Case Study
Retailer

Objective: Improve impact of communication on sales from current customers while decreasing the marketing budget

Solution: Developed "*Delta Model*" to predict incremental impact of a promotion (i.e. identify those likely to respond only when promoted):

- **Holdout Model –** Model future purchase among recent customers who were held out of all promotions for 90-days
- **Promoted Model –** Model future purchase among recent customers who received promotions
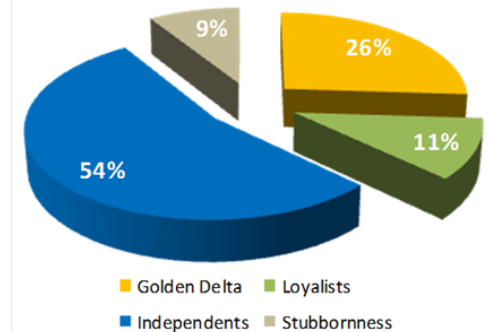
Results: Created and implemented a contact strategy for each quadrant with selection & channel rules:

- **Golden Delta –** Loyal Customers who spend more when targeted; include in multiple channels
- **Loyalists –** Loyal Customers whose spend is not impacted by marketing promotions; focus less communication on appreciation
- **Independents –** Occasional buyers who are persuaded to buy with promotions; target top multi-channel buyers
- **Stubbornness –** Price sensitive buyers who are not influenced by promotions; limited and suppressed

Delta Model Quadrants

Quadrant Compisition

Multi-Channel Purchase Rate