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solutions



Lifetime Value

- ▶ Supports RFM (Recency, Frequency and Monetary) analysis to help you better understand your customers' purchasing patterns
- ▶ Integration with AXIS Point-of-Sale and Emergency Road Service (ERS) lets tellers and call takers see client LTV codes to recognize high-value and high-cost clients
- ▶ LTV codes identify the client's lifetime value category, enabling your club to design and implement customer service policies for each client category
- ▶ Reporting options let you analyze lifetime value information for the period, service areas and clients you choose
- ▶ The ability to recognize client service patterns allows your club to streamline promotional or membership renewal strategies
- ▶ The Client LTV Inquiry window lets users view summary information or transaction details for any summary value
- ▶ LTV calculates a client's lifetime value for up to four years, identifying trends and providing scope for accurate analysis
- ▶ The ability to choose which service areas affect LTV calculations lets you design meaningful calculations according to your club's needs

AXIS Lifetime Value (LTV), part of the AXIS Membership application, provides accurate up-to-date information about the value of your clients. Each client's LTV is calculated by adding the revenues and subtracting the expenses associated with their business line transactions, including those with your Affinity partners.

When service counselors in your branches and call centers process a transaction, the client's LTV category code (A to E) appears in the AXIS Point-of-Sale Client window or the AXIS Emergency Road Service (ERS) Call Receive window. This feature enables counselors or ERS call takers to recognize high and low-value clients and carry out any special procedures your club chooses to implement for specific client categories.

Calculating Lifetime Value

Lifetime Value is determined by adding the revenue a client brings to your club and subtracting the cost of services used by that client. These calculations are performed for each year and service area you specify. Then, LTV adds these yearly values together to determine a client's lifetime value for a period of up to four years.

You select the service areas that affect LTV. Available service areas include:

- Membership
- Membership Recruitment Costs
- Travel Agency
- Home and Car Insurance
- Sundry Sales (for example, merchandise, attraction tickets)
- Medical Insurance
- Hotel/Car Reservations
- Traveller's Cheques
- Affinity Programs

- ▶ AXIS Database Marketing uses LTV information to segment customer groups and launch other marketing initiatives

- Emergency Road Service
- Auto Touring
- Auto Touring Publications
- Technical Services
- Ultramar Membership

Once lifetime values are calculated, LTV gives each client an LTV code—a code set up by your club that indicates the client's value category (for example A to E). The detailed calculation results provide sub-totals by business line and LTV year, allowing RFM (Recency, Frequency and Monetary) analysis.

You can tailor lifetime value calculations to your club's specific needs. Some configuration options include the following:

- You can calculate or recalculate lifetime value for one, some or all clients, service areas or years.
- To provide meaningful comparisons and control the timing of lifetime value calculations, LTV lets your club determine when to perform calculations and when to apply recalculated LTV information to client profiles.
- To account for the cost of products sold using AXIS Sundry, you can either specify the product's actual cost or a default cost percent. In the event that there is no product cost specified, LTV uses the default cost percent to calculate the product's cost as a percentage of the selling price.
- You choose the specific years that will affect your club's lifetime value calculations. You can calculate lifetime value for up to four years, including the current and three previous years.
- You choose the current year start date, indicating when LTV will start including transactions for the current year's lifetime value calculations (for example, to coordinate calculations with your fiscal year).

Capturing Business Line Transactional Data

To obtain complete and accurate lifetime value information for a client, LTV derives its calculations from the client's Services Utilized history, which records all transactions made in all AXIS applications (for example, Travel, Point-of-Sale and Emergency Road Service).

AXIS also provides the ability to populate the Services Utilized history with transactional data from third-party systems (for example Insurance). In addition, the Affinity processing capabilities of AXIS Membership let you include transactional data from your business partners. This means you can factor in all relevant revenue and expenses into the lifetime value calculation to ensure you have a complete view of the customer's activity.

Using LTV Reports

Inquiries and reports display details about a client's lifetime value calculation for up to four years, for all service areas you specify. Lifetime value reports feature flexible calculation parameters, client type selection, and optional client value classification.



Related product sheets:

- Database Marketing
- Membership
- Affinity
- Promotion Management

Some reporting features include the following:

- The Client LTV Inquiry displays transaction details and lets you request value recalculations or print a summary or full audit listing.
- To print lifetime values for specific types of clients, you can choose to report on: all members and prospects (including active and canceled members); all active members; all canceled members; all prospects; and, any specific members and/or prospects.
- The Full Audit Detail report prints details for all transactions (from the specified service areas) that affect the lifetime value calculation for a client.
- With AXIS Make Your Own Report, you can create custom-tailored ad hoc reports to meet your club's specific marketing and analysis requirements.