

25TH ANNUAL

ACCM

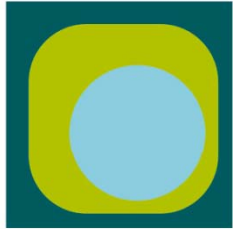
**The Largest Conference for Catalog
& Multichannel Merchants**

It's the Data!

***How smart marketers are utilizing internal and
external data to inform strategy and deliver results!***

Co-Presented by:





Strategic analysis of data Can create transformational change

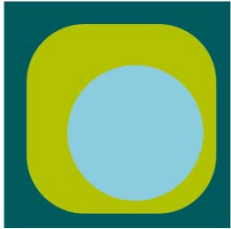
"The best strategy in life is diligence"

Chinese Proverb

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Rebecca L. Jewett

Managing Partner, Windward Group



Internal/External data answer different questions

Internal

Transactional data

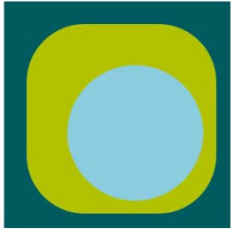
- Analysis provides insights on “when,” “what” and “who”
- Inform strategies for segmentation, contact plan, merchandising & creative, marketing

External

Consumer Insight data

- Inform same strategies as internal PLUS
- Insights on “who else,” “where else,” “what else,” and “why”
- Inform how to take share, compete better, & influence the decision making process

*“The best **strategy** in life is diligence”* Chinese Proverb



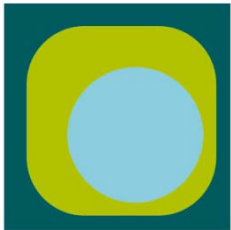
The Value of Life Stage Segmentation

The client

- Sells products through direct marketing letters, Internet and direct selling
- Very large customer file

Goal: increase share by improving DM productivity

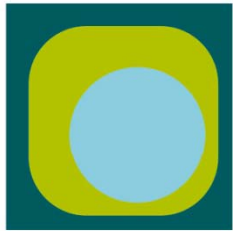
- Found opportunity by overlaying life stage (cluster) information on file, analyzing results and developing strategies to build on strengths



The Value of Life Stage Segmentation

- Actions completed:
 - Overlay segmentation cluster system (70 clusters) on the file
 - Created a matrix for analysis

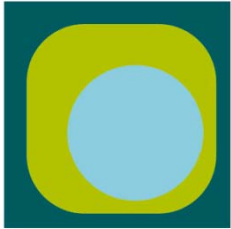
		Cluster 1	Cluster 2	Cluster 2	Concept Total
Concept A	# HH	100	110	90	300
	Revenue	\$26,500	\$12,000	\$14,400	\$52,900
	Contribution	\$8,480	\$3,840	\$4,608	\$16,928
Concept B	# HH	120			
	Revenue	\$45,000			
	Contribution	\$27,000			
Concept A & B	# HH	80			
	Revenue	\$56,000			
	Contribution	\$30,800			
Cluster Total	# HH	300			600
	Revenue	\$127,500			\$180,400
	Contribution	\$66,280			\$83,208.00



Calculated Index of Performance Indicators For each cluster & each concept group

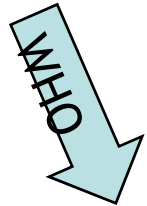
		Cluster 1	Cluster 2	Cluster 3	Concept Total
Concept A	Revenue/HH by cluster	151%	62%	91%	100%
	Revenue/HH by product	63%			29%
Concept B		90%			
Concept A & B		161%			
Cluster Total	Revenue/HH by cluster	141%			100%
	Revenue/HH by product	100%			100%

insight & impact

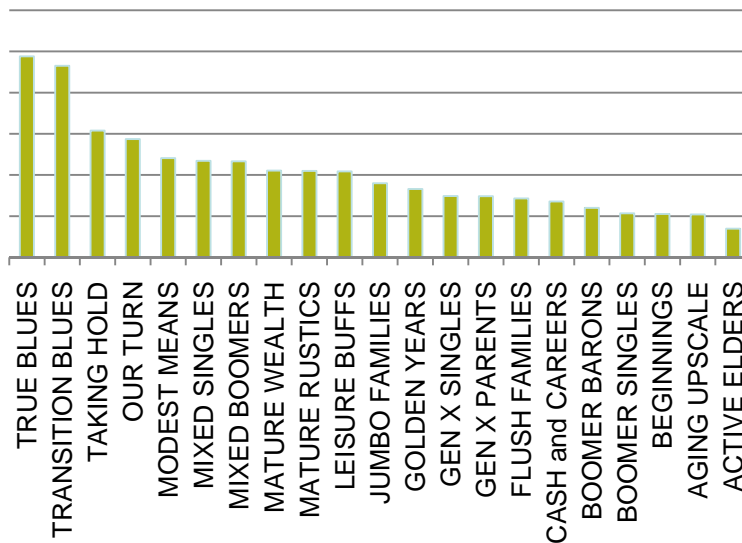


Insights Derived Provide Powerful Strategic Guidance

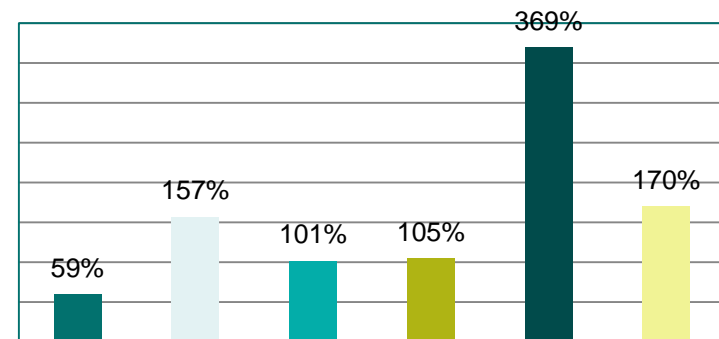
- Marketing:
 - Which segments to target
 - Which cohorts to match copy voice & direction
 - Contact strategy by cohorts
- Merchandising:
 - Which product lines to grow or deemphasize
- How to increase customer loyalty & reduce attrition

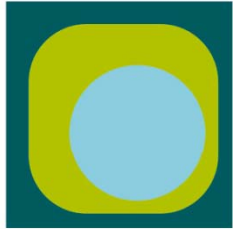


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Product Index Contribution per HH

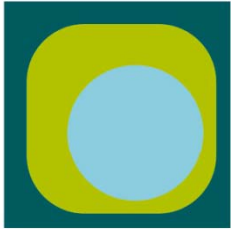




External Data Power of Primary Consumer Research

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"Knowledge is power." Francis Bacon



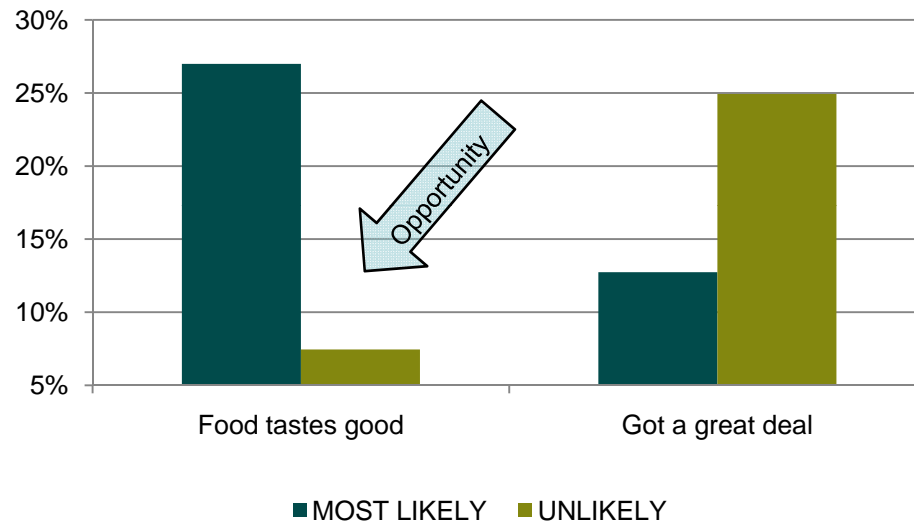
Advantages of Quantitative Consumer Research

- Email surveys are inexpensive, fast and easy to administer
- Statistically valid data for understanding of
 - Category decision making process
 - Who customers view as competition and why
 - Company's strengths & weaknesses against competitors
 - Customer segments derived from their needs & wants
- Ideally results correlate and add to transactional database research

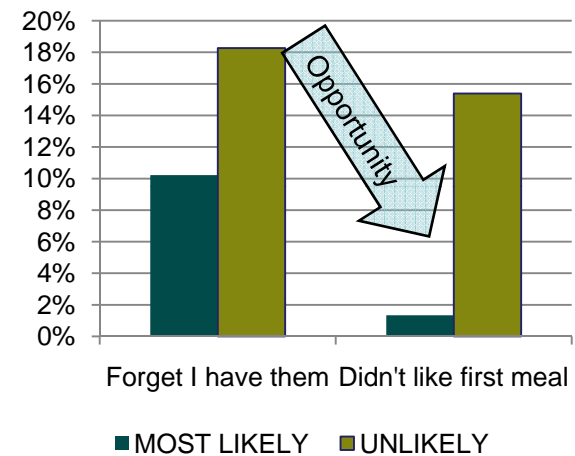


Research identifies problems!

Thinking back on your last purchase, what is the primary reason you ordered?



What prevents you from eating the meals?



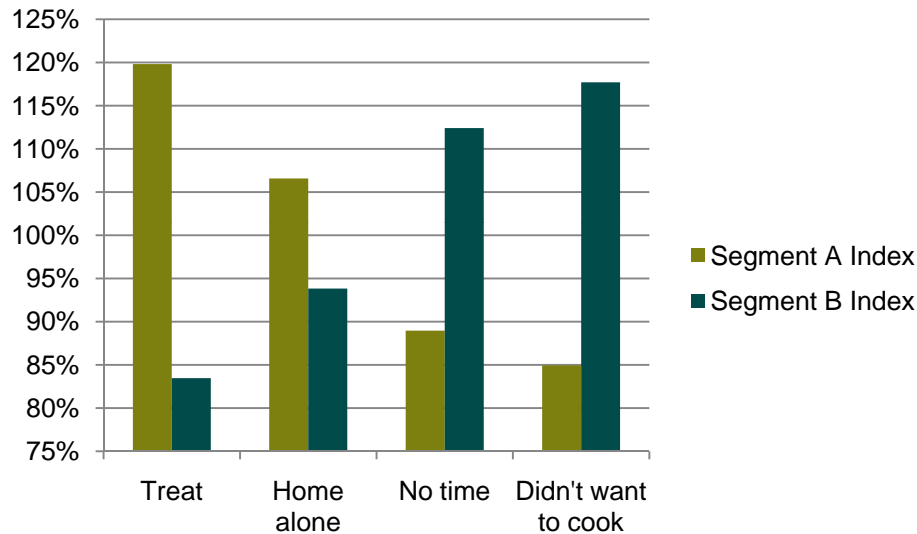
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Primary research can tell you what's wrong and why



Research identifies customer segments

Which best describes your situation

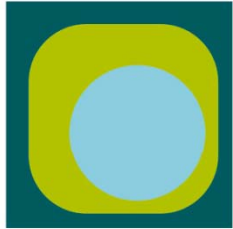


Differences identify psychographic segments and lead to product, copy and photography strategies in all communications

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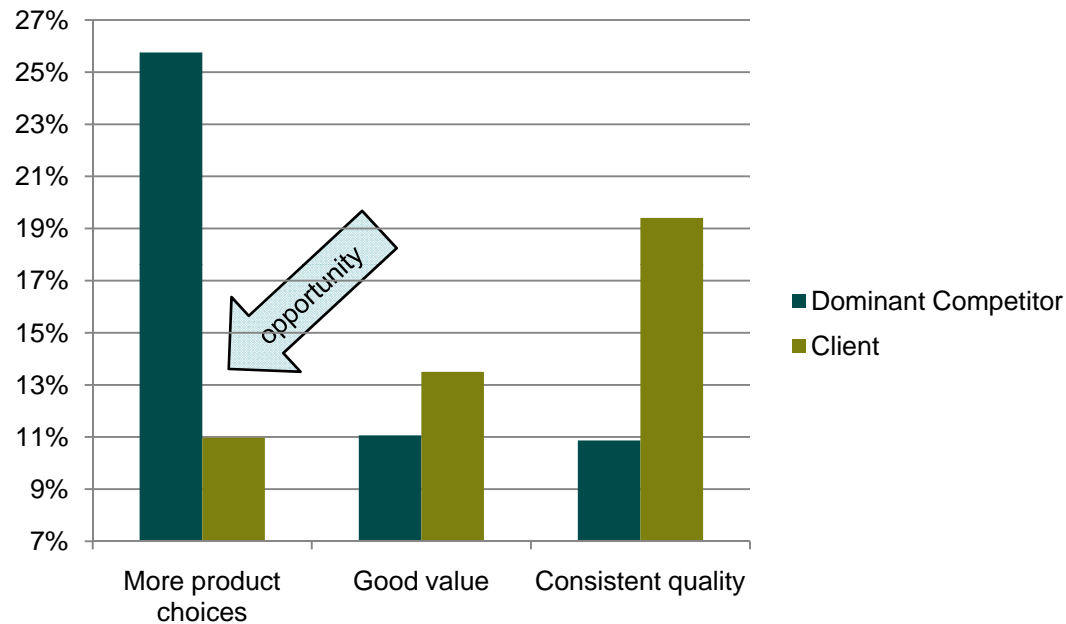
Segment A: *Wanted something for date night on Saturday that was easy and more gourmet."*

Segment B: *"Usually I use the frozen meals when I have night meetings and only have a little time to eat."*



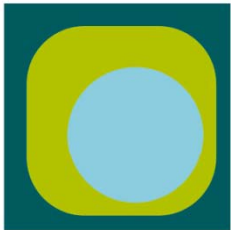
Research identifies why customers shop at competitors

What is the primary reason you bought from...



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This series of questions about shopping, cross tabbed by competitor, delineates gaps and demonstrates what the client needs to do to compete better



Insights from research inform strategy

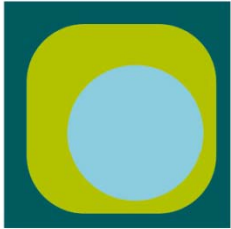
List findings, implications & actions

Group like findings together

Develop no more than strategic initiatives from findings

Finding	Implication	Recommended Action
CO is mentioned 50% of the time when asked, "From which company have you purchased the most?"	CO doesn't have loyalty. Trial isn't working. MUST improve the initial experience.	Develop a strategy to make the initial Moment of Truth truly wonderful.
Competitor X is the number 1 mention in "purchased from most."	chief competitor	Do a serious competitive analysis of X.

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Caveat

Get your data right

*Using both Internal and External data will enrich
your strategic decision making*

*Make sure you fold insights from your learnings into
your strategies and initiatives*