Case study
High end retailer

O B J E C T I V E : A high end retailer wanted to construct a targeted approach for reengaging with former customers.

S O L U T I O N :   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.

R E S U L T S : 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%

Overall Validation Dataset			
Model Tier	Population	Targets	Lift
A	23,229	8,362	151
B	23,582	7,281	140
C	23,245	6,822	134
D	23,088	6,353	130
E	23,572	5,916	125
F	23,852	5,421	120
G	23,629	4,780	115
H	23,782	4,336	110
I	23,730	3,775	105
J	23,522	2,882	100

Big Ticket Validation Dataset			
Model Tier	Population	Targets	Lift
A	5,654	2,238	170
B	5,455	1,808	157
C	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
H	5,725	989	111
I	5,607	821	106
J	5,510	577	100

Model Matrix	Big Ticket Validation Model Tier									
	A	B	C	D	E	F	G	H	I	J
A	*Recommended Selection*									
B										
C										
D	*Represents:* *15% Lapsed* *26% Reactivated*									
E										
F										
G										
H										
I										
J										

(Overall Model Tier — rows A–J)

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