Driving to greater customer insight

Avis Budget EMEA cuts email marketing costs with predictive analytics

Overview

Business challenge

Avis Budget EMEA 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 email that each individual receives.

Solution

Avis Budget EMEA turned to IBM® SPSS® technologies to create targeted and cost-effective email campaigns, and build customer retention through timely and relevant contact.

Avis Budget EMEA is a leading car rental company in Europe, Africa, the Middle East and Asia, with a network of more than 2,800 locations. Approximately 86 percent of Avis Budget EMEA'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 Budget EMEA's strategic focus and "We Try Harder" philosophy. For the Avis Budget EMEA customer, this translates into quick, professional services, a high quality vehicle at a reasonable price, and targeted communication to help loyal customers access the promotions they find most relevant.

Targeted email marketing maximises revenue

Avis Budget EMEA turned to IBM SPSS software to help create targeted and cost-effective email campaigns and build customer retention through timely and relevant contact.

The car rental group selected the 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 email 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 emails broadcast from Avis Budget EMEA each year.

Business Benefits

- Gained the ability to segment customers, which reveals where to focus marketing spend.
- More accurate targeting leads to reduced email marketing costs and maximises revenue.
- The cost of email 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.

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

"The customer segmentation project allows us to keep in touch with our large database using cost-effective email, 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 Budget EMEA's 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 Budget EMEA, it will add essential insight to our one million email subscribers in our main European markets," Parker concluded.

Solution Components

Software

- IBM® SPSS® Modeler

"We are now better at sending the right emails to the right people at the right time. This new targeted approach with IBM SPSS Modeler helps Avis Budget EMEA cut email marketing costs almost by half and hence maximise revenue."

— Chris Parker, Direct Analytics Specialist, Avis Budget EMEA

About IBM Business Analytics

IBM Business Analytics software delivers actionable insights decision-makers need to achieve better business performance. IBM offers a comprehensive, unified portfolio of business intelligence, predictive and advanced analytics, financial performance and strategy management, governance, risk and compliance and analytic applications.

With IBM software, companies can spot trends, patterns and anomalies, compare "what if" scenarios, predict potential threats and opportunities, identify and manage key business risks and plan, budget and forecast resources. With these deep analytic capabilities our customers around the world can better understand, anticipate and shape business outcomes.

For more information

For further information or to reach a representative please visit **ibm.com**/analytics.

Request a call

To request a call or to ask a question, go to **ibm.com**/business-analytics/contactus. An IBM representative will respond to your inquiry within two business days.

© Copyright IBM Corporation 2012

IBM Corporation
Software Group
Route 100
Somers, NY 10589

Produced in the United States of America
March 2012

IBM, the IBM logo, ibm.com, and SPSS are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the Web at "Copyright and trademark information" at www.ibm.com/legal/copytrade.shtml

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

The client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions. It is the user's responsibility to evaluate and verify the operation of any other products or programs with IBM products and programs. THE INFORMATION IN THIS DOCUMENT IS PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided.

Please Recycle

Business Analytics software

IMC14516-USEN-02