

Situation

A high end retailer of clothing and accessories asked LSC to help them cut back their direct mail spending and shift spending to less expensive channels. The client had recently upgraded their website to include ecommerce capabilities which would allow for selling their products through the website. Increased competition and rising costs in conventional channels created the need to reduce spending in direct, shift spending to online channels. To accomplish this task, LSC would need to identify what customers and prospects were profitable direct mail candidates versus profitable email candidates or both or neither by analyzing past behavior.

Solution

LSC built a custom marketing database capable of data discovery and visualization, data analysis, advanced segmentation and campaign management. The database also offered the ability to execute and analyze (track inbox deliverability, clicks, unique click-throughs, sales and website abandonment) email campaigns.

From the database, an RFM matrix was developed that accounted for over 3 years of historic sales data. Through data analysis, the following marketable trends were identified, tested and validated:

- Seasonal purchasing patterns
- Amount of time between repeat customer purchases
- Average dollars spent per purchase/per category mix

Results

The retailer decreased their mail quantities by 10%. RFM trends, seasonality factors and 3rd party information were all used effectively to indicate the likelihood and the timeframe of when a customer would buy again. Mail quantities are now adjusted on a per-campaign basis using custom-logic that accounts for all three variable sets.

Additionally, by using email to reactivate older customers, the client was able to drive customers to in-store events with special offers that lead to more engaged customers and an overall higher lifetime. Relevant offers, sustained inbox deliverability that remains over 95% and 10-15% click through rates combine to grow this channel very effectively.

About our Team

LSC has helped hundreds of companies with their marketing needs for over 25 years. We provide our clients with the data they need to understand customer behavior. Our data and delivery solutions are very accurate. We offer very accurate consumer data, business data and processing options to increase profitability. LSC offers strategy for increasing your ROI in the following disciplines:

- List and Insert Management and Brokerage
- Service Bureau specializing in direct mail, email deployment and program management, list rental fulfillment
- Search Engine Marketing & Web Optimization
- Customer Acquisition Marketing (PPC, Viral, CPA, Lead Generation)

Expert Solutions...

Offering the right message at the right time through the right channel is called customer relationship management (CRM). CRM is the ability to execute one-to-one marketing solutions that offer customized content to each customer that makes each offer more relevant and valuable. Allow LSC to manage your next direct mail, email or search campaign to see what a difference we will make.