

# Intelligent Database Marketing Services

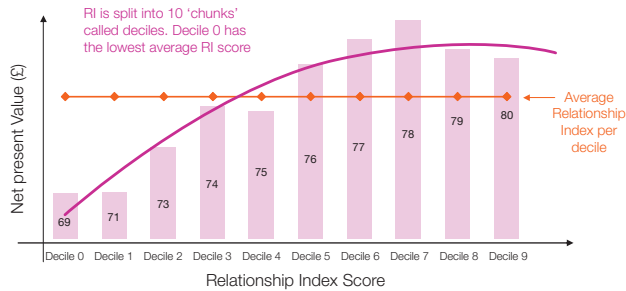
## Linking Customer Relationship Strength to Brand Performance: a new dimension for marketing databases



By integrating customer attitudes from multiple market research studies with behavioural information from account holding, the financial services provider has built a customer-centric strategy. It is able to apply models of relationship strength across sales, service and marketing.

### Relationship Index is strongly correlated with NPV

Relationship Index by Net Present Value (NPV)



**Tangible Data** had piloted the integration of research and database information for insight and scoring. It developed a relationship index methodology which assesses and quantifies the financial impact of customer service investments on revenue and cross-selling.

A phased approach was used which identified key research metrics before building the index. This was then modified across the entire database. The work connected with a businesswide focus on customer satisfaction, which used the index as a key strategic measure.

In the initial stage, existing research was examined for its potential to determine the strength of relationships.

From these studies, indicators were extracted for financial motivation, drivers and barriers to acquisition, channel preference, impact of sports sponsorship, experience and brand health.

The relationship index was built on several independent dimensions which had a commercial benefit and were easy to track.

These have been collected from a representative sub-set of customers with a spread of scores. Initial scores were matched to actual

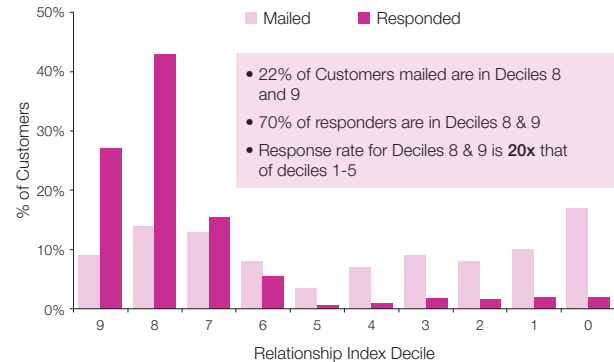
customers and tested for their predictiveness of value, responsiveness, repurchasing and cross-selling. Using linear regression, logistic regression, discriminant analysis and Chaid, a final model was built and applied across the whole database.

The index needed to be cost-effective and capable of automation.

It needed to be applicable across a broad base, and to have increased discrimination over the scores. The model had to be accurate across the entire customer base.

The index has now been deployed in propensity models and segmentations, as well as for targeting marketing communications.

### Power of Relationship Index for Marcomms Targeting



It has identified the importance of individual products within high-value customer portfolios. Response rates have improved since incorporating index scores in targeting, with a threefold increase in the power of the model compared with other types.

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