

Improving Marketing Rol through Analytics Driven Campaigns for a UK based Health & Wellness Retailer



SITUATION

The Client had limited knowledge about Customers. Despite having a loyalty program in place, customer churn in the premium segment was high. Also, lack of insights was leading to ineffective campaigns and high marketing spends.

IMPACT

They needed to enhance customer engagement and identify opportunities to cross-sell and up-sell through personalization and contextualization.

RESOLUTION

ITC Infotech helped improve campaign response, increase purchase rate, and improve retention through better segmentation, campaign plans and data-driven insights.

The Client

The Client is a UK-based health and wellness retailer with revenues of USD 1 billion from 700 stores and online channel. Its business includes manufacturing, retailing, marketing and distributing high quality vitamins, minerals, nutritional supplements and other lines of health foods in UK, Belgium, Ireland and Scotland.



The Need

The Client was undergoing a Customer Experience Transformation – implementing cutting edge technology across POS, E-commerce, Loyalty, Mobility sun-setting its legacy systems. However, they still needed to enhance customer intimacy and engagement through deeper personalization. The key challenge was to cope with limited understanding and poor customer insights, which was leading to –

- High ATL spends of marketing dollars: The low campaign response rate from customers was leading to poor Return on Marketing Investments (RoMI)
- Ineffective promotions: Lack of insights and promo and product affinity information was leading to suboptimal promotion design
- Dwindling customer base: Despite running a loyalty program and increasing marketing spends Y-o-Y, there was high customer churn in the premium segment
- Lack of proper insights: They had limited knowledge of customer segments, customer behavior such as product-campaign-price point affinity and channel behavior

The Solution

ITC Infotech's Customer Value Management team worked closely with the Client's Marketing and Campaign teams to devise a data-driven insights-generation plan. The process involved collecting data from various touch points and analysing it to glean information about customer needs and behaviour. The data, when analysed, also helped them understand the effect of pricing on customers' perception of a product and predict purchases based on their transaction history.

The roadmap was chartered across 3 phases – increase personalization, arrest attrition, and increase margins and drive sales. A wide range of advanced analytics levers such as customer segmentation (RFM, need based), affinity analysis, churn models were used to attain these business objectives.

Key solution components included -

- Creating micro-segments based on customer needs and behavior, product attributes, product themes and customer transaction history
- Predicting purchases through sequential product purchase pattern analysis for subsequent shopping trips
- Generating insights through value price mapping, which mapped customers across product price points they buy at, thus helping in right product offering
- Designing an integrated campaign plan with individual campaign themes for each micro-segment

Business Benefits

ITC Infotech worked together with the Client to devise a strategy and create a model that delivered below business values:

- **Improved Campaign Response:** Targeted promotions, segmentation and product affinity models devised by ITC Infotech experts led to a 10% increase in targeted coupon redemption, 1.3% revenue uplift and 4% increase in email open rates
- **Increase in Redemption and Purchase Rate:** Product and campaign affinity analysis identified the customer-segment most-likely to respond to new product lines and product launches. Targeted campaigns to this micro-segment resulted in 19% increase in coupons redemption rate and increase in purchase rate (more orders per customer) within an optimized campaign budget
- **Improved Retention:** A post-facto analysis of customer-churn led to insights-generation and 55% increase in re-engagement through various win-back campaigns ran by the retailer. ITC Infotech also created in a predictive churn-indicator model that enabled the customer to proactively create retention campaigns and arrest its customer churn, preventing a potential revenue leakage to the tune of 1.5% annually

About ITC Infotech Business Consulting Group

The Business Consulting Group (BCG) at ITC Infotech is a converging point for business & IT solutions. We aim to transform business performance, bringing a strategic perspective on process improvement and IT enablement. Our team blends domain experts and consultants, bringing unique capabilities to discover and resolve business concerns of the day.

Our expertise spans Consumer Goods, Retail, Process Industry, Logistics & Transportation, across key business functions such as product development, production, supply chain management, sales and marketing management, field force management, and customer relationship management.

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