

SAS Only Vendor to Provide Accurate Measure of Customer Profitability

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Addition of activity-based costing to customer intelligence gives true picture of customer revenue versus cost of service

Market leading business intelligence software vendor SAS today announced the addition of activity-based costing functionality to its existing customer intelligence solutions, enabling organisations to gain a complete and accurate picture of customer profitability for the first time. The announcement follows the acquisition of ABC Technologies by SAS in March 2002.

Customer profitability is an equation of revenue generated minus cost of service. SAS provides the strongest analytical and forecasting capabilities in the market for determining existing and predicting future customer revenue. With the addition of activity-based costing, companies are now able to get an accurate picture of the cost of servicing their customers and are able to measure customer profitability accurately. Equally important, they are also able to better assess the cost implications of activities undertaken to increase customer profitability.

For example, a company can plan and execute a marketing campaign in SAS and build checkpoints early into the campaign to predict customer response during the rest of the campaign. Using SAS optimisation capabilities, the company can then model scenarios for improving the campaign return. If at the checkpoint the company identifies that a particular customer segment is not responding to a catalogue campaign, the company can model the costs and predicted return of switching that segment to a Web-based campaign. The ability to correctly attribute cost of service to a particular channel is particularly powerful because the relationship between channel preference and profitability is not intuitive or linear. A number of SAS customers have found, for example, that customers using three channels are in fact five times more profitable than customers using only one. Therefore, the cost of servicing the customer through all three channels is more than offset by the increase in revenue.

"Our customers are using SAS software to get deeper intelligent insight into their customer base," said Chris Pieper, vice president of SAS' performance management group. "But we discovered that if they don't have true profit information derived from mapping the cost back to the actual activities they do, then the information they are basing their decisions on is less than accurate. SAS is integrating all of the functionality of activity-based costing into all our offerings so that our customers get quality information about profit from everything they do."

About SAS

SAS is the market leader in providing a new generation of business intelligence software and services

that create true enterprise intelligence. SAS solutions are used at more than 38,000 sites - including 99 of the top 100 businesses on the Fortune 500 - to develop more profitable relationships with customers and suppliers; to enable better, more accurate and informed decisions; and to drive organisations forward. SAS is the only vendor that completely integrates leading data warehousing, analytics and traditional BI applications to create intelligence from massive amounts of data. For 25 years, SAS has been giving customers around the world The Power to Know(tm).

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