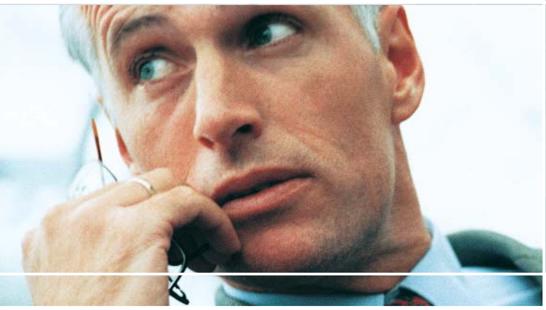


Business Analytics

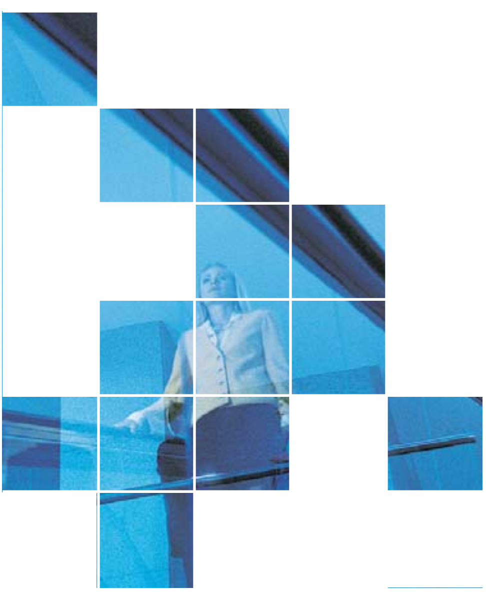
Success Stories

AARP

Advocacy

Highlights

AARP leverages the power of data as a huge piece of their business strategy – understanding members, segmenting by interests and needs, and managing relevant interaction based on member's lifestyle and issues.



The AARP complex in Washington D.C. could be mistaken for the headquarters of any huge commercial conglomerate. But, halfway between the White House and the Capitol, the largest advocacy organization in the U.S. is the workplace for people with a higher purpose. That's certainly true of the company's CIO, Tony Habash.

Talk to Habash for half an hour and you'll hear more about America's baby boomer population than you will about computer systems. Like his fellow executives, Habash is intent on strengthening AARP's relationships with its members, all 36 million of them. "Someone turns 50 every eight seconds," Habash explains. "AARP's goal is to enrich the life of every member and potential member."

That's a lot of member data, particularly when you consider that AARP has an extensive network of partners that includes health care options, technology partners, home security providers, and cruise lines, among others. "When we considered all the partners in our network, it was clear we had a gap in our understanding of our members. We want to know the entire person. But there are hundreds of different potential touchpoints with a member in a given year. We actually have this huge map of touchpoints that spans an entire wall."

Although AARP had a marketing database and could track its escalating membership—its target marketing has one of the industry's highest response rates—it nevertheless struggled to understand the breadth and depth of those relationships. For instance, the firm understood that it had three million members who had benefited from the health insurance product. But it couldn't tell whether those members had participated in AARP community events or advocacy efforts.

"Our marketing strategy has been fairly generic," confirms Sami Hassanyeh, Director of Application Development for AARP. "Although we have some segmentation capabilities, they are not specific to the individual. So it doesn't tell us how a member wants to tailor the relationship. You can be a member, a philanthropist, a volunteer,

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AARP

cont'd from pg. 1

and an advocate. There are many potential characteristics about you that we'll be filling in over time."

Hassanyeh's team built a set of custom web services that allow their other operational systems to access member details. This allows the diverse operational systems—including those in different AARP business divisions, partners, and call centers—to evolve and expand while retaining ongoing and consistent access of member detail. The goal is to have the member data de-duplicated, matched and merged into a centralized address book and presented via a Service Oriented Architecture (SOA). Part of the data reconciliation involves appending additional data to member records as they're processed.

Hassanyeh points out the differences between mere personalization and CDI capabilities. "You can get a personalization engine, but if you don't have ongoing data consolidation and matching, the personalization engine won't be worth much. Getting the data as integrated as we can is a huge piece of our strategy." Indeed, the program is so strategic that Habash has secured additional funding to build out CDI functionality under the umbrella of the company's Member Relationship Management (MRM) program.

"The more the person engages with us—whether it's benefiting from the products, accessing information from our web site, or participating in advocacy efforts—the greater the likelihood they'll remain a member," says Habash. "When we start engaging with people based on their interests and needs, that's much more powerful than simply sending out a renewal reminder. When we included relevant, personalized messages with our renewal mailing, our renewal rates rose substantially. We are building deeper long-term relationships with our members."

More relevant member interactions are only the tip of the iceberg for Habash and his team. The organization is extending its MRM strategy to its web presence and is developing a strategy focused on recognizing members as they access the web and finding ways to dynamically offer relevant content based on the member's lifestyle, life stage and the issues they choose to participate in with AARP. The goal is for the web site to become the de-facto on-line resource for everyone over 50.

Besides its ability to help AARP know its members better, CDI also promises to help the organization's re-branding efforts. "We're redefining aging for the country and moving away from the 'old people' label and toward being an enabler of positive social change for people and their families. We've got a very trustworthy brand, so our focus on delivering quality, relevant information is consistent with that brand."

Habash maintains that AARP has already started to see significant ROI from its member reconciliation capabilities. But, more importantly, the capabilities have become part of the corporate vocabulary. "We want to strengthen the position of the organization in the market to drive positive social change in the country with you, for you, and on your behalf. This has been one of our core philosophies since we started almost 50 years ago. The data has enormous value in helping us with this. Not a day goes by when I don't hear someone discussing MRM in the hallway."

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