

> Competing with SPSS Predictive Analytics

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> Agenda

- Definition of Predictive Analytics and Brief Historical overview
- Why competing with Predictive Analytics is a must in today's business world
- World wide and local Business Examples.
- The evolution of the SPSS technology to today's Predictive Enterprise Platforms
- SPSS BI GREECE SA
- SPSS DIRECTIONS European Conference

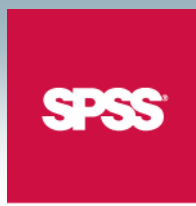
> Definition of Predictive Analytics and Brief Historical overview

- By 'Analytics' we mean the extensive use of data, statistical and quantitative analysis, exploratory and predictive models and fact based management to drive decisions and actions. The analytics may be input for human decisions or may drive fully automated decisions.
- (quoted from 'Competing on Analytics' –T.H. Davenport&Jeanne G.Harris)

> Definition of Predictive Analytics and Brief Historical Overview (continued)

- As old as the DSS of the 1960's
- Military applications during and after WW II
- Statistical Analysis Packages appear in the 1970's
- OLAP and Data Warehousing systems as a result of transactions systems ERP, POS, Internet
- Business Intelligence and some sort of Analytical Applications at the departmental level exist today in most large organizations.
- Today's 'Analytics Competitors' are the companies that have elevated data management, statistical and quantitative analysis and fact based decision making to a high art !

> Definition of Predictive Analytics and Brief Historical Overview (continued)



Business question

Queries/
reports

OLAP

Predictive
Modeling

Model
Deployment

How many, how often, where?



What exactly is the problem?



What will happen next?



What offer should we present to the customer?



> Why competing with Predictive Analytics is a must in today's business world

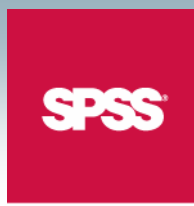
- Realization that analytics do not only have to serve as tactical competitive weapons
- It can help to change the game in an industry quite profoundly
 - Outperform your competitors
 - Sell (new) products/services based on analytics

> Why competing with Predictive Analytics is a must in today's business world (continued)

“Analytical competitors” outperform their peers by

- Identifying profitable and loyal customers, and charging them the optimal price
- Maintaining lowest possible level of inventory while avoiding out-of-stock
- Hiring, retaining and promoting the best people in the industry
- Choosing the best location for your stores
- Selecting the best candidates for mergers and acquisitions
- Optimizing supply chains and delivery times
- Identifying customer preferences

> Why competing with Predictive Analytics is a must in today's business world (continued)

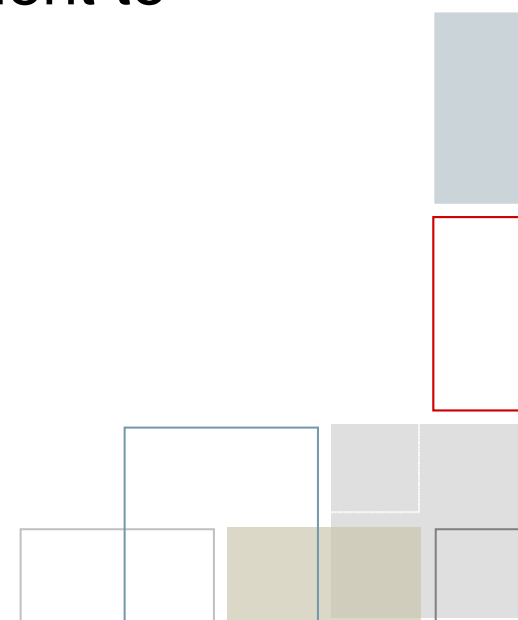


To become an Analytical Competitor involves key prerequisites, such as:

- A moderate amount and quality of data
- The right hardware and software on hand

But the key variables are human:

- Some manager must have enough commitment to analytics to develop the idea further
- Ideally CEO level sponsorship



> World wide and local Business Examples

- NETFLIX A US movie delivery company
- From \$5 million revenue in 1999 reached \$1 billion revenue in 2006 as a result of becoming an analytics competitor
- By analyzing customer behavior and buying patterns created a recommendation engine which optimizes both customer tastes and inventory condition
- Offered free delivery service priority to the best customers who proved to be the ones who are infrequent users of this service

> World wide and local Business Examples (continued)

- CAPITAL ONE a successful credit card provider outperforms its peers and sustains its competitive advantage by positioning analytics at the heart of the company's ability
- Discovers, targets and serve the most profitable customers while leaves the rest for other firms
- Runs 300 experiments per business day to improve targeting of new offerings. This test-and-learn approach is low cost and helps judging how successful a new product is before it goes out in full marketing
- Due to this analytic strategic asset that enables Capital One to avoid approaches and customers that will not pay off, the value of its stock increased 1000% over the past 10 years

> World wide and local Business Examples (continued)

- MARRIOT International, the global hotel and resort firm has introduced revenue management to the lodgings industry and over the past two decades has continued to refine this capability with the help of analytics.
- Has also recently extended this system into its restaurants, catering services and meeting spaces an approach called 'Total Hotel Optimization
- The company also identifies its most profitable customers through the Marriott Reward loyalty program and targets marketing offers and campaigns to them.
- These capabilities rose the operating revenue in 2003 by 17% while adding 185 hotels and over 31.000 rooms acquired by one third from competing hotel brands.

> World wide and local Business Examples (continued)

- VODAFONE
- WIND
- COSMOTE
- MOBITEL
- EUROPI
- EUROBANK
- EUROBANK CARDS
- PIREAUS BANK
- LAIKI BANK OF CYPRUS

> The evolution of the SPSS technology to today's Predictive Enterprise Platforms

- The heart of the SPSS technology is almost 40 years old and offers all the capabilities for data management, analysis, prediction and presentation
- Aside to this vintage technology we have all the well established Data Mining and Text Mining capabilities of the Clementine Platform, which is the most popular workbench in its category, and over 10 years in the market.
- The Dimensions Platform which offers data collection capabilities, on line or through any of the traditional data collection channels, connects and cooperates perfectly with the previous analytical technologies.



> The evolution of the SPSS technology to today's Predictive Enterprise Platforms (continued)

- Today SPSS offers the so called **Predictive Enterprise Platform** to help clients manage centrally their analytic applications and to lead them to use efficiently the predictive models developed, in their day to day business activity.
- Predictive Enterprise Services
- Predictive Marketing
- Predictive Call Center
- Predictive Claims
- Are the systems available which can optimize any enterprises investment in the analytical technology

> The evolution of the SPSS technology to today's Predictive Enterprise Platforms (continued)

- **SPSS Predictive Enterprise Services is an enterprise-level application that addresses key issues related to the widespread use and deployment of predictive analytics. The benefits that SPSS Predictive Enterprise Services provides include:**
 - Safeguarding the value of your analytics
 - Ensuring compliance with regulatory requirements
 - Improving the productivity of your analysts
 - Minimizing the IT costs of managing analytics

> The evolution of the SPSS technology to today's Predictive Enterprise Platforms (continued)



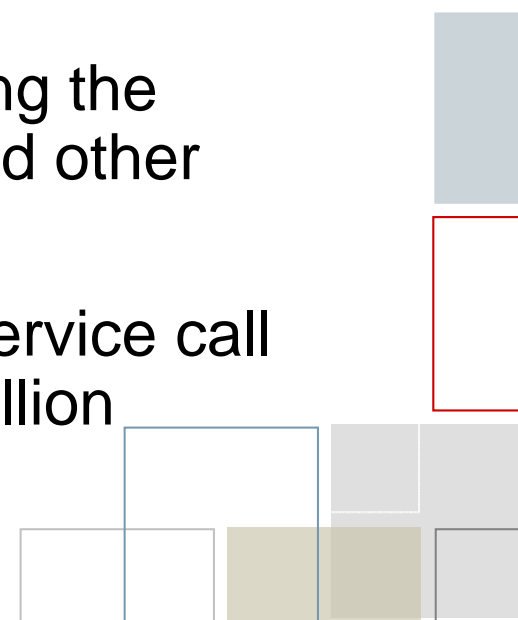
- **SPSS Predictive Marketing**
- Helps companies like ING, Vodafone and ABN Amro to significantly improve their direct marketing activities by enabling them to predict the preferences and needs of their individual customers and base the marketing campaigns on these needs.
- These companies, reduced their costs of marketing activities by 15% to 30%, they doubled the response rates and generated 25% to 50% more profit out of their marketing actions.



> The evolution of the SPSS technology to today's Predictive Enterprise Platforms (continued)



- **SPSS Predictive Call Center**
- Helps companies like ING, Aegon and ABN Amro to effectively turn their service call centers into profit centers by automatically alerting call center agents on hidden product needs and retention risks for the current caller and advise the most appropriate offer and treatment during the call.
- A very high accuracy is achieved by analyzing the current call and combine this with historic and other data on the specific customer
- In one case this system was able to turn a service call center into a profit center, generating \$30 million additional sales per year.



> The evolution of the SPSS technology to today's Predictive Enterprise Platforms (continued)



■ SPSS Predictive Claims

- Has helped organizations like ING, Banco Commercial Portugues and many others to improve their claim handling processes, and enabled them to:
 - Identify which customers can be trusted and focus on excellent service to these customers
 - Reduce claim handling costs by 20% to 40% by selecting low risk claims for fast tracking
 - Discover twice or three times as much fraud by identifying the highest risk claims



> SPSS BI GREECE SA

- Since 1986 represents SPSS in Greece and Cyprus
- Since 2001 offers in a new extended territory (Greece, Cyprus, Albania, F.Y.R.O.M, Bulgaria, Romania) the full range of Analytical CRM Solutions Services according to the new SPSS business model

> SPSS BI GREECE SA (continued)

- Since 2001, after a considerable investment in new infrastructure and human resources, SPSS BI GREECE SA has been growing by 25% to 50% per year, resulting in a revenue five times higher than that of 2001.
- Today the company owns one of the most specialized teams in Greece, in the application of Data Mining and Predictive Analytics in most vertical markets
- SPSS BI GREECE'S sales force and aggressive marketing policy has educated the market in the capabilities of the analytical technologies and the benefits that can be gained by their applications in any business process

> SPSS BI GREECE SA (continued)

- Among the over 350 clients using the SPSS technology in the territory, are:
- All the Academic Institutions
- The majority of the Public Sector organizations
- All the major Telecommunication enterprises
- The majority of the Banking enterprises
- Some well known Retail enterprises as well as a few other specialized organizations

> SPSS Directions European Conference, May 2008, Athens

- In May 2008, the SPSS Directions European Conference is taking place in Athens.
- At SPSS Directions, attendees gather to learn the latest trends and best practices in statistics, data mining, market research, predictive analytics and business intelligence technology.
- The conference delivers information, discussion and education to customers and community alike as well as first-time previews and exclusive content.



> SPSS Directions European Conference, May 2008, Athens (continued)

- TOP 10 REASONS TO ATTEND DIRECTIONS
- Network with peers, industry thought leaders and SPSS experts
- Get insights into the challenges and opportunities your business faces every day
- Get inspired by new ideas
- Learn new ways to address business challenges with analytics
- Elevate the use of analytics for advanced insight
- Increase ROI and improve business results
- Improve your understanding of analytic technologies
- Learn best practices, successes and challenges faced by your peers
- Preview new and upcoming offerings from SPSS
- Learn to work more efficiently, and effectively with specific tips, tricks and techniques for using SPSS products

> DISCUSSION & QUESTIONS

