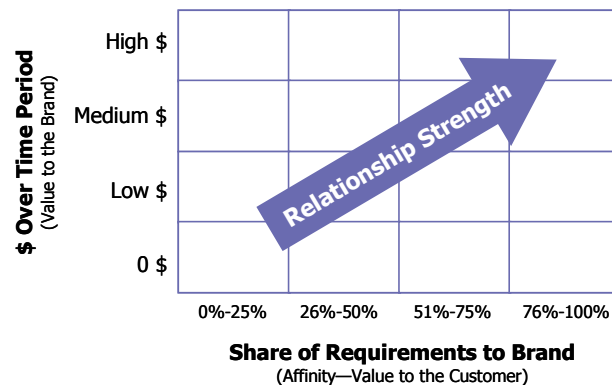


## Strategic Business Analysis

### *Customer Relationship Value (CRV)*

The CRV framework, unique to Targetbase, is used for defining, evaluating, building and monitoring brand strength by focusing on the relationship between the brand and its customers. It allows brands to strategically assess and manage their universe of consumers—in an objective manner—based upon the value derived from the relationship by both parties.

The following is a conceptual example of the relationship matrix:



The CRV framework helps to guide strategy development and CRM/communication executions by examining the dynamics of the relationship.

For example, customers who are of low revenue/margin value but provide a high share of requirements to the brand may be targeted for business-building programs. On the other hand, customers who of high revenue/margin value to the brand but provide a lower share of requirement to the brand may be targeted for brand-building programs. The optimal goal, of course, is to migrate customers toward the upper-right hand quadrant where maximum value is being delivered and received by both parties.

### **Methodology**

In its essence, the CRV framework establishes the strength of the customer-brand relationship by examining two key parameters:

- The value of the customer to the brand (e.g., revenue or margin)
- The value of the brand to the customer (e.g., share-of-requirements, brand perceptions, attitudes)

The data used for this analysis can be either transactional in nature (i.e., from a proprietary transactional database or a third-party self-reported transaction database) or from primary quantitative research (e.g., telephone or online surveys).