

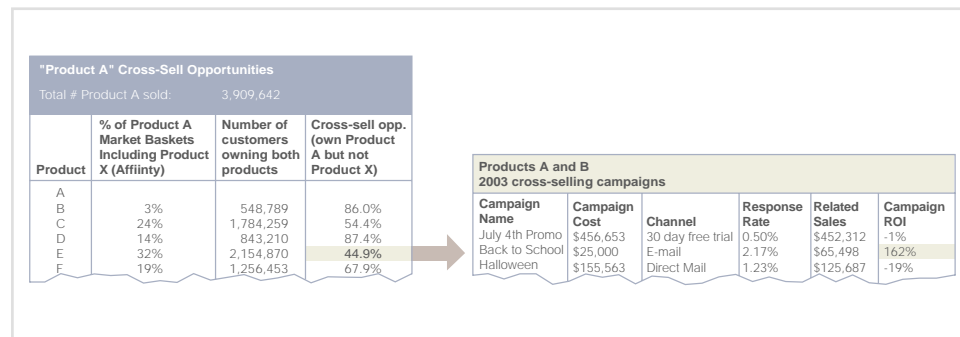
Customer Cross-Sell Analysis

Sales and marketing managers rely on cross-sell analysis to identify customers who might be interested in buying products and services that are complimentary to products and services already bought. Cross-sell analysis begins with determination of which product pairs are often bought together by customers (product affinity) and then involves identifying which customers bought one but not both products. By identifying and targeting these customers, companies can reduce total campaign costs, increase response rates and drive increased sales. Detailed, atomic-level capture and retrieval of every customer's profile, preferences and transaction history enables basic cross-sell analysis. More advanced analysis uses statistical and data mining techniques to identify product affinities, explore historical sales trends and predict sales as a result of cross-sell campaigns.

Key Performance Indicators

- Product Affinity Rate
- % Change in Product Sales
- Top 3 Related Products by Profit
- Forecast Profit
- % Penetration in Market
- Campaign ROI
- % Change in Margin Year over Year
- Lifetime Value

Sample Report: "Market Basket" Analysis and Cross-Sell Campaign Results



This product cross-sell or affinity report shows the percent of "market baskets," or total set of items purchased by a customer during any one time period, containing Product A that also contain Product "X". Marketing analysts use this information to understand what products would be good candidates to market to customers who already own Product A. Those products with high affinity for Product A which also have a high cross-sell opportunity (large % of customer base who own Product A but not Product X) are good candidates. The follow-on report shows the results of the campaigns executed promoting Product E to customers who own Product A.

COMMON BUSINESS QUESTIONS

- Which products sell well together?
- Which products have an increasing sales momentum?
- What is the chronology of purchases?
- What are the characteristics of customers who have purchased both product A and product B?
- What discount was offered to customers who also bought product B?
- What was the cost associated with a cross-sell campaign?
- Was a cross-sell offer presented to customers during the initial purchase process?
- What is the expected profit from up-sell opportunities this quarter?