Case study

High end retailer

OBJECTIVE: A high end retailer wanted to construct a targeted approach for reengaging with former customers.

SOLUTION: After some client discussion and analysis our analytic team developed two Reactivation Models on identify 12 month lapsed customers likely to shop as well as those likely to shop high-end categories.

- Overall Reactivation Model Developed an overall reactivation model profiling inactive versus reactivated customers to increase activation rate. A model targeting lapsed customers from any category.
- Big Ticket Reactivation Model Similar analysis, but targeting lapsed customers from within the client's dominant big ticket category.

RESULTS: Started consistently selecting top tiers from both reactivation models to identify lapsed customers most interested in reengagement:

• Recommended Selection – contains only 25% of all lapsed customers, & over 25% of reactivated customers

Reactivation Matrix

Overall Reactivation Model							
Model Attributes	Effect	Variable Contribution					
24 Month Recency	+	19%					
Median Household Income in Area	+	10%					
Median Housing Value	+	10%					
Electronics/Gadgets Spend	+	9%					
Female Headed Household	-	7%					
Percent Non-Hispanic Households	-	6%					
Household Income	+	6%					
Overall \$ Amount on Previous Purch	+	6%					
Percent with MSRP \$35K - \$50K	-	5%					
Interest and Activities: Sking	+	5%					
0 - 6 Month Transaction Amount	+	4%					
Percent Households Married	-	4%					
Previous Spend in Mid-Tier Categor	-	3%					
Recency in Mid-Tier Category B	-	3%					
Overall Amount in Returned Produc	+	3%					

opulation	Targets	
	rangets	Lift
23,229	8,362	151
23,582	7,281	140
23,245	6,822	134
23,088	6,353	130
23,572	5,916	125
23,852	5,421	120
23,629	4,780	115
23,782	4,336	110
23,730	3,775	105
23,522	2,882	100
	23,582 23,245 23,088 23,572 23,852 23,629 23,782 23,730	23,582 7,281 23,245 6,822 23,088 6,353 23,572 5,916 23,852 5,421 23,629 4,780 23,782 4,336 23,730 3,775

Big Ticket Validation Dataset						
Model Tier	Population	Targets	Lift			
Α	5,654	2,238	170			
В	5,455	1,808	157			
С	5,681	1,556	143			
D	5,445	1,422	136			
E	5,632	1,347	129			
F	5,625	1,151	122			
G	5,594	1,109	117			
Н	5,725	989	111			
1	5,607	821	106			
J	5,510	577	100			

Мо	del	Big Ticket Validation Model Tier									
Ma	trix	Α	В	С	D	Е	F	G	Н	1	J
	Α	Recommended									
Tier	В	Selection									
	С	Re	preser	nts:							
	D	15% Lapsed									
le le	Ε										
Ž	F										
Overall Model Tier	G										
	н										
	1										
	J										

