Driving to greater customer insight

*Avis cuts e-mail marketing costs
with predictive analytics*

Overview

Business Challenge
Avis Europe plc sought to identify the factors driving its direct business - particularly customer inquiries and rental bookings through its e-commerce channels. By improving insight into customer activity, the company hoped to achieve a high degree of relevance by customising each and every e-mail each individual receives.

Solution
Avis Europe turned to SPSS, an IBM Company, to create targeted and cost-effective e-mail campaigns and build customer retention through timely and relevant contact.

Avis Europe is a leading car rental company in Europe, Africa, the Middle East and Asia, with a network more than 2,800 locations. Approximately 86 per cent of Avis Europe's revenues in 2008 were generated in the five major markets of France, Germany, Italy, Spain and the United Kingdom.

Brand leadership, service differentiation and cost effectiveness are part of Avis Europe's strategic focus and 'We Try Harder' philosophy. For the Avis customer, this translates into quick, professional services, a high quality vehicle at a reasonable price and targeted communication to help loyal customers access promotions they find most relevant.

Targeted e-mail marketing maximises revenue

Avis Europe turned to SPSS, an IBM Company, to help it create targeted and cost-effective e-mail campaigns and build customer retention through timely and relevant contact.

The car rental group selected IBM SPSS Modeler data mining workbench to develop customer profiles and segment its data more accurately.

As a result of using IBM SPSS predictive analytics software, the cost of e-mail marketing as a percentage of revenue (CPR) was cut almost by half in 2009, compared to 2008 figures. This offers a significant impact across the 18 million e-mails broadcast from Avis Europe each year.

Business Benefits

- Gained the ability to segment customers, which reveals where to focus marketing spend.

- More accurate targeting leads to reduced e-mail marketing costs and maximises revenue.

- The cost of e-mail marketing as a percentage of revenue has been reduced by 42 percent.

- Improved insight into customer activity drives loyalty by enabling timely, relevant and personalised communications.

"We are now better at sending the right e-mails to the right people at the right time. This new targeted approach with IBM SPSS Modeler helps Avis cut e-mail marketing costs almost by half and, hence, maximise revenue."

— Chris Parker, Direct Analytics Specialist, Avis Europe

According to Chris Parker, direct analytics specialist at Avis Europe, "We are now better at sending the right e-mails to the right people at the right time. This new targeted approach with IBM SPSS Modeler helps Avis cut e-mail marketing costs and, hence, maximise revenue.

"The Customer Segmentation project allows us to keep in touch with our large database using cost-effective e-mail, but with all the benefits of a one-to-one relationship because we now have a clearly defined picture of each customer," said Parker. "The ability to identify and stay ahead of customers' ever-changing activities and needs is key to Avis' competitiveness in the market, and one of the biggest benefits provided by IBM SPSS predictive analytics software.

"As the project is rolled out across Avis Europe, it will add essential insight to our one million e-mail subscribers in our main European markets," Parker concluded.

About SPSS, an IBM Company

SPSS, an IBM Company, is a leading global provider of predictive analytics software and solutions. The company's complete portfolio of products - data collection, statistics, modeling and deployment - captures people's attitudes and opinions, predicts outcomes of future customer interactions, and then acts on these insights by embedding analytics into business processes. IBM SPSS solutions address interconnected business objectives across an entire organization by focusing on the convergence of analytics, IT architecture and business process. Commercial, government and academic customers worldwide rely on IBM SPSS technology as a competitive advantage in attracting, retaining and growing customers, while reducing fraud and mitigating risk. SPSS was acquired by IBM in October 2009. For further information, or to reach a representative, visit www.spss.com.

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