act on the best sales opportunities as they occur.

With SPSS predictive analytics, insurance companies reduce claim handling costs and keep customers satisfied by using real-time risk assessment to process legitimate claims quickly. Highly accurate predictive models catch a greater percentage of fraudulent claims early in the handling cycle, enabling investigators to take action quickly and reduce fraud costs.

By providing real-time analysis for maximizing customer relationships and minimizing claim risk, SPSS is improving the operations of leading organizations in the insurance industry.



Applications: Customer profiling, customer growth, database marketing

Standard Life Reaches Out to Mortgage Clients

Standard Life is one of the world's leading mutual financial services companies. Its mutual status is a key factor in its success. The Standard Life group includes the Standard Life Assurance Company, Standard Life Bank, Standard Life Healthcare, and Standard Life Investments.

When Standard Life Bank launched its Freestyle Mortgage product with extensive TV and press advertising campaigns, it did so at a time when a number of similar products were appearing from rival providers.

In order for Standard Life Bank to continue to expand its share of the mortgage market, it needed to identify the key attributes of clients attracted to the mortgage offer, cross-sell Standard Life Bank products to the clients of other Standard Life companies, develop a remortgage model that could be deployed on the group's Web site, and examine the profitability of the mortgage business being accepted by Standard Life Bank.

"Our vision was to increase both the speed at which we build our models and the sophistication of those same models," said Donald MacDonald, customer data analyst at Standard Life. "This ultimately leads to improved customer communications, as well as greater returns on the bottom line."

Using SPSS' data mining software, Standard Life was able to better understand the characteristics of its mortgage clients so that it could more accurately search for potential new clients. Also, the bank now has the capability to profile incoming prospects quickly and personalize its Web experiences accordingly.

SPSS technology allowed Standard Life to build a propensity model for the Standard Life mortgage offer that identified key customer types that can be applied across the whole group prospect pool. It also helped the organization to discover the key drivers for purchasing a remortgage product. And, ultimately, it enabled Standard Life to achieve a response that was nine times greater than that achieved by the control group, resulting in £33 million (approximately \$47 million) worth of mortgage application revenue.

Insurance

Application: Marketing campaigns

Belgium's Second-largest Insurance Company Optimizes Marketing

Founded in 1931, Corona Direct is Belgium's second-largest direct insurance company, employing 150 people and generating revenues of \$25.8 million in 2002. A subsidiary of the Belgian-French banking and insurance company DEXIA, Corona Direct provides customers with products such as car, fire, and property insurance.

Corona Direct has been growing rapidly. Direct marketing campaigns play a key role in this growth, enabling Corona Direct to acquire new customers by offering attractively priced insurance products. To sustain its current level of growth, Corona Direct's customer acquisition campaigns need to be profitable—that is, first-year revenues generated from new insurance policies should pay for the cost of the acquisition campaign.

However, in the past, the cost of securing new customers exceeded first-year revenues by almost 50 percent, putting Corona Direct's growth strategy at risk.

To turn its unprofitable acquisition strategy into a profitable one, Corona Direct implemented a predictive analytics solution from SPSS. This application enables Corona Direct's marketers to efficiently create, optimize, and execute their outbound marketing campaigns. It automatically identifies groups that are likely to respond to a Corona Direct campaign and then performs a sophisticated cost-profit analysis, balancing growth targets against profit margins. With this dual focus on likelihood of response and expected profitability, Corona Direct is able to optimize its potential for growth.

"Using SPSS' software to gain a better understanding of our customers and market opportunities has enabled us to outperform the competition in both growth and profitability," explained Philippe Neyt, commercial director, Corona Direct. "Predicting the needs and profitability of individual customers and prospects is key to this growth. However, creating a profitable acquisition strategy is only the first step. We expect PredictiveMarketing to increase our success rate by 50 percent or more for targeted cross-selling and retention strategies."

□ "Two years ago, we were mailing four million letters annually at an average cost of \$.50 per letter. We decided on a strategy that would help us mail less while maintaining our prospect conversion rate, so we looked for software that would allow us to achieve this goal. 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."

– *Philippe Neyt*
Commercial Director
Corona Direct

Applications: Direct mail, marketing campaigns

Dutch Insurance Company FBTO Reduces Direct Mailing Costs

FBTO Verzekeringen is a Dutch insurance company and part of Benelux Achmea Holding, a subsidiary of the European insurance and financial services group Eureko. FBTO has approximately 500,000 customers and underwrites more than one million car, health, home, and life insurance policies. To reduce direct mail costs, FBTO wanted a solution that would allow it to model customer behavior, predict customer needs, anticipate customer reactions to special offers, and then use these insights to make its marketing campaigns more effective.

Because FBTO planned to transition from a small number of large bulk mailings to many smaller, more highly targeted campaigns, it was also important that the chosen solution allow its marketers to efficiently create, optimize, and execute these campaigns, without having to rely on statisticians.

To meet these requirements, the company chose a predictive analytics solution from SPSS. This application identifies those FBTO customers or prospects with a better-than-average propensity to purchase a financial product. FBTO monitored the effectiveness of the software by rolling out marketing campaigns using a control group. Comparing its previous approach of mass mailings to its new, more targeted approach, FBTO found that its conversion rate increased by more than 40 percent and its direct mailing costs decreased by 35 percent.

Now, FBTO's marketing team can simulate different scenarios and calculate conversion rates and mailing costs in advance. Based on this information, outbound channel and target groups are selected for each marketing campaign, increasing their effectiveness.

FBTO recently implemented other SPSS predictive analytics applications. These are assisting FBTO in improving real-time cross-selling and retention efforts in its service call center and in generating highly targeted banner ads and other content on its MyFBTO Web site. Through SPSS predictive analytic applications, FBTO has found a more effective way to hit its marketing targets.

Insurance

Applications: Cross-sell/up-sell,
database marketing

Insurance Firm Increases Revenues Through Targeted Campaigns

Natexis Assurances, the insurance division of French bank Groupe Banque Populaire, had been spending significant funds on direct mail campaigns. The central marketing department defined the campaigns, contacted the individual local branches to determine if they were participating, and then executed the campaigns. Since branch participation was discretionary, it was crucial for the marketing department to demonstrate that its campaigns were generating high-quality responses to justify and reinforce the local branches' investments.

To further increase the quality of its direct marketing campaigns, Natexis Assurances selected predictive analytics software from SPSS to create, optimize, and then execute targeted marketing campaigns. The focus has been on securing high-quality leads for the branches and, ultimately, generating substantially more revenue per campaign.

The SPSS software enables Natexis Assurances' marketers to efficiently create and execute their outbound marketing campaigns. Using this application, they can better understand customer needs and optimize campaign response rates by selecting those customers that will generate the highest value for the company. As a result, direct mail volume has been reduced by 50 percent while revenue has doubled.

SPSS predictive analytics software gives Natexis Assurances control of the marketing approach for each client and, at the same time, optimizes the cost and return of each campaign on behalf of their branch offices—a positive outcome for each group and for the company overall.

“We are very satisfied using PredictiveMarketing, as it has proven to generate tangible business benefits very quickly,” comments Arthur Seck, strategic marketing manager of Natexis Assurances. “The software enables us to execute much more effective marketing campaigns, reduce our sales and marketing costs, and significantly increase the conversion rates we normally achieve. Implementing SPSS PredictiveMarketing has already delivered substantial additional revenue, and we expect to gain much more in the near future.”

□ “We are very satisfied using PredictiveMarketing, as it has proven to generate tangible business benefits very quickly.”

– Arthur Seck
Strategic Marketing Manager
Natexis Assurances

Leading Insurance Provider Improves Productivity

Mutual insurer Shenandoah Life Insurance Company provides a variety of insurance and financial products, including life, dental, disability, and annuities. As part of its continuous self-assessment process, the Virginia-based company identified bottlenecks associated with its paper-based underwriting function as an area for potential improvement. To maximize the effectiveness of a newly implemented imaging/workflow system, Shenandoah Life turned to predictive analytics from SPSS for executive reporting and process improvement.

The new imaging/workflow system enables employees to scan each application, making this information available company-wide. As insurance documents move through the workflow queue, files are created to capture the timing of each step in the process. Reporting analyst Kaffa Shank uses a business intelligence solution from SPSS to examine these files and produce “time service” reports that reveal how long a policy takes to move through the system.

“With the file that is created from the workflow system, we can use ShowCase to monitor specific tasks and determine if those tasks are being performed in a timely manner,” said Shank. “By tweaking these tasks, we reduce the cost and time it takes to approve a policy, thereby improving the overall customer experience.”

Shank’s time service reports provide Shenandoah Life’s management the ability to monitor policies, locate bottlenecks, and devote additional resources to improve productivity. As a result, the company was able to reduce approval times for policies with a value of less than \$100,000 by 20 percent—moving the process from seven businesses days to less than six.

Shenandoah Life’s investment in SPSS predictive analytics demonstrates the premium the company places on improving customer service and retaining competitive advantage through technological commitment.

“With the file that is created from the workflow system, we can use ShowCase® to monitor specific tasks and determine if those tasks are being performed in a timely manner. By tweaking these tasks, we can reduce the cost and time it takes to approve a policy, thereby improving the overall customer experience.”

– Kaffa Shank
Reporting Analyst
Shenandoah Life Insurance Company



Manufacturing: Ensuring Quality and Competitiveness

TWENTY-FOUR OF THE TOP 25 LARGEST PUBLICLY TRADED MANUFACTURING COMPANIES USE ANALYTICS SOFTWARE FROM SPSS

To remain profitable today, manufacturing companies have to track and move extensive inventories; generate a greater number of products; maintain quality standards; negotiate with numerous suppliers; and acquire, satisfy, and retain valuable customers. As manufacturers deal with a complex array of daily issues, they apply SPSS predictive analytics to enhance reporting capabilities, manage inventory, and improve the quality of goods.

Through both industry consolidation and extended reliance on legacy applications, manufacturers require complex reporting capabilities that older systems cannot satisfy. They are addressing these reporting deficiencies with SPSS predictive analytics. SPSS provides ad hoc reporting and analysis capabilities, reduces the time required to produce management reports, and enables organizations to develop preformatted reports on a daily, weekly, and monthly basis.

By evaluating a combination of ordering patterns, inventory levels, and replacement parts pricing, SPSS helps organizations improve margins while maintaining a high level of customer satisfaction. Predictive analytics enables fast, optimal calculation and evaluation of inventory replenishment policies that determine when certain items should be reordered and in what quantity. These policies help manufacturers achieve targeted customer service levels while minimizing ordering costs and inventory holding costs.

Manufacturers also use SPSS to monitor the quality of goods produced. With multidimensional analysis, manufacturing executives can drill down and quickly determine the causes of quality issues, enabling them to correct problems before products are shipped to customers. By visually analyzing supply-chain issues and performance levels, management reduces total expenditures and supplier risk, and ensures the on-time delivery of quality products.

Manufacturers face globalization, increasing competition, and highly demanding customers. Armed with SPSS predictive analytics, they are better equipped to address both internal issues and external factors affecting their business.

Canon U.K. Facilitates Business Operations

Canon is a world leader in imaging products and solutions for digital home and office environments, including digital imaging devices, digital and analog copiers, image filing systems, printers, fax machines, bubble jet printers, scanners, cameras, video cameras, binoculars, and calculators.

Canon wanted to drastically reduce the time required to produce management reports and to provide ad hoc reporting and analysis capabilities for a range of business applications.

The solution was an SPSS data warehouse, which Canon used to improve several key elements of its business operations.

Being more than satisfied with the reliability and performance of the IBM® eServer™ iSeries™ (AS/400®) platform, it was important to Canon that the solution could run on the same platform, to minimize any problems feeding data from its Intenia® Movex® ERP system. In addition, Canon wanted to take advantage of its in-house iSeries skills.

SPSS seemed the natural choice because of its specialization in the iSeries platform, and its ability to easily extract data from Movex. Canon was also impressed with the entire predictive analytics toolset that could be provided by SPSS, as well as the ability to deploy over the Web. Another huge appeal was that once the initial investment was made with SPSS, there was no restriction on the number or nature of applications that could be created using the technology.

Canon's business and financial analysts use SPSS' solution on a daily basis, creating ad hoc reports that provide details of products sold across the various regions. For instance, the Average Selling Price report shows which products have been the most heavily discounted and in which geographic regions. Previously, this report simply could not be produced. Now, the very latest product discount information can be produced by clicking on one button, at any point in the month.

Manufacturing

Application: Operational analysis,
sales analysis, process improvement

After five years of deployment, user feedback at the company on SPSS has been overwhelmingly positive.

Del Monte improves organizational decision making

Del Monte Foods is one of the world's leading producers, marketers, and distributors of high-quality fresh and fresh-cut fruit and vegetables, as well as a leading producer and distributor of prepared fruit and vegetables, juices, beverages, snacks, and desserts across Europe, the Middle East, and Africa.

In September 2003, Del Monte bought Del Monte Foods Europe, bringing the Del Monte brand under common ownership in Europe for the first time in decades. One of the key applications inherited in the take-over was the Baan Enterprise Resource Planning (ERP) system that was used to support Del Monte Foods operations in Northern Europe.

While the ERP provided a solid tool for running the business, there was a gap that was best filled by a data warehouse solution for information analysis. Following the acquisition, the requirement for analysis and reporting grew as the European business was reorganized into more country-specific operations.

The company selected SPSS' analytics solution to maximize the value of the corporate data held in the ERP system. The technology now supports the analytical needs of the business and enables employees across five countries to view and access customized reports, increasing the quality and accuracy of the data being used for decision making and opening up complex analysis throughout the enterprise.

The sales and marketing department uses the solution to perform detailed analysis in order to improve efficiency. The software is also supporting manufacturing and new product launches. In addition, the software plays an important role in forecasting and product profitability analysis as well as new product development.

After five years of deployment, user feedback at the company on SPSS has been overwhelmingly positive. The software is easy to use and can be used to slice and dice data and drill down into the detail to meet specific user-reporting requirements, no matter what the area of the business.

Dow Benelux Re-affirms Commitment to Employee Satisfaction

The Dow Chemical Company is a worldwide leading manufacturer of innovative chemical, plastic, and agricultural products and services. Its largest plant outside the United States, Dow Benelux, is located in the Netherlands and has 26 production units and more than 2,100 employees.

Those production units are customers of Dow's internal, certified Health Service, which is designed to continuously improve working conditions and reduce absenteeism by providing advice on employee safety, health, and welfare.

Henny Martens, occupational and organization expert for Dow's Health Service, was charged with developing a welfare and stress prevention program. To support this effort, Dow approached SPSS to create a survey research application based on its standard data collection, analysis, and reporting software.

Dow periodically sends questionnaires to employees' homes. Once completed and returned, SPSS then processes the data and presents the reports to Dow Benelux.

The Health Service evaluates the surveys at three levels: individual, organizational, and local. SPSS also provides analytical reporting, including graphs, at these three levels.

"I am only involved in the interpretation of the results. The entire process of data entry, analysis, and reporting is handled within the SPSS application," said Martens. "This is done by SPSS in a very short time frame, enabling me to work immediately with the practical results."

The concept of welfare has now become a permanent agenda item at Dow Benelux and is discussed periodically at staff and management meetings. In addition, by applying the welfare program, Dow Benelux is able to quantify welfare risks. Employees have also benefited, as they have become actively involved in finding solutions for welfare risks.

Manufacturing

Application: Inventory management

PUMA North America Optimizes Inventory Management

PUMA North America, a major producer of athletic footwear, apparel, and accessories, has independent sales consultants who are required to make important daily business decisions based on data regarding orders, shipments, and product availability.

Employing SPSS predictive analytics software, PUMA quickly arms its sales consultants with information that drives decisions to optimize inventory and order management processes.

PUMA's data was housed in an enterprise resource planning (ERP) system that provided limited reporting capabilities. To view sales data, sales people contacted PUMA's internal database analysts, who sorted through the database, extracted the requested information, and forwarded it to the sales representatives via e-mail. Sales people would then import the information into an application, view it, and make the appropriate decisions. For analysts, the majority of their daily tasks focused on fielding requests rather than on proactively managing the database. It took sales staff hours to receive the information they needed.

Recognizing the inadequacy of its ERP reporting system, PUMA selected three software products from SPSS' business intelligence solution. These products helped PUMA gain a better view of its sales activity and provide its sales force with updated information to make more informed purchasing decisions. With SPSS' reporting capabilities, PUMA can now create any type of report it wants and share it with people organization-wide.

SPSS' reporting solution also tracks individual store performance on an hourly, monthly, or yearly basis and measures how stores compare with one another. If sales of a particular shoe model increase, PUMA can ramp up production of that shoe. Likewise, if a store falters, PUMA can shift inventory elsewhere or close the store entirely.

PUMA has replaced 80 percent of its ERP reports by using SPSS technologies. It has slashed valuable time off its reporting processes, improving the company's ability to compete more effectively with its rivals.

“In the past, it would take a day or more to create a report. Now we can obtain reports in less than an hour, and in some cases as quickly as 10 to 20 minutes. With SPSS, we have completely replaced 80 percent of our ERP system reports!”

– Karen King
Database Analyst
PUMA North America

Yamaha Motor Europe Keeps Pace with Customers

Yamaha Motor Europe N.V. (YME) is the European headquarters of Yamaha Motor Corporation. YME markets and sells Yamaha motorcycles, as well as a variety of land vehicles and watercraft, in 24 European countries.

In 2001, the company developed the Yamaha Design Café (www.yamaha-motor-europe.com/designcafe), an online portal that delivers interesting stories on Yamaha Motor's latest sports bikes geared toward YME's core audience—sports bike enthusiasts. Accompanying the stories are links to surveys, which provide a cost-effective means of collecting consumer data. Hennes Fischer, YME's product planning consultant, used a data collection solution from SPSS—a product within the company's survey research technology platform—to develop and field the Design Café surveys. Familiarity with SPSS products was just one reason Fischer chose the SPSS survey application.

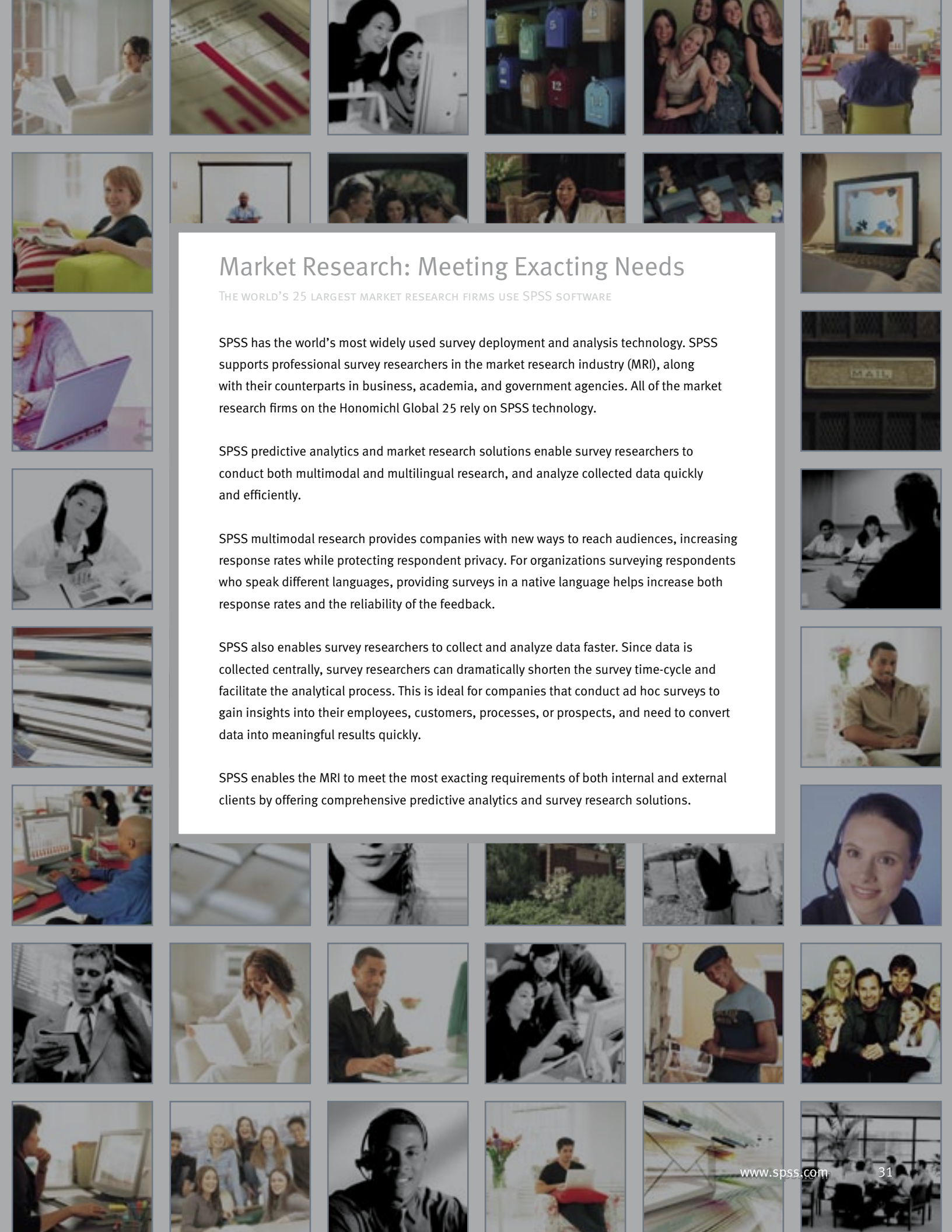
"SPSS' mrInterview was the only software that gave me the flexibility to design a questionnaire offline; other versions forced you to compose questionnaires on the server," said Fischer. "Likewise, mrTranslate offered the best translation abilities and was the easiest to use—a necessity since the majority of our research is multilingual. Finally, the people at SPSS were true professionals. They listened to my needs and met all requests."

Yamaha Motor Europe saves time and reduces costs since the new product development team can now conduct focus groups with more specific information gathered beforehand; Web results also make some travel unnecessary. Beyond product planning, YME uses SPSS' data collection solution to conduct internal research, asking dealers questions on a range of issues, from logistics to product evaluation. These results are then shared with logistics personnel, who can help dealers address bike delivery and other issues.

"It's extremely important to stay in touch with how our customers feel," said YME's Fischer. "Thanks to mrInterview, we never feel out of the loop, which gives us confidence that we're always delivering a product that truly meets their expectations."

□ "SPSS' mrInterview was the only software that gave me the flexibility to design a questionnaire offline; other versions forced you to compose questionnaires on the server. Likewise, mrTranslate offered the best translation abilities and was the easiest to use—a necessity since the majority of our research is multilingual. Finally, the people at SPSS were true professionals. They listened to my needs and met all requests."

– Hennes Fischer
Product Planning Consultant
Yamaha Motor Europe



Market Research: Meeting Exacting Needs

THE WORLD'S 25 LARGEST MARKET RESEARCH FIRMS USE SPSS SOFTWARE

SPSS has the world's most widely used survey deployment and analysis technology. SPSS supports professional survey researchers in the market research industry (MRI), along with their counterparts in business, academia, and government agencies. All of the market research firms on the Honomichl Global 25 rely on SPSS technology.

SPSS predictive analytics and market research solutions enable survey researchers to conduct both multimodal and multilingual research, and analyze collected data quickly and efficiently.

SPSS multimodal research provides companies with new ways to reach audiences, increasing response rates while protecting respondent privacy. For organizations surveying respondents who speak different languages, providing surveys in a native language helps increase both response rates and the reliability of the feedback.

SPSS also enables survey researchers to collect and analyze data faster. Since data is collected centrally, survey researchers can dramatically shorten the survey time-cycle and facilitate the analytical process. This is ideal for companies that conduct ad hoc surveys to gain insights into their employees, customers, processes, or prospects, and need to convert data into meaningful results quickly.

SPSS enables the MRI to meet the most exacting requirements of both internal and external clients by offering comprehensive predictive analytics and survey research solutions.

Research Foundation Increases Survey Respondent Participation

Survey respondents are the lifeblood of the Centers for Public Health Research and Evaluation (CPHRE) and its mission to improve the public's health and welfare. As part of Battelle Memorial Institute, a non-profit research foundation, CPHRE specializes in studying health and its determinants for the U.S. Department of Health and Human Services, state and local agencies, healthcare providers, private industry, and employee groups.

Facing a decline in respondent participation, the CPHRE needed a solution to keep its most valuable resource engaged in its survey research efforts. To provide more options for its respondents to participate in research studies, CPHRE chose SPSS software to add Web- and paper-based survey capabilities.

Multimodal interviewing is "the future of survey research," according to Bill Grady, health research leader at CPHRE. Grady introduced SPSS' survey research and reporting solution to CPHRE's survey division. "With mrPaper™ and mrInterview™, you can give people the option to do the survey on paper or access it on the Web, and the survey looks identical," said Grady.

Grady explained, "Most of our work is with CATI (computer-assisted telephone interviewing), but people are increasingly reluctant to participate, so response rates are dropping. We are extremely interested in doing multimode surveys as a way to improve participation rates." Already some of CPHRE's clients are insisting on a Web completion option for their offline surveys.

Even for Web-only surveys, Grady finds SPSS' solution useful. "It is very difficult to show a Web survey to a client, so it is convenient to be able to print it out, including all the routing and other instructions."

"There are other complementary technologies that we work with here," said Grady. "The Dimensions Data Model allows us to define data for these relatively easily. We can also use it to build in a lot of range and consistency checks for data quality. And it integrates nicely with the SPSS analysis software we use."

Market Research

Application: Market research

Directions Research Expands Business with Online Survey Research

Directions Research, Inc., a full-service, custom market research firm, recognized that the market research industry was embracing Web-based interviewing as an integral method for conducting surveys. In response to this trend, the organization searched for a cost-effective, outsourced solution that would allow it to conduct customized online market research; it selected SPSS' survey hosting solution.

By outsourcing its online research function to SPSS, Directions is able to focus on interpreting results and providing superior consultation services to its clients. Working with SPSS, Directions has reduced turnaround time from two weeks to one week. Julie Thrash, senior research manager for Directions, credits the teamwork between Directions and SPSS for the increased level of efficiency.

"There is a tremendous synergy between Directions Research and SPSS," said Thrash. "After drafting our clients' questionnaires, SPSS makes them Web-friendly for respondents, conducts the survey, and obtains the results. The combined strengths of both companies allow us to turn around projects very quickly."

In addition, the move to online surveys has opened new avenues of market research that were previously unavailable via phone interviews. For instance, respondents to financial services surveys do not typically divulge information related to debt loads and credit cards to call center agents. Yet they tend to reveal this same information when providing answers online.

"We won a client last year that is going to be a top-five or -six client this year, and half of their business will be online," said Steve Wilde, Directions' vice president of operations. "We wouldn't have won it without SPSS."

"We rely on partners such as SPSS to program and deploy our surveys because we don't have the infrastructure. This helps us to focus on the design, execution, and interpretation of results with a competence that we believe is unmatched in our industry."

— *Lisa Spaulding*
Vice President
Directions Research, Inc.

Gallup Clients Get Answers with a Single Mouseclick

The Gallup Organization, one of the world's largest management consulting firms, with more than 3,000 employees in 25 countries, needed to give its clients a spot on the Web where they could easily access data and run their own analyses to create custom tables and charts. To address this need, Gallup and consultants from SPSS used SPSS predictive analytics software to develop a Web-based data access and analysis application for Gallup clients.

Using the SPSS WebApp Framework™, Gallup developed an online solution that enables Gallup clients to access customized data and deploy analytical applications over the Web. The Web interface is designed to be completely intuitive, so that users need only click on an icon to run specified analyses, giving them instant tables, graphs, frequency counts, or whichever analytics are programmed.

Gallup's clients typically track a number of factors, on a weekly or monthly basis, that influence the decisions they make about products and services. Gallup's and SPSS' Web-based solution gives clients access to this data and data analysis more quickly than has ever been possible—allowing more timely responses to its customers' needs. As soon as the tracking information is available, Gallup updates the client database with the new data and makes it immediately available online.

Now Gallup clients can simply go to the dedicated Web site, click on an icon specific to their region, and get the information and analyses they need. All the data is in one place, presented in a manageable format.

“The flexibility of the SPSS WebApp architecture makes it adaptable to specific user needs,” said Eldin Ehrlich, system engineer at Gallup. “Gallup has long been an advocate of providing the right tool to the right user, and SPSS WebApp fits in perfectly with this goal.”

Market Research

Application: Survey research

Consulting and Research Firm Streamlines Interview Process

Greenwich Associates provides research-based strategic consulting to help leading financial services institutions address their most pressing issues. For more than 30 years, Greenwich has provided decision makers with focused financial intelligence based on a unique combination of comprehensive market research and in-depth analysis.

Personal interviewing is one of Greenwich Associates' most critical business processes. The company's executive interviewers conduct interviews with up to 40,000 key decision makers in over 80 countries each year to research market trends and customer relationships. However, interviews conducted using paper questionnaires were inefficient and costly—and perceived by most respondents as old fashioned.

Greenwich Associates worked with SPSS to streamline their interviewing process using tablet PC technology. Tom Griffin, CIO at Greenwich Associates explains, "We believe tablet PCs are the future of personal interviewing. The open architecture of the Dimensions market research platform made it easy to customize a Dimensions Tablet Interviewing solution to our specific business and technology requirements."

As a result of their use of market research software from SPSS, Greenwich Associates improved the interview experience and data quality, while reducing the interview production cycle time by 20 percent. Based on their projections, they anticipate an ROI payback on their SPSS solution to be realized in 1.7 years.

“We believe tablet PCs are the future of personal interviewing. The open architecture of the Dimensions market research platform made it easy to customize a Dimensions Tablet Interviewing solution to our specific business and technology requirements.”

– Tom Griffin

CIO

Greenwich Associates

NOP World Saves Time, Money by Standardizing Web Platform

NOP World conducts primary custom and syndicated research for marketers, advertising agencies, and media on a worldwide basis. Global consolidation within the NOP World group through the acquisition of numerous research agencies had resulted in a diverse range of technologies in different offices. NOP World chose to adopt SPSS software as the standard technology platform for its Web research activities worldwide.

Realizing the potential of the data scattered across NOP World operations was going to take precious time and effort, unless a new generation of tools could be forged that would unlock the data without it reformatting and reprocessing. NOP World set up a task force to evaluate the latest, best-of-breed Web-enabled technology available.

David Zotter, head of developing technologies at NOP World, also wanted to know what was going on underneath the technology, and engaged a firm of technical auditors to dissect the underlying architecture of each competing system. Zotter particularly wanted the technical assessment to consider each system's openness, because if the chosen solution was not open enough, any software he developed would require more effort to create, and would not benefit from sharing data or resources with the main applications.

"After extensively reviewing the Web data collection software available in the marketplace, we came to the view that the SPSS software most effectively matched our requirements," said Zotter. "Generally, systems are not open, especially in the ASP (application service provider) world. You cannot get directly to the database. Many give the impression of being open, but the reality is different."

SPSS' software is now providing NOP World users across the globe with the shared tools and resources that the company needs to achieve greater economies of scale. Through the use of SPSS' survey research software, a small team of NOP World developers has been able to deliver a series of high-quality, Web-enabled applications on an ambitious schedule of one major new product every three months. SPSS enables the firm to win business on the strength of its innovative approach, while reducing the internal cost of providing services on a global basis.

□ "Our goal is to ensure our internal people spend less time manipulating the data into a form they can use and more time actually interpreting and using the results. The Dimensions Data Model is allowing us to give them the tools to achieve that goal. It is definitely doing what we wanted it to. There hasn't been anything that we wanted the data model to do that it has not done."

– David Zotter
Head of Developing Technologies
NOP World



Retail: Enhanced Operational Insight

FIFTEEN OF THE TOP 20 ONLINE RETAILERS RELY ON SPSS SOLUTIONS

Retailers today face many obstacles to achieving growth and revenue targets. In an industry characterized by increased competition, globalization, diversified sales channels, and changing customer demands, retailers are looking inward to reduce operational costs and derive greater value from brands, customers, and employees.

For years, retailers have relied on predictive analytics from SPSS to provide enhanced customer and operational insight. SPSS enables retailers to increase customer value and overall revenues, develop successful new products and services, determine profitable sites for new stores, and improve existing stores.

In the midst of fierce competition, retailers must find ways to differentiate themselves to consumers. By leveraging SPSS predictive analytics, retailers are able to increase sales to existing customers, improve inbound and outbound call center revenue, and provide consistent, coordinated interactions across all channels to improve customer satisfaction and promote loyalty.

SPSS offers a variety of ways for retailers to learn about their customers, including analyzing multiple customer communications (call center notes and transcripts, e-mails, responses to open-ended survey questions, etc.) for opinions and suggestions, collecting customer information at every touch point, and predicting which product concepts will be best received by customers and prospects.

Store location and design are critical to retail success. SPSS software enables retailers to determine optimum interior design for maximizing sales and delivering a compelling shopping experience, as well as predict the best new store locations, helping them avoid entering saturated or nearly saturated markets.

From regional chains to global online companies, SPSS helps these retailers improve everything from marketing and product development to customer retention and site selection. With SPSS predictive analytics, retailers across categories are able to make better, more informed decisions throughout their organizations.

Applications: Market analysis, campaign analysis

Merrild Kaffe Stays Ahead in a Highly Competitive Market

Every year, Danes spend DKK 1.5 billion (approximately US \$243.6 million) on coffee. Market leader Merrild Kaffe holds approximately one-third of the market and sells a variety of coffee brands.

The Danish coffee market is dominated by four companies: Merrild, Gevalia, Karat, and BKL. With a market penetration of more than 90 percent of Danish households and a total consumption of approximately 30 million kilograms (66 million pounds) of coffee, there is little room for significant market expansion. Henrik Ejsing Andreasen, chief analyst at Merrild Kaffe, explains, “We increasingly aim at gaining market share by selling high-quality coffee—especially with our Café Noir brand, which experienced a remarkable rise after a major campaign earlier this year.”

To stay competitive, Merrild Kaffe relies on SPSS products to predict trends and anticipate market response to given influences, such as price changes and marketing campaigns. For example, Merrild uses the software to determine if a new price strategy will result in increased sales, increased market share, temporary market expansion, or first-mover benefits.

“We assess the effect it will have on our own sales and on the market in general if, for instance, we reduce the price on one of our coffee brands by DKK 1 or 2 (approximately 16 to 32 cents). We are able, with a reasonable degree of certainty, to assess the effect of various sales and marketing campaigns. These campaigns provide valuable input for sales, key account and new business development, and marketing,” said Ejsing Andreasen. “It is very important that we follow the market closely and apply the correct tools—in this specific case, the SPSS solutions—to enable us to analyze data using accurate methods.”

Application: Personalized customer marketing

World's Largest Mail-Order Wine Company Personalizes Customer Offers

Direct Wines, the world's largest mail order wine company, is an experienced database user, having first installed a solution more than 15 years ago. However, it ultimately found that its existing systems could not cope with the volume and number of mailings.

Direct Wines worked with SPSS to reach customers with specialized offers. The use of SPSS software is helping Direct Wines to build on its existing database and personalize customer offers more efficiently.

Direct Wines searched for marketing software and looked at most of the major solutions, including SAS®, SPSS, and Business Objects®. According to Jon White, Direct Wines customer database analyst, "We were looking for a huge leap in function and greater flexibility to do the things we wanted to do without being dictated to by the limitations of the system. We also wanted a system that would be user friendly, and not too statistical, so that non-expert users could take advantage of it."

Direct Wines has a server running SPSS' server-based software and three workstations running SPSS' client version. SPSS' statistical and data management package is also used as the data-retrieval system, taking data from an Oracle® database. Direct Wines was confident that SPSS' solution met all the necessary criteria. White stated, "We could not have grown as a company without SPSS."

Direct Wines is also impressed with the added functionality in each new version of SPSS' solution. White explained, "Each new version is always better than the last."

White adds, "At first sight, SPSS has an interface with many different statistics options and transformation tools. However, the speed of its transformations and manipulation is staggering, and its ability to store syntax and scripts allows analysis to be repeated many times with ease."

□ "With SPSS, we can use our own data as well as external research to determine sales patterns so that each mailing we do is backed by evidence of previous success."

— Jon White

Customer Database Analyst

Direct Wines

Save Mart Supermarkets Stays Ahead of the Competition

Save Mart Supermarkets, a 120-store chain in California, is employing SPSS predictive analytics software to fend off competitors in its markets by tightly controlling category management and in-line profit margins.

Save Mart's use of SPSS' business intelligence and data mining solution quickly evolved into a key business tool supporting strategic and tactical business decisions across Save Mart's operations.

With SPSS' solution, Save Mart can fully assess the dynamics of each store's performance and make the right decisions on the inventory, pricing, and promotional activities that will benefit each store.

"With us facing tough competition from national supermarket chains, it's critical that we immediately understand how each store's categories are being affected by market changes," said Sandy Strube, Save Mart financial analysis manager. "SPSS enables us to make quick, informed decisions and plays a large part in keeping Save Mart ahead of our competition."

"SPSS' predictive analytics software has brought valuable business insight to decision makers throughout our organization, from executives to store managers," added Strube. "This helps us make sound decisions to keep our customers happy and our business strong and viable."

Application: Customer analysis

Sofmap Marketers Gain Customer Insight

Sofmap Company, Ltd., Tokyo, is one of Japan's top personal computer and software retailers, with 40 retail stores located throughout the country.

Sofmap managers believed that many customers had difficulty making purchasing decisions, which was hindering online sales. Sofmap used SPSS' predictive analytics software to build an engine that recommends appropriate products based on customers' profiles, which are built from information gathered during the online registration process and from past transactions.

Sofmap needed to quickly and easily mine the information that was buried in its customer and transactional databases. The company wanted a software package that its marketing staff, which has the best understanding of customer behavior, could use to perform its own analysis. The ease-of-use of SPSS' data mining solution enabled Sofmap's marketers to analyze transaction data and information from the customer database, and generate the business rules used in the recommendation engine.

Sofmap marketers collected a wide range of information for use in building models of purchasing behavior. Using SPSS' solution to analyze this information, the marketing staff clustered customers based on what it called a "digital lifestyle model." The model was then used to construct both the business rules and the recommendation engine, as well as to personalize the site for returning customers.

The marketers also identified the most profitable customers, based on shopping frequency and purchase size. This enabled the new recommendation engine to focus on these customers in particular.

"We selected Clementine because it enables users without computer programming knowledge to develop very powerful analytical solutions," said a Sofmap official. "This approach is so much more efficient than to have the marketers communicate the goals of the analysis to the programmers. Now the marketers can do the entire job themselves, which saves a considerable amount of time."

□ "We wanted to analyze the demographics, individual characteristics, and purchase patterns of these customers in order to provide visitors with information that will help them make wise purchases."

– Nobuyuki Matsuda
Strategic Planning Manager
Sofmap

Applications: Data mining, customer relationship management, survey research

De Bijenkorf Optimizes Business Management

De Bijenkorf is a trend-setting department store with outlets in 12 major Dutch cities. It carries approximately 750,000 different items from the fashion, cosmetics, accessories, home, media, sports, and food sectors.

SPSS solutions enabled de Bijenkorf to efficiently analyze sales and customer data, making it possible to develop customer profiles and group similar customers. Now de Bijenkorf accurately maps customer preferences and uses this knowledge to improve operational and strategic processes.

De Bijenkorf recently launched a cross-selling program. “Based on the monthly bill, we determine a personalized proposal for each customer. We make general suggestions and less obvious ones, which produce a high conversion rate, with the help of data mining,” said Rudi Meijer, a business analyst at de Bijenkorf.

Like other department stores, de Bijenkorf uses different prices, and certain prices may be applied for a specific period. Meijer explained, “The price is often lowered. But when you reduce a price, it is important to know what effect this has on the article itself, as well as on all other articles. By using a price elasticity model from SPSS when a campaign is launched, we can calculate the impact precisely.”

De Bijenkorf also uses data mining during advertising campaigns, such as the distribution of *BIJmagazine*, which it sends primarily to its loyal BIJcard customers. Then, de Bijenkorf uses postal code segmentation to decide whether to communicate with those who do not yet hold loyalty cards.

“We often see that the response to ‘untied’ distribution is higher than with BIJcard holders. This clearly indicates that segmentation works,” said Michael Pieffers, a CRM business analyst with de Bijenkorf. He explained, “By using SPSS we were able to reduce the print run of our communication materials by an average 30 percent last year, while keeping the same turnout figures. This provided us with a substantial cost savings.”

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– Michael Pieffers
CRM Business Analyst
De Bijenkorf



Telecom: Effective Customer Marketing

80 PERCENT OF THE TELECOMMUNICATIONS SERVICES COMPANIES LISTED ON THE S&P 500
USE SPSS TECHNOLOGY

Telecommunications companies face increasing competition for customers, due to accelerated technological advances and recent merger activity. Using predictive analytics from SPSS, telecom companies develop effective customer retention strategies, acquire new customers, and detect and prevent fraud. These organizations also employ SPSS to design and implement customer-friendly marketing programs and campaigns.

Traditional providers face the loss of customers as more people substitute their landline service with wireless phones. SPSS predictive analytics enables telecom companies to develop more effective customer retention strategies by identifying the most at-risk customers. With these enhanced insights, companies reduce costs by identifying the customers likely to churn, and then targeting them with offers and services to keep them loyal. SPSS predictive analytics also helps providers acquire profitable customers by creating offers based on behavioral profiles and then recommending the right combination of products and services to attract prospects.

Telecommunications fraud is another area in which SPSS predictive analytics provides valuable insights. By identifying patterns that are common to fraud, companies can easily detect and investigate possible cases of fraud, including billing fraud, fraudulent payments, and unauthorized use of another subscriber's minutes. SPSS not only uncovers existing instances of fraud, it helps prevent future occurrences as well, enabling providers to recoup more money while curtailing fraudulent activity.

Generating advanced insights into the attitudes and behavior of customers and prospects, predictive analytics also enables telecom companies to plan effective marketing programs and campaigns. Using real-time information generated by SPSS software, providers retain better control over marketing costs and accurately project revenues and margins.

The ongoing challenge for the telecommunications industry is to better understand the preferences of its customers and to then successfully offer the products and services that foster greater customer retention. With SPSS predictive analytics, telecom providers are gaining these critical customer insights to secure an advantage in this highly competitive industry.

BT Increases Effectiveness of Marketing Programs

To maintain its position as a leading global telecommunications company, BT realized it needed to better understand its extensive customer base. If the company could identify prospective customers' propensity to purchase various products and services, and then calculate their likely comparative value once they became customers, the organization could use this insight to develop new products targeted to specific customer groups. BT selected predictive analytics technology from SPSS to analyze customer data and build exploratory models for the company's "Business Highway" campaign, targeting small business customers.

BT initially established a customer and campaign analysis team, headed by senior consultant Stephen O'Brien. The team used SPSS' data mining workbench for data analysis, experimental modeling, identifying data quality issues, and eliminating data attributes not strongly associated with the purchase of Business Highway. The team also measured the predictive strength of individual data attributes in relation to the customer's propensity to purchase.

Within a matter of weeks, O'Brien's team delivered a "best prospects" list and related demographic charts to BT's Business Highway sales and marketing departments. The results of this list increased BT's direct mail response by 100 percent. "With Clementine, the exploratory data analysis and visualization we were able to do up front enabled us to develop satisfactory customer selection criteria," said O'Brien. "Even before completing the final models, we were able to surpass our original target—and increase the campaign response rate by 100 percent."

BT's modeling program enables it to target customers over the life of products and campaigns, identify trends in the changing marketplace, and improve its penetration in different market sectors. And at every step, SPSS predictive analytics is supporting these efforts with incisive analyses. The payoff? As the Business Highway project shows, more profitable customers and higher sales.

Applications: Fraud detection, fraud prevention

Telecommunications Fraud Detected in Real-time

There are many ways to avoid paying for telecommunications services, from stealing phone card numbers to bypassing phone circuitry. These types of fraudulent activities cost the telecommunications industry billions per year. ECtel Ltd. created FraudView®, a comprehensive fraud management solution that uses SPSS predictive analytics software.

FraudView is a fraud detection system that gathers information about calls in real-time and compares the calls against fraudulent scenarios produced by its MineView™ component. MineView uses SPSS' data mining solution to evaluate a sampling of an ECtel customer's call data records, and then generates the scenario that most accurately predicts fraud. If MineView flags the subscriber as fraudulent, an alert is automatically generated and filed into a case profile for the telecom investigator to examine.

For each subscriber, MineView calculates a suspicion score—the probability that a fraudulent subscriber is using a suspect number—based on data collected in real-time. Whenever this score exceeds the preset threshold, MineView sends an alert notifying the investigator of a suspicious subscriber. This real-time data collection is a significant advantage over other data mining systems, which compare data against the model at two-hour intervals.

“Upon seeing a single alert from MineView, the investigator is ready when a second call appears from that subscriber and can block that call as it's happening,” explains Eric Kaplan, FraudView group manager, ECtel Ltd. Thus, money is saved because fraud is detected and can be acted upon immediately.

More than 150 blue-chip telecom service providers worldwide, including national carriers in Germany, France, China, and the United States, have turned to ECtel's FraudView to manage fraud. According to Kaplan, “Selling a data mining product to a telecom provider has been traditionally difficult because they don't have data mining experts on staff who can work conventional data mining tools. Clementine's functionality allows ECtel to develop software based on Clementine as the internal data mining engine.”

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– Eric Kaplan
FraudView Group Manager
ECtel Ltd.

France Telecom Increases Productivity and Customer Responsiveness

France Telecom is one of the world's leading telecommunications carriers, with more than 118.6 million customers in 220 countries and territories. To rapidly capitalize on the enormous amount of information that flows through its organization daily, France Telecom chose SPSS predictive analytics software as part of its business intelligence information system, which is accessed by thousands of internal and external users.

With SPSS' text mining technology, which is part of France Telecom's Strateasy business intelligence information system, text information is quickly analyzed and the strategic monitoring of business information is accelerated. SPSS' text mining solution has cut analysis times in half, which represents a clear productivity gain for the company and raises the responsiveness to specific customer demands.

"Strateasy enables companies to harness the strategic information relating to their customers, markets, or competitors. This solution brings together the most relevant capabilities for our clients on a secure and integrated platform," said Gil Debret, director of France Telecom's Business Intelligence Division. "LexiQuest™ Mine™ brings a new linguistic dimension to Strateasy. We can now give meaning to metadata and personalize key concepts."

This text mining solution acts as a linguistic extractor. Based on a sophisticated processor, it recognizes the language of documents, and extracts not only the thematic concepts but also the proper names of places and products.

SPSS' text mining technology is a dynamic tool that represents the identified concepts and their interactions in a color-coded, graphical map. "The mapping of concepts, and the graphs of their evolution over time, were used to evaluate the communication of our competitors," said Magali Chambon, a consultant in France Telecom's Business Intelligence Division. "This research enabled us to clarify issues and give managers greater visibility on the possible directions to take."



Application: Direct marketing

KPN Mobile Saves More Than €1 Million Through More Efficient and Effective Direct Marketing

Like other telecom companies, KPN Mobile, which provides mobile services in Germany, the Netherlands, and Belgium, is focusing less on adding new customers and more on keeping and increasing the value of its existing customers.

Direct marketing through multiple channels, including e-mail, SMS, and MMS, is the key to accomplishing this. Using SPSS predictive analytics software, KPN Mobile created a more efficient process for building customer models. This resulted in a substantial reduction in the time required to execute campaigns.

KPN Mobile also uses their SPSS solution for the telemarketing and direct mail channels, where the costs per customer contact are high. By developing accurate predictions of likely customer responses, KPN Mobile can target each customer group with an appropriate message.

As part of KPN Mobile's customer value management strategy, the organization strives to keep valuable customers and sell additional services to them. Using SPSS software to predict which customers might purchase additional products enhances customer profitability. In addition, SPSS' solutions enable KPN Mobile to easily identify groups at high risk of churning and to proactively make offers to retain them.

In addition to accelerating marketing processes, the use of SPSS software has resulted in a substantial cost reduction in a number of KPN Mobile campaigns and, therefore, an increase in the profitability per customer. The estimates for the first year amount to cost savings in excess of one million euros for the top three campaigns where telemarketing was used.

“The software has far exceeded our expectations. SPSS enables us to quickly and effectively identify likely groups in our base of six million mobile customers for marketing campaigns aimed at value retention and value creation. We can quickly translate this valuable customer knowledge to segment-specific programs and get a much higher return from our marketing investments.”

– *Leen Molendijk*
Implementation Manager,
Predictive Marketing
KPN Mobile

Applications: Customer retention,
customer segmentation

Chile's Leading Pay-TV Provider Dials Down Churn

To develop more strategic marketing programs, VTR GlobalCom, Chile's leading pay-TV provider, needed a sophisticated software solution to make sense of its vast customer database. After considering several packages, the Market Planning and Bundling Department purchased SPSS predictive analytics software.

"We searched for sophisticated analysis tools capable of interacting with large datasets and advanced statistical processes," a Market Planning and Bundling Department spokesperson said. "SPSS for Windows and Clementine were the software packages that best fit our needs."

The company's Market Research division uses SPSS' statistical and data management software packages to analyze, process, and interpret marketing surveys covering topics ranging from customer satisfaction to new product introductions.

The Market Planning and Bundling Department uses SPSS' data mining workbench to develop acquisition, cross-sell, up-sell, and churn models. According to the spokesperson, the department appreciates the workbench's combination of "superior analytical power" and its "user-friendly interface." "With Clementine, we're able to quickly predict who in our customer database is more likely to churn and then execute retention campaigns before it is too late," the spokesperson added.

VTR also recognizes that it is critical to identify which customers are not worth keeping. SPSS' solution allows VTR to identify a segment of impulse buyers that are not profitable. As a result, VTR sets higher entry requirements, avoiding the cost of acquiring and retaining these customers. In a single year, these types of marketing programs improved retention by 13 percent.

"Choosing SPSS for Windows and Clementine has been very advantageous," the representative concluded. "Proof lies in the results achieved and the fact we rely so much on the tools. We will continue to seek other SPSS tools that will help us gain competitive advantage."

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– *Spokesperson for the Market Planning
and Bundling Department*
VTR GlobalCom

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About SPSS Inc.

For more than 37 years, SPSS Inc. (NASDAQ: SPSS) has developed analytics software that helps organizations gain greater value from their data.

SPSS has become a leader in predictive analytics technologies through a combination of commitment to innovation and dedication to customers. Organizations today face the challenges of ever-increasing volumes of complex enterprise data, cutthroat competition over attracting and retaining customers, and costs associated with fraud and waste. To help them overcome these challenges, SPSS provides a range of predictive analytics software and services.

With SPSS predictive analytics solutions, organizations are able to direct, optimize, and automate specific decision processes to meet organizational goals. SPSS software examines data on past circumstances, present events, and projected future actions using advanced analytics, and then delivers recommended actions to the people and systems that can take effective action.

More than 250,000 public sector, academic, and commercial customers rely on SPSS technology to help increase revenue, reduce costs, and detect and prevent fraud. Founded in 1968, SPSS is headquartered in Chicago, Illinois. For additional information, please visit www.spss.com.

