



Delivered Conference

Using 3rd Party Data to Drive Customer Revenue

wiland



New Customer Acquisition through DM is getting **more expensive** and **less effective**

- Postal rates and paper costs are **increasing**
- Response rates are **decreasing**
- The gap between prospecting performance and customer retention/expansion is **widening**
- Marketing budgets are shifting to focus on customer retention and expansion



The shift has its own challenges and payoffs

- Direct Mail is still expensive
- Competition for share of wallet is a constant
- Retaining customers who make frequent purchases drives higher LTV
- Identifying your least valuable customers reduces marketing waste



Keys to success are found in:

- Descriptive and Predictive Analytics
- Segmentation
- Personalization
- Omnichannel Marketing

The Challenge of Incomplete Information

What You Know

You've included April in 6 catalog campaigns in the last 18 months.

April made her first purchase 16 months ago on your website, ordering two apparel items, for **\$127**. She placed a second order over the phone, buying two accessory items, for **\$87**.

April's History with You:

- Last purchase was over one year ago
- Two-time buyer
- Average order value: **\$107**



What Would Be Helpful To Know

- April bought two pairs of jeans at an upscale retail store in the last three months: **\$114**
- Bought shirts and shorts online from a children's apparel merchant: **\$75**
- Donated to an animal welfare organization and a heart health charity: **\$200**
- Contributed to an environmental conservation organization: **\$50**
- Made three online purchases from midscale home décor merchants: **\$692**
- Bought four items from a pet care and supply merchant: **\$68**
- Renewed active subscriptions to a food and cooking publication and two fashion magazines
- Subscribed to a parenting magazine for the first time

Examples of April's likelihood to spend in specific categories in the next 12 months (% more likely):

- Online Shoe Retailers: 960%
- Outdoor Equipment: 322%
- Upscale Athletic Apparel: **712%**
- Affordable Natural Grocers: **503%**

April's likelihood to engage with specific brands on social media (x-times more likely):

- **40x** to follow Chewy
- **35x** to follow Crate & Barrel
- **35x** to follow Nordstrom Rack
- **20x** to follow Breckenridge Ski Area

Additional Data on April:

- 42 years old
- HH income of \$130K+
- Owns single-family home
- Toyota loyalist
- Interests: Fashion, Pets, and Parenting
- Less than one year at current residence
- Recently moved from St. Louis to Chicago
- Spending has accelerated in last year



Profitable Revenue Growth is Fueled by Better Data

Knowing more about your customers is the key to:



Increased market share



Higher share
of customer wallet



Better return
on marketing investments



Key Considerations

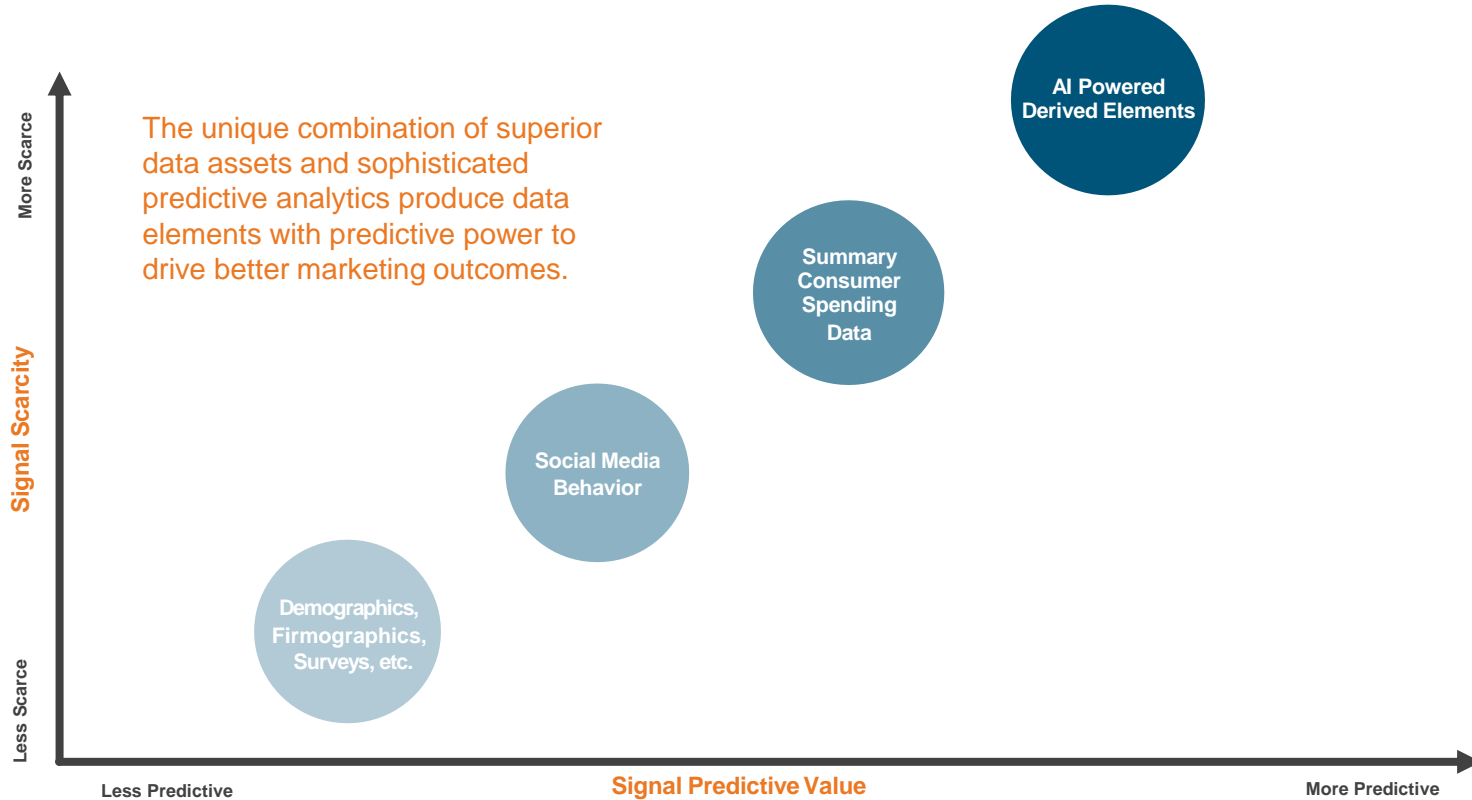
Filling the gap with 3rd Party data



Privacy and Compliance are paramount

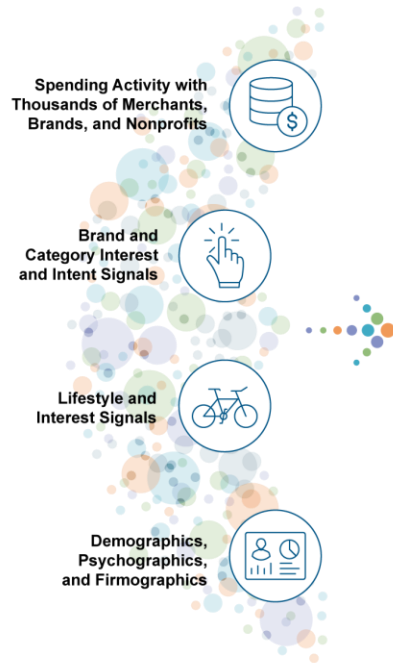
- Established and Experienced Chief Privacy Officer
- Strong internal policies that permeate the organization
- Active in industry advocacy groups
- Participate in legislative forums
- Leading edge of regulation awareness at Federal, State and Local levels

Predictive Fuel – Depth & Breadth of Data



Advanced Data Factory

Consumer Behavior Signals



Response Prediction Platform



Marketing Data Products

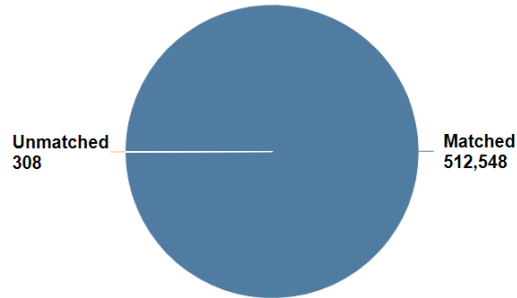




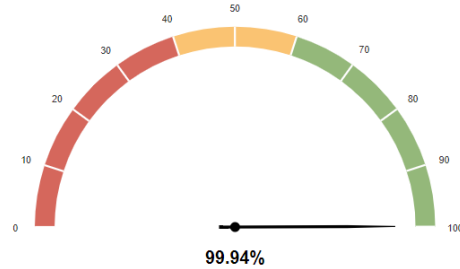
Match Rates / Coverage

Customer File Audit Counts

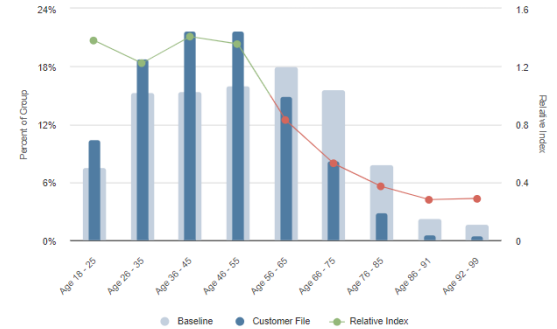
Customer File Analysis
Input Records: 512,856



Match Rate



Age of Individual



VAD00082 Age of Individual				
Characteristic	Quantity	Cust. %	Base %	Index I ^F
Age 36 - 45	85,707	21.71%	15.44%	1.41
Age 18 - 25	41,426	10.49%	7.61%	1.38
Age 46 - 55	85,625	21.69%	16.00%	1.36
Age 26 - 35	74,177	18.79%	15.37%	1.22
Age 56 - 65	59,101	14.97%	18.05%	0.83
Age 66 - 75	32,752	8.30%	15.65%	0.53
Age 76 - 85	11,522	2.92%	7.86%	0.37
Age 92 - 99	1,968	0.50%	1.73%	0.29
Age 86 - 91	2,522	0.64%	2.28%	0.28



Evaluating quality, accuracy, and efficacy...

- Append test
- Truth set comparison
- Model performance impact
- Segmentation/Personalization strategy testing



Don't discount support / partnership factors

- Experience and structure of your support team
- Customer satisfaction and retention metrics
- Issue resolution and responsiveness
- Customer testimonials
- Case studies



Moving Forward...

- 1 Prioritizing your organization's commitment
- 2 Identify Use Case Priorities and Readiness
- 3 Develop and Execute Evaluation Plan
- 4 Test and Learn, Rinse and Repeat





Thank You!

Questions?