Building relationships with your most profitable and loyal customers can improve profit margins for your company. Oracle Loyalty Analytics is a comprehensive analytic solution that provides timely fact-based insight into the entire loyalty program process – including the effectiveness of loyalty promotions and partner relationships. It delivers insight that is personalized, relevant, and actionable to allow employees make better decisions. Your loyalty organization can optimize its programs to drive member behavior, build value, and reduce costs so the company can quickly realize benefits.

Figure 1. Oracle Loyalty Analytics Dashboards provide key performance metrics to help optimize programs that drive member behavior, build value and reduce costs

The Loyalty Challenge

Earning customer loyalty is a worthwhile endeavor. While acquiring new customers is expensive and time consuming, current customers know the brand and have experienced value from the products and services. As the well-known rule says, 20 percent of the customers create 80 percent of the revenue. So, it is important to recognize and reward the most profitable and loyal customers.

More than two decades ago, the airline industry pioneered loyalty programs as a means to retain customers. Today, many companies across different industries are using loyalty programs to drive and sustain growth. Airline frequent flyer programs enroll more than 200 million members worldwide; 76 percent of all U.S. grocery retailers with 50 or more stores now offer a frequent shopper program; 40 percent of all Visa and MasterCard issuers operate a rewards program. Unfortunately, a majority of the loyalty programs fail to reach their targeted goals due to limited insight into the effectiveness of the program and an inability to capture the changes in member behavior caused by loyalty programs and promotions.

Oracle Loyalty Analytics can help loyalty programs to be more effective by providing insight into customer behavior and the value of partner relationships. It provides new levels of information richness, usability, and reach to all employees engaged in the loyalty program.
lifecycle. All users—from loyalty program managers to loyalty marketing managers—get up-to-the-moment, complete, and in-context marketing insight that helps them to make better decisions. As a result, loyalty organizations can develop and continue programs that benefit both the customer and the company.

The Right Information, Right Now

Enterprises depend on information to optimize performance. However, most organizations are hampered by information that is incomplete, out-of-date, or otherwise inadequate for answering critical business questions. Organizations often struggle to deliver the right information to the right person at the right time.

Oracle Loyalty Analytics, an offering within Oracle Business Intelligence Applications, is designed to help loyalty organizations leverage the power of timely, actionable information to improve the quality of decisions and ultimately optimize performance. The application is the only solution that unlocks the value of information hidden in systems across the enterprise—including customer relationship management systems—to provide loyalty professionals with comprehensive insight that enables them to take action. With Oracle Loyalty Analytics, loyalty professionals can get a complete picture of customer buying patterns, understand customer value, monitor effectiveness of loyalty promotions, identify liabilities, and understand what drives customer behavior.

Through intelligence dashboards, Oracle Loyalty Analytics provides powerful metrics, alerts, and reports to loyalty managers. These dashboards enable them to understand how loyalty promotions are affecting buying patterns of member segments and take appropriate actions. Managers and front-line professionals receive timely information on factors such as member accruals and redemptions sliced and diced by dimensions such as tier class/tier, customer geography, segment, or promotion.

Oracle Loyalty Analytics is tightly integrated with other Oracle Business Intelligence Applications so you receive a holistic approach to loyalty information. For example, Oracle Loyalty Analytics works in conjunction with Oracle Marketing Analytics to help managers better understand the effects that a particular campaign had on loyalty program members versus non-loyalty program members.

Retaining Valuable Customers

Despite the popularity of loyalty and incentive programs, many companies are still unable to identify the most profitable customers and effectively drive desired behavior. As a result, many organizations have failed to increase the loyalty and value of their most important customers simply because they don’t know who those customers are. Constraints imposed by fragmented data, siloed point solutions, heavy reliance on IT, and inflexible and costly legacy systems make it difficult to gain an accurate view of loyalty program effectiveness, promotion ROI, and member profitability drivers. Oracle uniquely solves these challenges with Oracle Loyalty Analytics by providing

• Loyalty marketing managers with the ability to analyze member segments, identify which promotions to run and which members to target, and measure promotion effectiveness
• Loyalty partner managers with the ability to analyze partner contributions to program success and measure joint promotion effectiveness
• Executives with the ability to analyze loyalty program status, track budgets, evaluate membership trends and details, and summarize rewards and redemption trends over time

Next-Generation Business Intelligence Platform

Oracle Loyalty Analytics is built on the Oracle Business Intelligence Enterprise Edition
platform, a next-generation analytics platform that fully leverages existing data warehouse and business intelligence investments. It is built using standards-based technology enabling easy integration with existing IT environments and supports all leading relational and OLAP data sources. Moreover, Oracle Loyalty Analytics provides support for large numbers of concurrent users with native support for mobile and tablet devices, multi-terabyte data sets, and the largest enterprise implementations.

### Measure the Effectiveness of Loyalty Program

Many loyalty programs fail to reach their goals because they cannot track the effectiveness of the loyalty program from start to finish and are unable to make corrective actions when needed. Oracle Loyalty Analytics can help to overcome these challenges with its powerful analytical model and action links. For example, if the number of loyalty points expires goes above a threshold, it can be detected through key performance indicators (KPIs) displayed on the dashboard. Users can then interact with the dashboards to drill down into greater detail and determine if any behavioral pattern is evident or explore other reports that further analyze the members who are not making use of the loyalty points. Also, they can drill into the transactional system and launch new promotions or create marketing campaigns with targeted marketing messages reaching these members.

Oracle Loyalty Analytics helps to closely track the member transactions and analyze members’ movements among tiers. The analytical model covers the cost and revenue associated with the loyalty program as well as program liability.

### Proactive Intelligence

Oracle Business Intelligence Applications provide proactive, event-based, and scheduled alerts that are delivered directly to users via e-mail, handheld, and other portable devices—or to a personalized dashboard. For example, if a large percentage of loyalty points are going to expire, the system can send an alert to the loyalty manager so necessary actions can be taken,
such as launching an email or telemarketing campaign to remind the members about the soon-to-expire benefits.

**Oracle Loyalty Analytics Dashboards**

The following prebuilt dashboards enable managers to understand customer segments and behaviors, track costs and liabilities, and manage partners.

**Loyalty Program Overview Dashboard**

With the loyalty program overview dashboard, you can

- Assess the overall performance of your loyalty program
- Gain an understanding of the current number of members, point balances, liabilities, costs and revenue of the programs
- Analyze members’ movement among tiers as influenced by the loyalty program
- Analyze the revenue performance of loyalty members versus non-members

With promotion analysis, you can understand the demographic profile of members enrolling in promotions and the corresponding enrollment rates. The ability to identify the products and services that are having the greatest effect on promotion success enables you to understand the levers that motivate customer behavior.

**Membership Analysis Dashboard**

The membership analysis dashboard allows you to

- Understand the characteristics of members currently enrolled in the program
- Analyze member data to view the demographics of various program tiers and identify what influences the buying patterns of different member segments
- Identify new enrollments and the member growth rates over time
- Analyze member accruals and redemptions
- Understand the influence of different loyalty promotions on customer transactions and behavior
- Track the member point balance

Most of these measures can be analyzed by customer segments.

**Partner Dashboard**

With the partner dashboard, you can

- Evaluate partner performance within the loyalty program by analyzing the partner’s contribution to the overall success of the program
- Understand the impact a partner has on new member enrollment, shared members, and accrual and redemption trends
- Analyze the number of members that have been referred by partners and track how much revenue have they brought in over time.

**Finance Dashboard**

The finance dashboard allows you to

- Understand the cost and revenue factors associated with the loyalty program
- Analyze the liability of the accrued points and the incremental revenue that is generated by the loyalty program and the associated promotions
- Identify the costs associated with the various redemptions and rewards
Faster Implementation, Lower Risk, and Better Business Results

Oracle Loyalty Analytics is the most comprehensive, prebuilt loyalty analytics solution available in the market today. It is designed for faster deployment at a lower cost, at lower risk, and with better business results. It includes prebuilt data models covering more than 88 metrics; 20 dimensions; prebuilt extract, transform, and load mapping; and best practice dashboards based on Oracle’s experience across many loyalty application implementations. In addition, Oracle’s robust enterprise analytics platform and Oracle Business Intelligence Applications architecture enables users to easily customize and extend the application with ease. The intuitive, Web-based user interface requires very little training and ensures rapid end user adoption.

Summary

Across industries, companies are facing increased pressure to grow revenues while holding costs in check. Identifying and retaining your best customers has never been more important. Oracle Loyalty Analytics is a unique and comprehensive analytic solution that helps you identify your most profitable customers and gain a better understanding of what drives customer purchase behavior so that you can increase customer retention and control loyalty program costs.

Contact Us

For more information about Oracle Loyalty Analytics, visit oracle.com or call +1.800.ORACLE1 to speak to an Oracle representative.