

## RETAIL CASE STUDY

# Retailer Orchestrates New Digital Experiences and Drives Growth Among Expanding Customer Base

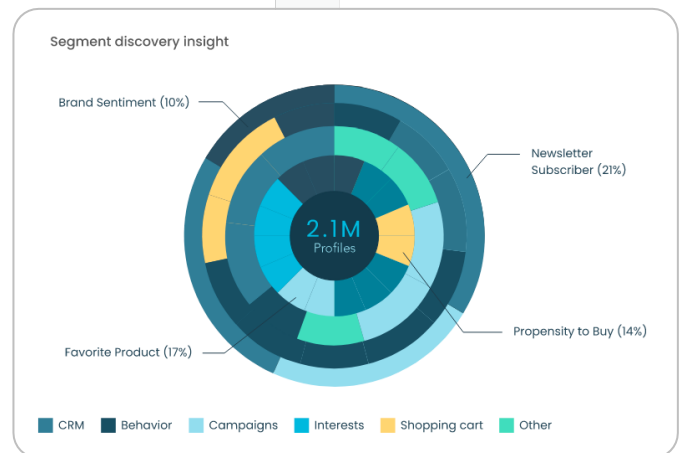
## About the Company

This bricks and clicks retailer was founded more than 50 years ago when it originally served a niche, but loyal segment of customers. It has since grown to \$1B+ in annual revenue, opened store locations across the United States, added global e-commerce, and expanded its customer base to include multiple new segments beyond its original core audience. Several years ago, the company launched its loyalty program, which has quickly grown to over 20 million members.

## Challenges

To keep up with its rapidly growing and increasingly digitally savvy customer base, the company needed new ways to understand and interact with customers. They could no longer exclusively rely on offering premium real-world experiences. It was time to make a shift by offering innovative and valuable digital customer experiences too.

However, to make this shift to digital successful, the company needed to transform the way its business teams (e.g., marketing, e-commerce, digital product & experiences) analyze and activate customer data. Lack of operational agility was a key challenge preventing these teams from achieving their full potential.



For example, they needed a solution to help them achieve the following:

- **Quick Launch Marketing & Media Campaigns:** The marketing and media teams needed to move much faster when activating data for their campaigns. For example, when they are tasked with launching a new weekend promotion campaign in a matter of days, they need the right target segments defined and delivered to their campaign activation platforms very quickly so they can get them in market by the launch date.
- **Dynamic Digital Experiences:** The teams responsible for developing, executing, and optimizing innovative digital experiences operate like a start-up within the company. They're a dynamic, fast-moving "swat" team that is constantly launching and iterating on experiences over time. They also needed to operate with greater agility when defining and refining segments, as well as in designing and orchestrating personalized experiences that are responsive to the customer in real time.
- **Faster Customer Insight to Action:** The marketing team needed a more efficient way to act on customer insights, particularly with respect to customers at high risk for churn. Additionally, test programs to target and influence at-risk customers needed to be launched, measured, and analyzed within a very short time frame to inform a much larger customer lifecycle marketing program that would launch soon after the test completed.

The rapid growth of the loyalty program audience combined with overarching operational agility challenges are what prompted the company to implement

BlueConic in support of its broader transformation into a customer-centric, hyper-digital brand.

## Solutions

### A Single Customer View for Business Activation

As a foundational step, the company started by capturing customer attributes in BlueConic Profiles that are essential to achieving their activation use cases.

[BlueConic Profiles](#) capture the volume and variety of customer data necessary to support the company's campaign strategies and messaging variation across segments and customer lifecycle stages. The individual-level, customer data captured in profiles comes from a mix of systems and sources such as the company's CRM, loyalty platform, POS, website, polls, ESP, customer support center, etc. Some of these attributes don't change often (e.g., location), whereas others are changing in real time (e.g., engagement score). Additionally, some attributes are calculated directly within BlueConic based on several other attribute values in the profile.

In addition to using [BlueConic Connections](#) to collect profile data from various systems in the company's tech stack, they also use [BlueConic Listeners](#) to capture hundreds of additional customer attributes in real time.

A few examples of the company's profile attributes include:

- Name
- Age

- Birth date
- Marketing consent (opt in/out)
- Personal interests
- Product/category interests
- Loyalty member status
- Recent purchases/spend
- Email engagement (opens/clicks)
- Engagement score
- Customer lifetime value (LTV)
- Propensity to churn score
- RFM score

## Smarter Marketing Segmentation to Support Diversified Customer Growth

Segmentation is extremely important to the business now that it has expanded from one core consumer to multiple types of consumers.

BlueConic Segmentation enables the company's marketing team to not only better understand each unique consumer segment, but also adapt messaging to reach the right customer with the right message. This was a critical operational achievement towards innovating on customers' digital experiences.

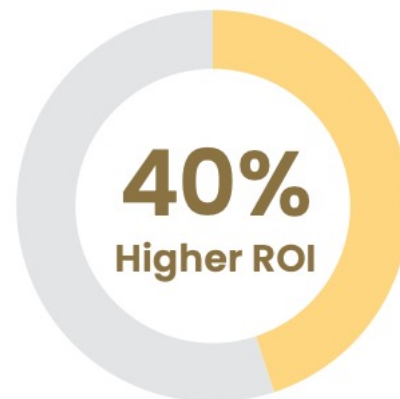
Using a combination of customer attributes captured in BlueConic Profiles, the marketing team can easily define and activate multi-dimensional segments that align to very specific campaign objectives and messaging. For example, some campaigns are intended to influence highly

engaged customers, whereas others are intended to reactivate lapsed customers. As customers' profiles change, they will move in and out of segments in real time.

Because BlueConic segments can be activated across channels, the marketing team is maximizing messaging reach by targeting as many consumers as possible within a defined segment, whether it's through an owned channel such as email or a paid performance marketing channel.

Additionally, the business user-friendly interface in BlueConic makes the process of defining and activating a segment extremely efficient, especially when the marketing team needs to quickly launch a new campaign in market and they only have a few days to pull it all together.

Results showed that the BlueConic segments had a **51% higher CTR** and **40% higher ROI** than previous performance marketing benchmarks.





I love how fast I can build a segment. It's amazing that I can be in a meeting and someone can ask, 'how many people do we have in that segment?,' and I can go into BlueConic and find the answer immediately to show them what it is in proportion to the total business."

## Real-Time Digital Experience Orchestration to Drive Engagement in the Moments That Matter Most

The company launched a new digital experience to engage its customers in unique and valuable ways. Each week, the experience would feature an exclusive new product that would be revealed as 'coming soon.'

A robust marketing campaign drove awareness and traffic to the digital experience where customers could sign up to receive timely product launch notifications for the products they were most interested in. This experience enabled the company to not only learn more about its customers' product interests, but also re-message them on the exact date and time of the launch to drive purchases.

The sign-up process also provided a valuable opportunity to drive customer engagement. The company used BlueConic to orchestrate an experience that was responsive to the customer in real time so they could capitalize on a key moment of engagement.

During the sign-up process, a [BlueConic Listener](#) captured the customer's information (e.g., product preferences) and immediately added it to their profile. Because BlueConic segments update dynamically as profiles change, the addition of this information in the profile would immediately add the customer to the right segments associated with this digital experience, as well as any other relevant segments associated with other lifecycle marketing experiences (e.g., highly engaged, first-year loyalty members).

Once the customer completed the sign-up process, a [BlueConic Dialogue](#) would deliver a personalized message directly from the confirmation page. This message would be highly personalized based on several attributes available in the customer's profile. Some of these attributes were collected in real time from the customer's interactions with the digital experience, while other attributes came from other systems and sources, such as loyalty, CRM, etc.

The end-to-end orchestration of capturing new data in the profile in real time, adding the customer to all relevant segments based on changes to the profile, and delivering a highly personalized message in response all needed to occur within a matter of milliseconds on the backend. Otherwise, the customer could have left the website and the critical moment to engage would have been lost.

Results showed that customers who engaged with this BlueConic-powered digital experience had a **5x higher customer lifetime value (LTV)** than a typical customer.



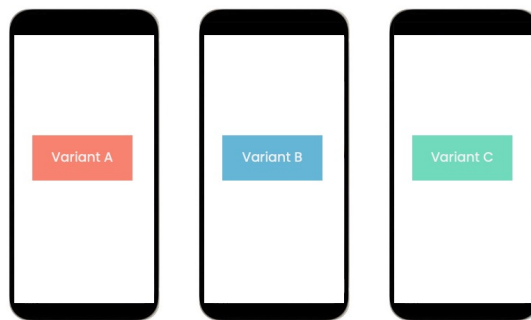
BlueConic has been a critical part of our strategy and mission...helping us to really know our consumers as they shift into digital experiences.”

## Test and Measure the Incremental Effect of Customer Lifecycle Marketing Experiences on Retention

To increase repeat purchases and engagement among loyalty program members, the company’s data science team used their analytics tools to conduct a churn analysis that uncovered a critical new insight. A significant number of loyalty program members were at risk of churning within a year after their first purchase, which also typically aligns with the date they became a loyalty member.

With this new insight, the company’s customer lifecycle management team came up with a strategy to mitigate this risk. In collaboration with the marketing team, they designed a new program that would engage loyalty members at key points throughout their first year of membership (e.g., birthday, anniversary). The objective would be to drive repeat purchases through these points of engagement.

The team used [BlueConic Lifecycle Insights](#) to measure the effect of the new customer lifecycle marketing experiences specifically designed for first-year loyalty members. Through a combination of BlueConic Dialogues and analytics capabilities available in the platform, the team maintained [randomized test and control groups](#) to validate the incremental benefit of marketing messaging across three variants.



The ability to apply a rigorous test and control approach to measuring the effects of a new customer lifecycle marketing experience was entirely new for the company. It was the first time they could measure the incrementality of a marketing program in this way.

Results revealed that optimal messaging variants drove 6x higher customer engagement and 4x more purchases than the holdout group.

The next test will measure variations of ‘welcome’ offers delivered to new customers to see which one most effectively drives new loyalty membership.

## Improved Workflow Between Marketing & Data Science Teams to Drive Optimal Segment Performance

BlueConic is enabling a more efficient and effective workflow between the company’s marketing and data science teams. The improved workflow is ensuring segments used in marketing channels are both well-defined and high performing.

On one hand, [BlueConic Insights](#) and dashboards are empowering the marketing team to uncover their own insights about key segments, such as what each segment is most interested in and how it overlaps with other segments. This has resulted in fast and



effective action taken to improve marketing performance without relying on additional support from the data science team. On the other hand, the use of BlueConic has also improved how the two teams work together to embrace a rigorous, but also rapid test-and-learn approach to marketing segmentation.

BlueConic Profiles calculate propensity model scores developed by the data science team. By having these scores available as attributes in BlueConic Profiles, the marketing team is using them to define segments. Customers are targeted with (or suppressed from) messaging in real time based on their individual propensity score combined with other profile data in the moment.

Activating scores through BlueConic Segmentation means the data science team can quickly test and learn what's working, and then continuously refine propensity models for optimal segment performance.

The company is also leveraging propensity scoring for lookalike modeling. By using these scores to define and activate lookalike segments in BlueConic, the marketing team is expanding its reach against target audiences that currently represent a small, but highly valuable portion of their database. The more consumers that marketing engages through lookalike targeting, the more the data science team learns about how to refine their lookalike models.

## A CDP Roadmap for Successful Change Management

Cross-functional collaboration has been key to the company's success in unlocking the transformation made possible by implementing BlueConic. These are the four

best practices the company embraces as it pushes forward on its digital transformation journey:

- 1. Build a CDP roadmap** that details the specific points of value the CDP can unlock for the business. For this company, the initial roadmap focused on two strategic areas of value:
  - a. Organize and enable first-party customer data to power more efficient and effective segmentation
  - b. Support consumer-driven marketing engagement and behavioral analysis
- 2. Define specific use cases** that align with strategic areas of value. The company leveraged the BlueConic use case template to document use case ideas provided by various teams.
- 3. Socialize the CDP roadmap** across the organization as a "living document." Continuously modify it as new learnings and opportunities arise.
  - a. Keeps leadership aware CDP business value
  - b. Accelerates CDP time-to-value
  - c. Increases team engagement
- 4. Share results regularly** by posting results associated with specific use cases within the socialized CDP roadmap.
  - a. Facilitates regular, cross-functional conversations about steps that could be taken to further increase ROI and engagement
  - b. Demonstrates the incremental benefits of the key programs made possible by the CDP



**We partner closely with our BlueConic customer success team to generate new ideas from across the BlueConic user community.”**

## Results

By giving business teams the ability to analyze and activate first-party customer data in ways that were not possible before, it's resulted in new operational efficiencies gained, as well as improved KPI metrics. Both are positively impacting the company's bottom line. Furthermore, the company found the time-to-value associated with BlueConic to be faster than other technologies previously implemented in their tech stack.

The business usability of BlueConic is enabling the marketing team to operate faster and more autonomously as they launch new campaigns and segments in market very quickly.

Performance marketing results proved BlueConic segments drove a 51% higher CTR and 40% higher ROI than previous performance marketing KPI benchmarks.

The company also saw significant performance lifts when using BlueConic to orchestrate real-time digital experiences that are highly personalized to the customer:

- 5x higher customer lifetime value (LTV)
- 6x higher engagement
- 4x more purchases

Finally, the marketing team's ability to uncover their own insights using BlueConic has the dual benefit of enabling them to act much faster while also freeing up the data science team to focus on propensity modeling efforts. In turn, the propensity scores developed by the data science team are activated via BlueConic, which is ultimately leading to improved marketing segment performance.