SURVEY RESULTS:
Predictive Analytics Business Applications

Executive Summary and Analysis
The first annual Predictive Analytics Business Applications survey was open for four weeks beginning early January, 2009. The survey was promoted via the Predictive Analytics World web site and several blogs on predictive analytics and business intelligence. It was open to all members of the community, including vendors, consultants and companies, whether actively employing predictive analytics or not. In total, there were 94 valid responses to the survey.

The first section below covers companies that do not provide predictive analytics software or services – i.e., the current and future users/consumers of the technology – as their responses hold the most insight for the future of our industry. 47 such corporate, non-profit or government organizations responded to the survey. Of these, a little over half (51.5%) have never deployed predictive analytics. However, the vast majority - all but 15.2% - have plans to do so within the next five years, with, again, 51.5% planning to do so very soon: in the next six months. The top three reasons for doing so are to obtain strategic insights (75%), achieve decision support (57.1%) and enact decision automation (46.4%). 90.1% of respondents who have deployed predictive analytics attained a positive ROI from their most successful initiative. All in all, the survey results promise strong growth for the predictive analytics industry.

Predictive analytics vendors and consultants comprised 47 of the survey respondents (coincidentally the same count). The second section below illuminates what those respondents are focusing on.

Current Users and Future Consumers of Predictive Analytics Technology

- Total number of respondents from corporate, non-profit or government: 47
Company Size:
- Less than 50 employees 21.3%
For how long has your organization employed predictive analytics?
- Never 51.5%
- For less than a year 15.2%
- For 1-3 years 21.2%
- For 4-6 years 6.1%
- For 7 or more years 6.1%

When does your organization plan the next new deployment of predictive analytics, whether or not it will be your first deployment of predictive analytics?
- In the next 6 months 51.5%
- In the next 7-12 months 18.2%
- In the next 1-2 years 9.1%
- In the next 3-5 years 6.1%
- No plans to deploy predictive analytics 15.2%

Regarding your existing or planned predictive analytics initiatives, please check off all that apply:
- Applied to B-2-B 35.7%
- Applied to B-2-C 28.6%
- Applied in order to enact decision automation 46.4%
- Applied in order to achieve decision support 57.1%
- Applied in order to obtain strategic insights 75%
- Applied offline, for direct marketing/non-Internet 35.7%
- Applied online, for web or email 39.3%

Regarding your existing or planned predictive analytics initiatives, please select all Marketing and CRM (both offline and online) Applications that are important for your organization (check all that apply):
Regarding your existing or planned predictive analytics initiatives, please select all **Online Marketing Optimization Applications** that are important for your organization (check all that apply):

- Behavioral-based Advertising, 52.4%
- Email Targeting, 42.9%
- Website Content Optimization, 38.1%
- Click Fraud Detection, 4.8%
- Product Recommendation Systems, 28.6%
- Other, 4.8%

Regarding your existing or planned predictive analytics initiatives, please select all **Miscellaneous Business Applications** that are important for your organization (check all that apply):

- Customer Acquisition, 53.8%
- Upsell or Cross-sell, 26.9%
- Customer retention by way of Churn/Attrition Modeling, 69.2%
- Response Modeling for Direct Marketing, 38.5%
- Response Modeling for Other, 38.5%
- Customer Lifetime Value Modeling, 38.5%
- Other, 11.5%
Regarding your existing or planned predictive analytics initiatives, please select all **Fraud and Security Applications** that are important for your organization (check all that apply):

- Fraud Detection, 64.3%
- Criminal or Terrorist Detection, 28.6%
- Information Security, 50%
- SPAM Detection, 14.3%
- Other, 7.1%

What estimated ROI have you received from your MOST successful deployment of predictive analytics?

- 500% ROI or more: 3.8%
- 100-250% ROI: 3.8%
- 50-100% ROI: 7.7%
- 20-50% ROI: 15.4%
What estimated ROI have you received from your LEAST successful deployment of predictive analytics?

- 100-250% ROI 3.8%
- 20-50% ROI 7.7%
- Up to 20% ROI 15.4%
- No ROI attained 11.5%
- Predictive analytics has not yet been deployed 61.5%
Predictive Analytics Vendors and Consultants

- Total number of analytics or business intelligence software vendors, service providers of consultants: 47

Company Size:
- Less than 50 employees 61.7%
- 50-100 employees 4.3%
- 100-200 employees 2.1%
- 200-1,000 employees 12.8%
- 1,000-5,000 employees 8.5%
- 5,000 or greater employees 10.6%

Regarding your existing or planned predictive analytics initiatives, please check off all that apply:
- Applied to B-2-B 72.4%
- Applied to B-2-C 69.0%
- Applied in order to enact decision automation 34.5%
- Applied in order to achieve decision support 58.6%
- Applied in order to obtain strategic insights 65.5%
- Applied offline, for direct marketing/non-Internet 51.7%
- Applied online, for web or email 51.7%

Regarding your existing or planned predictive analytics initiatives, please select all Marketing and CRM (both offline and online) Applications that are important for your organization (check all that apply):
Regarding your existing or planned predictive analytics initiatives, please select all **Online Marketing Optimization Applications** that are important for your organization (check all that apply):

- Behavioral-based Advertising, 54.2%
- Email Targeting, 62.5%
- Website Content Optimization, 45.8%
- Click Fraud Detection, 20.8%
- Product Recommendation Systems, 41.7%
- Other, 4.2%

Regarding your existing or planned predictive analytics initiatives, please select all **Miscellaneous Business Applications** that are important for your organization (check all that apply):

- Customer Acquisition, 82.8%
- Upsell or Cross-sell, 75.9%
- Customer retention by way of Churn/Attrition Modeling, 72.4%
- Response Modeling for Direct Marketing, 55.2%
- Response Modeling for Other, 48.3%
- Customer Lifetime Value Modeling, 51.7%
- Other, 10.3%
Regarding your existing or planned predictive analytics initiatives, please select all Fraud and Security Applications that are important for your organization (check all that apply):

- Fraud Detection, 77.8%
- Criminal or Terrorist Detection, 27.8%
- Information Security, 55.6%
- SPAM Detection, 33.3%
- Political Applications, 11.1%