



Intelligent Results Delivers Valuable Customer Insight

Multiple Channels, Offers, Customers and Competitors

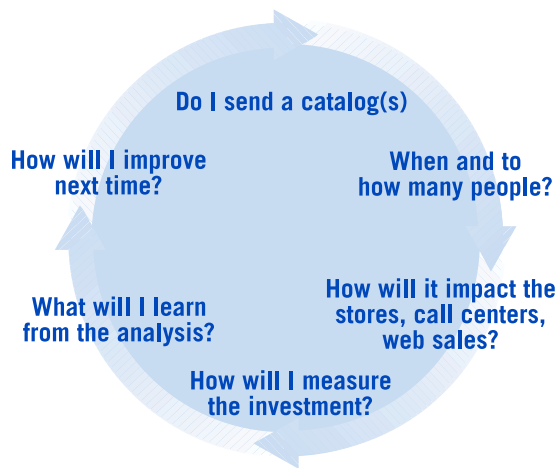
With multi-channel customer interactions— in stores, catalogs, over the phone, via the web and through a myriad of personal shoppers and preferred customer incentive programs— it has become increasingly difficult for retailers to develop marketing outreach where their investments can be directly tied to the expected return from each channel.

Shifting Buying Patterns Change Retail Economics

Our customer, a nationally recognized specialty retailer, has seen a shift in their business, placing increased importance on the web as a sales channel, rather than as an information channel designed to merely supplement other forms of advertising. In the past few years, shifting buying patterns have begun to change the economics of their catalog, store and internet business. No longer is it as clear as it once was that the mailing of a catalog results in an immediate and historically predictable sales spike—in terms of the percentage of expected revenue occurring in the stores, or through the catalog 800 number.

With this shift, the need to optimize investment in multi-channel marketing programs has become more important. Beyond the financial implications of this buying shift there is another and very important “opportunity cost.” For a company whose competitive positioning relies heavily on the delivery of extraordinarily personalized customer service, the reduction in opportunities for face to face customer interaction could mean a reduction in customer loyalty, as well as lost revenue.

CONTINUED



Understanding Buying Preferences and Patterns

This retailer's goal was to determine the value of an on-line fashion catalog. Beyond ROI analysis, the desire was to document customer behavior patterns as a guide to developing a more profitable catalog next season. To achieve the desired results we:

- Created page view descriptors, which act like phrases in a text description of a customer's browsing behavior.
- Aggregated the data to the session-level and customer-level. This resulted in patterns of activity which formed a new, behavior-based "customer language", describing the customer and their buying preferences in significant detail.

Understand Customers, Offers and Expected Results

While a great deal of interest is focused on "voice of the customer" using language analysis (speech to text, call center notes, emails, surveys, blogs, etc.) to garner customer insight, this project mined click stream data as a means to understand buying behavior across multiple channels. Click stream data was not analyzed in the customary way; rather each page view descriptor was treated as if it was a term in a paragraph describing a customer's browse behavior. For example, page view descriptors include reference to where the customer went on the site and what they looked at, even what they bought in some cases. An online session was essentially analyzed in the same way as we would analyze any unstructured textual communication from a customer. The result produced actionable insight into what certain types of customers searched for, looked at, and ultimately purchased online and enabled more informed decisions regarding creative presentation, merchandise mix (full price versus off-price) and the required number of emails needed to ensure optimal open and purchase rates.

Profitable Insights

As expected, the on-line catalog increased mindshare and spending. Behavior insights provided guidance which will help this retailer construct a more profitable and personalized customer experience.

Key findings:

- Based on initial outreach segmentation, we were able to create more informative views into the "persona" of the various segment buyers. This led to knowing in a far more specific way what to expose to each customer in the promotional email campaigns.
- The analysis provided correlation between customers who spend across the different channels, while offering predictive insights into the channel(s) to which they are most likely to respond.
- Customer behavior understanding provided guidance for changes in website design, in terms of page presentation and placement, to reflect the click through interests of targeted customer segments.

Learn how Intelligent Results can help you innovatively mine your wealth of customer data to grow a more profitable and satisfied customer base. Visit www.intelligentresults.com to find out more or to obtain additional business cases. Call **425 455-5100** or email sales@intelligentresults.com to speak to a sales representative.

Intelligent Results provides companies the ability to make better business decisions and to understand the expected outcomes of those decisions prior to implementing them.

Corporate Headquarters

520 112th Avenue NE, Suite 400
Bellevue, WA 98004

Field Sales Offices

Atlanta	New York	San Francisco
Dallas	Phoenix	Wilmington

t +1 425 455 5100
www.intelligentresults.com