

1to1[®] magazine

Maximizing Value Through Customer Relationships

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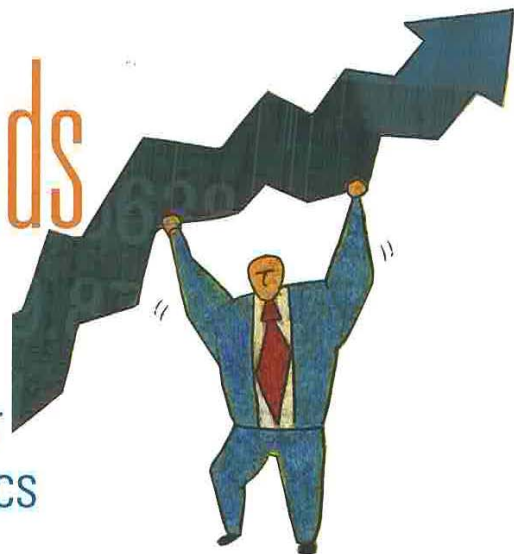
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Analytics Pays Dividends



4 Must-Have Insights From Analytics

- 1. Behavior:** Effective analytics will show how customers are behaving currently and predict how they might behave in reaction to marketing activity.
- 2. Product innovation:** Customers are constantly providing clues as to how they would like to see products evolve. Analytics initiatives should help uncover these clues.
- 3. MVCs:** Analytics cannot help you define what your most valuable customers look like. That will depend on your company's goals. But once you know what MVCs look like, analytics should discern the difference between MVCs and the rest of your customer base.
- 4. Effective marketing:** Analytics should tell you so much about your customers that you will know where they came from and why they came to you. Once you know these facts, marketing spend can align with those behaviors.

A Slam Dunk for the Boston Celtics

Bostonians love their sports teams. The Red Sox, Patriots, Bruins, and Celtics have some of the most dedicated (and fanatical) fans in sports. So when you already have a strong customer base, how can you maximize the value those customers bring to your business? In addition to winning championships, one team has found a way to do just that using analytics.

"Eighty percent of our variable economics comes from ticket sales," says Daryl Morey, senior vice president of operations and information for the Boston Celtics. His job is to fill 18,000 seats 41 times at the TD BankNorth Garden during basketball season. Since he joined the team in 2003 his goal has been to maximize the value of each seat, and provide a great experience for the fans.

In August 2005 the Celtics began conducting real-time ticket analysis using analytics software firm Stratbridge. Now, the Celtics monitor in real time the number of seats sold for each game, and the price per seat. A 40-inch TV screen located in the Celtics sales office displays an image of the arena seating chart with different color blocks indicating up-to-the-minute availability and revenue for home games throughout the season.

"Ticket sales is like chess," Morey says. "You know the board [the arena] and you know the pieces [the customers]. Without real-time analytics, it's like chess without the board." The tool shows in real time how much revenue each seat is generating per game, and allows the team to develop promotions and sales strategies on the fly to fill seats, as well as to conduct revenue analyses based on sales trends. It gives the team the ability to sell last-minute discount tickets if seats are available, as well as the ability to create special

promotions in available sections.

Morey also lauds the ability to reach distinct customer groups at different value levels using the new information. Students, for example, tend to have more flexibility and will respond to last-minute offers. Families may be more price-sensitive, and can plan in advance a group ticket sale that might be bundled with concessions. Targeted campaigns allow the Celtics to act quickly to fill seats that might otherwise be empty. The results average "five-figure returns every two weeks," Morey says.

These targeted campaigns based on real-time sales data are bringing more fans to more games, which builds their share of customer and long-term value. This year 9,000 people bought multi-game season-ticket packages; the team also sold 2,500 full-season packages. "The next step is turning the use of data into a repeatable process," Morey says, as well as creating a recommendation engine to anticipate customers' needs. Ultimately, he says, the goal is to "turn the casual fan into a die-hard fan." *Elizabeth Glagowski*

Targeted Campaigns Lure Fans

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