

## CASE STUDY AT A GLANCE

### Solution Spotlight

Cross-channel Contact Optimization

### Industry Vertical

Online Retail

### Business Challenges


- Loss of revenue from customer contact fatigue
- Needed a way to determine and manage the optimal frequency of customer communications
- Difficult to select the most appropriate message for each customer for each marketing contact
- Inability to manage cross-channel, real-time, micro-segment communications

### Solution Overview

- Contact strategy integrated with existing Campaign Management system
- Implemented and trained client team on IBM Contact Optimization (formerly Unica Optimize)
- Customized rules to align with client's contact optimization priorities

### Results Summary

- Increased campaign effectiveness and ROI by choosing the most relevant offers from among all the eligible offers
- Longer average customer tenure and profitability
- Lower costs through elimination of wasteful communications to those less likely to respond



## CASE STUDY | Customers Respond when a Leading Ecommerce Company Prioritizes Marketing Messages

Pinpoint's contact optimization solution helped an online retailer increase customer lifetime value by sending fewer, and only the most relevant emails to its customers.

**Ecommerce provides a company numerous opportunities** to engage customers with marketing messages and offers. But, if customers received an email at every possible opportunity, they likely would be inundated with emails to the point of being annoyed, and the opportunities would quickly turn into challenges.

In order to make every interaction count, it's critical to deliver only those messages that are most relevant to each customer. By implementing a solid contact optimization process, companies can better manage contact frequency and reduce customer contact fatigue to ensure each message gets noticed.

### The Challenge

Our client is a leading ecommerce business looking to continually improve their customer communications and engagement. Their business model included multiple triggered emails around certain actions a customer might take, resulting in dozens of different programs running concurrently.

The client had a very clear communication strategy based on a prioritization of the best chance for revenue, but they needed to determine the optimal frequency of communication (e.g., once per day or three per week) - enough to be helpful but not too much so that the customer feels bombarded. They also needed to determine in any given time period within which contact frequency is limited (e.g. day of week) the most important message(s)/offer(s) to deliver from among all of those that are appropriate to deliver.

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*By implementing a solid contact optimization strategy, companies can better manage contact frequency to reduce customer contact fatigue and achieve greater customer lifetime value.*

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Example: when a new customer joins the site, the customer will be entered into the welcome campaign. If they then put something in their shopping cart but do not check-out, they will be eligible for an abandoned cart reminder.

The client didn't want other messages sent until customers received the entire welcome series unless they completed a purchase.

The process for the above example (and other similar campaigns) was maintained manually. The business rules governing priorities were too complex to be addressed by a simple hierarchy and sequencing of campaigns, resulting in lost opportunities for revenue. When deciding on the communication cadence, they had to balance the impact on the overall customer relationship in order to ensure a happy, longer tenured customer with the more immediate financial return of getting the customer to buy more and buy more often. With multiple concurrent messages running across multiple triggered programs –based on the RFM profile of the individual customer—determining the most important message was a complex task.

### The Solution

Pinpoint consultants initially addressed the client's challenges through implementing IBM Contact Optimization (formerly Unica Optimize). We started small, with some of the operational emails and incorporated a series of

*(continued)*

**Solution Components Include:**

- Measuring the value of each offer
- Determining various type of rules that balance short term and long term value
- Utilizing the historical contact history
- Doing a preliminary run of each program each day, and then applying all the contact frequency and prioritization rules
- The capability to see the impact of the rules applied through visibility into the degree of overlap across programs and suppression of emails
  - Monitoring the effect on the audience of each program to ensure the rules were implementing the intended strategy

rules to suppress or trigger emails depending on various customer actions. We began with only 3 campaigns of the triggered emails – and helped the client team to add more and more campaigns to the optimize sessions. By beginning with just a few emails we were able to determine if the triggered emails had human errors in the rules and adjusted accordingly.

The first priority in the contact strategy was customers with items in their shopping cart—deemed to be the biggest chance for revenue. We also adjusted the rules to be sure that a customer going through the Welcome Series was treated at higher priority and not entered into any other campaign until they finished the Welcome Series.

Pinpoint consultants used best practices and their expertise to help the client plan the proper way to implement the contact optimization\*.

**CONTACT OPTIMIZATION BEST PRACTICES**

**1) Before you can start Contact Optimization you have to think about:**

- What are you optimizing for?
  - Are you optimizing to get your most expensive offers to the customers most likely to buy?
  - Do you need customers to buy in order to get predictive revenue?
- What audience level are you going to optimize on?
  - Household level?
  - Individual level?
- What is your cadence?
  - Once a day?
  - Once a week?
- Remember to use Exclude/Include rules
  - Global suppressions, opt-in and opt-out lists (an example of this from a banking client—if you are a gold credit card holder, you wouldn't qualify for a regular credit card)

**2) Make sure the offers are set up to specific capacity rules**

- Example - send no more than 5 million emails per day
- Or if you have a maximum number of calls your reps can do per day you can use this guide as a rule to make sure you meet minimum and maximum capacities

**3) Customize rules**

- Create specific rules for each customer to determine how you communicate with your customers over time
- Example- determine the minimum or maximum number of offers you want one customer to receive over a period of time
  - Our client only wanted one email sent per day

**4) Once in the optimize process with all the rules established, there should be a scoring or ranking system. The predictive model score per customer per offer will help determine eligibility for each subsequent offer based on the customer with the highest score.**

## About Pinpoint

*Pinpoint Systems helps you realize the promise of real-time marketing to ensure that each of your customer interactions is more intimate and most productive. We intelligently deploy real-time marketing systems and provide EMM software consulting and implementation for Fortune 1000 and mid-market companies.*

*Pinpoint's consultants help you navigate the complexity of real-time, customer-centric marketing interactions, enabling new capabilities that maximize the value and measurability of every customer relationship. Our practical, hands-on approach combines qualitative analysis of your business needs with a deep understanding of data, technologies and tools to help you select, implement and manage real-time marketing systems with confidence and agility.*



*\*Pinpoint Systems is an authorized IBM Unica Reseller and IBM Advanced Business Partner.*

## The Results

By implementing a solid contact optimization strategy, our client can better manage contact frequency to reduce contact fatigue and achieve greater customer lifetime value.

Additional client benefits of Contact Optimization include:

- Increased campaign effectiveness and ROI by choosing the most relevant offers from among all the eligible offers
- Longer average customer tenure and profitability
- Lower costs through elimination of wasteful communications
- Ability to incorporate new triggered campaigns into the marketing program without impacting the existing process and without introducing risk of greater contact fatigue

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*Want to explore if a Contact Optimization solution is right for your business?*

**Learn what Pinpoint Systems can do for you.**

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