

25TH ANNUAL

**ACCM**

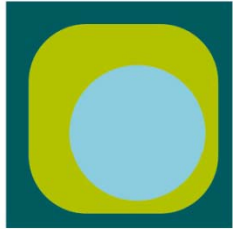
**The Largest Conference for Catalog  
& Multichannel Merchants**

**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

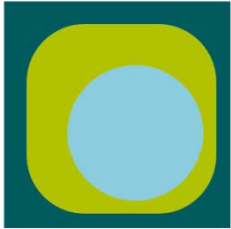
*"The best strategy in life is diligence"*

Chinese Proverb

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## Internal/External data answer different questions

### Internal

#### Transactional data

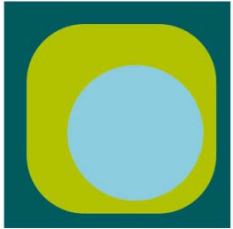
- Analysis provides insights on “when,” “what” and “who”
- Inform strategies for segmentation, contact plan, merchandising & creative, marketing

### 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



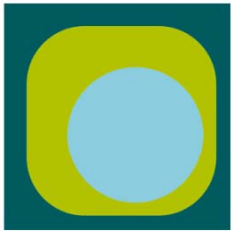
## The Value of Life Stage Segmentation

The client

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

Goal: increase share by improving DM productivity

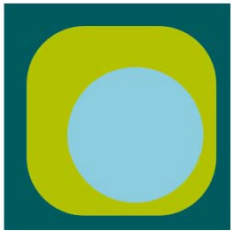
- Found opportunity by overlaying life stage (cluster) information on file, analyzing results and developing strategies to build on strengths



# The Value of Life Stage Segmentation

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

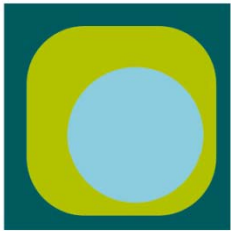
		Cluster 1	Cluster 2	Cluster 2	Concept Total
Concept A	# HH	100	110	90	300
	Revenue	\$26,500	\$12,000	\$14,400	\$52,900
	Contribution	\$8,480	\$3,840	\$4,608	\$16,928
Concept B	# HH	120			
	Revenue	\$45,000			
	Contribution	\$27,000			
Concept A & B	# HH	80			
	Revenue	\$56,000			
	Contribution	\$30,800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

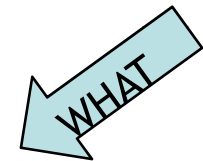
		Cluster 1	Cluster 2	Cluster 3	Concept Total
Concept A	Revenue/HH by cluster	151%	62%	91%	100%
	Revenue/HH by product	63%			29%
Concept B		90%			
Concept A & B		161%			
Cluster Total	Revenue/HH by cluster	141%			100%
	Revenue/HH by product	100%			100%

insight & impact

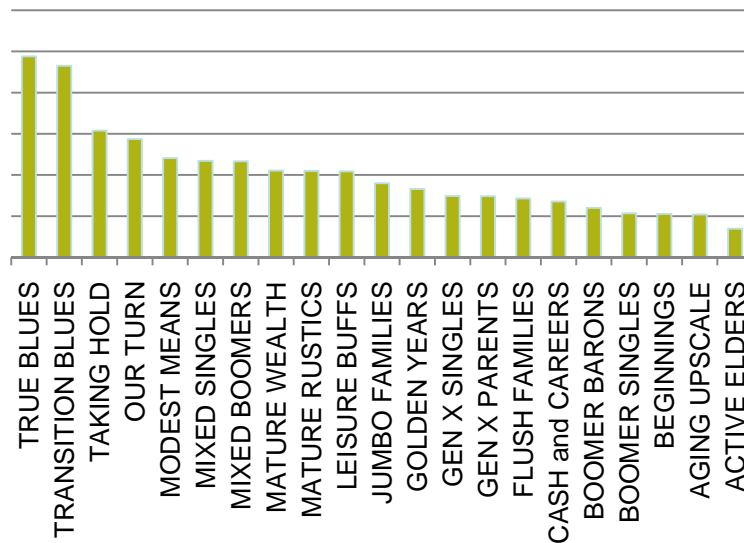


# Insights Derived Provide Powerful Strategic Guidance

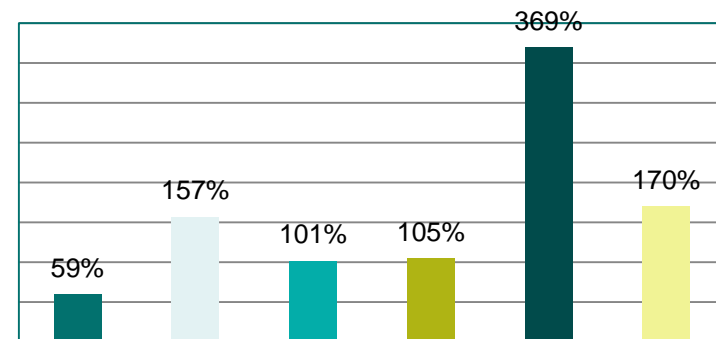
- Marketing:
  - Which segments to target
  - Which cohorts to match copy voice & direction
  - Contact strategy by cohorts
- Merchandising:
  - Which product lines to grow or deemphasize
- How to increase customer loyalty & reduce attrition

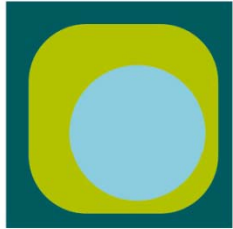


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Product Index Contribution per HH



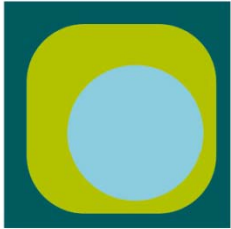


## External Data Power of Primary Consumer Research

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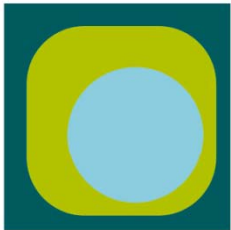
*"Knowledge is power."* Francis Bacon





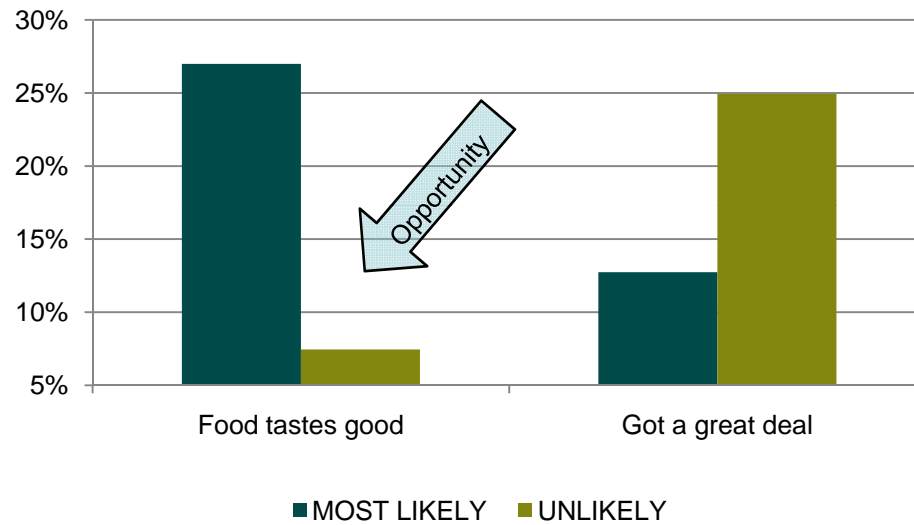
## Advantages of Quantitative Consumer Research

- 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

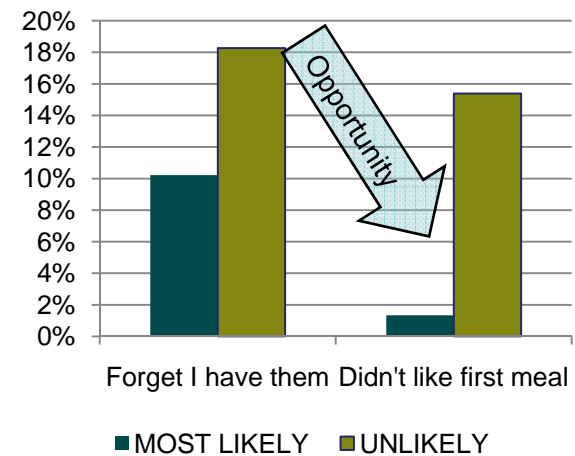


## Research identifies problems!

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



What prevents you from eating the meals?



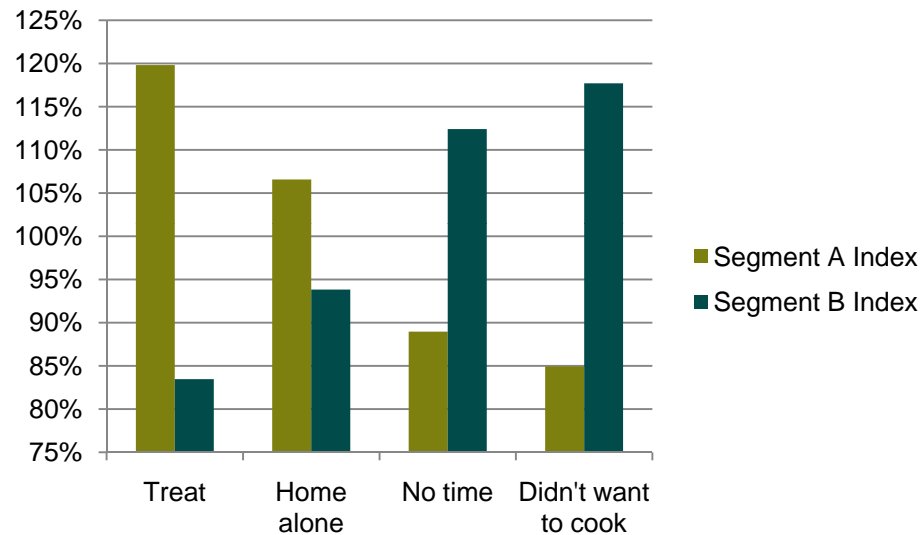
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Primary research can tell you what's wrong and why



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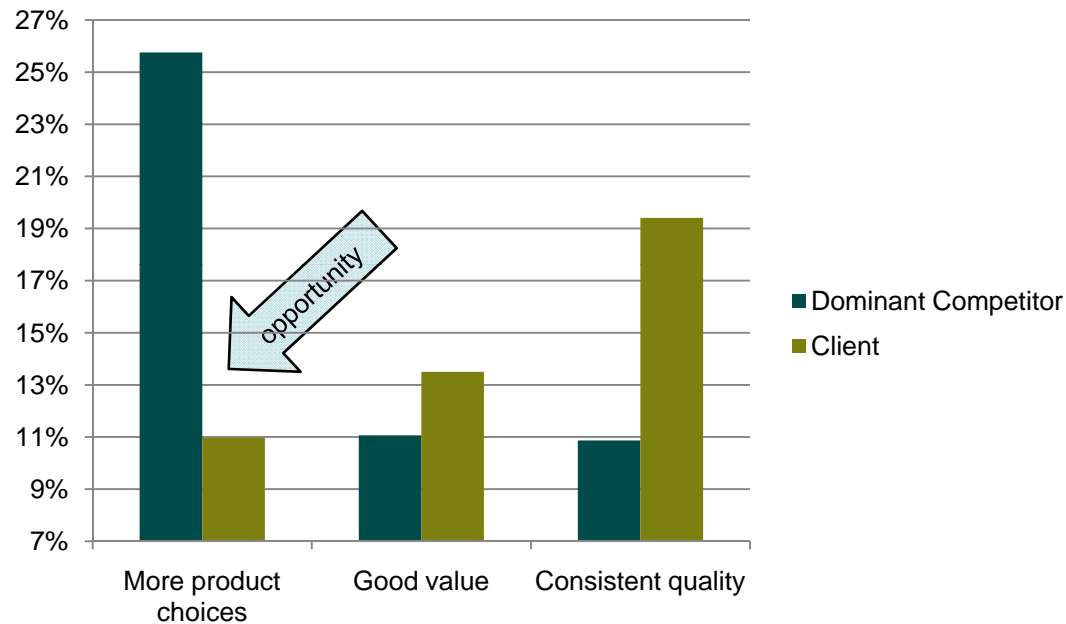
Segment A: *Wanted something for date night on Saturday that was easy and more gourmet."*

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



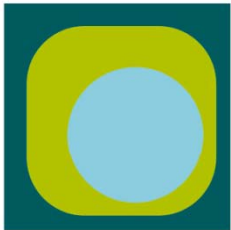
## Research identifies why customers shop at competitors

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

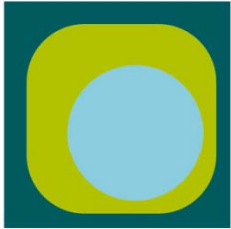
List findings, implications & actions

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*