



Manifold Data Mining Inc.

Canada's Most Comprehensive and Granular Marketing Data Products



REAL PEOPLE | REAL DATA | REAL INSIGHTS

T. 416.760.8828

W. ManifoldDataMining.com

E. info@ManifoldDataMining.com






Case Study: Customer Segmentation for Tailoring Communication and Offering





Background

A fashion retailer had a customer loyalty program functioning primarily as a discount card. They wanted to transform the program into a proactive engagement platform and improve marketing efficiency, customer loyalty, and increase sales.





Analytic Objectives


Perform a segmentation analysis of the customer base so that marketing and offerings can be tailored to different customer segments.





Manifold's Approach

After attaching our geo-demographic, CanaCode lifestyle cluster, household spending, product usage, shopping behavior, and psychographic data to the customers' transaction data, we performed a cluster analysis based on major principal components and created 7 distinct segments among the customer base, for example,



- A: Brand Loyalist
- B: Buys a Lot
- C: Enjoys Fashion
- D: Recent Customers
- E: Buys Once a Year
- F: Average Shopper
- G: Discount Hunter



Benefits of Manifold's Data and Analytics

Augment transactional data with Manifold's 6-digit postal code level data helped client understand who their customers are, where they are, what their potentials are, and their shopping and media usage behavior.

Customer segmentation enabled the client to tailor communications and offerings by customer segment. The lift compared with the control cell in the subsequent campaigns has been systematically over 150%.

The tailored communication resulted in very positive customer feedback.





Benefits of Manifold's Analytics

Applying customer segmentation to store trade area analysis, we helped the client identify gaps and the potential of each of the 300+ stores; simulated store openings to minimize cannibalization and store closings to minimize attrition of the loyalty program. Post-campaign analysis showed significant improvement of transactions at store and customer segment level.

