RETAIL

RETAILER USES HYPER-LOCAL MEASUREMENT TO OPTIMISE CATALOGUE EFFECTIVENESS

A multi-national retailer was looking to reduce paper for marketing purposes and provide meaningful digital experiences for their customers. They were trying to get to the bottom of how to diminish catalogue distribution without having a negative impact on store and online sales. They were also keen to define the geographic areas where digital content would work best and how to profile those areas to classify digital purchase behaviour. Together with Analytic Partners they were able to uncover opportunities to eliminate 22% of catalogues with negligible sales impact and increasing digital support in high-performing topologies, preserving € 294 million in sales.

CHALLENGE

Many retailers are looking to reduce distribution of paper catalogues in favour of digital marketing strategies to both achieve environmental preservation objectives and maximise marketing ROI. However, organisations who have relied on paper catalogues to drive sales struggle to understand where they can be eliminated without significantly impacting sales and need guidance on what digital strategies are optimal to drive growth. A multi-national retailer turned to Analytic Partners to reduce paper usage for marketing purposes where possible and provide a meaningful digital experience to the right customers.

SOLUTION

Analytic Partners leveraged cutting-edge machine learning balanced with advanced modelling techniques to deliver robust measurement of catalogue effectiveness by postal code and persona typology. Predictive models were set up to isolate impact of catalogues at a hyper-local level and determine segments/profiles leveraging business logic and clustering models. Then, robust models were developed by cluster to understand responsiveness to digital tactics and guide optimisations.

RESULTS

The team was able to quickly uncover that the available demographic typology data was meaningful in capturing catalogue response. This resulted in an overview of least to most responsive demographics. Paired with their response to digital ads, Analytic Partners was able to create a strategy on how to optimise their marketing efforts and relocate ineffective resources.

The insights uncovered an opportunity to preserve €294 million in sales and further opportunities to optimise catalogue and marketing spend, including:

▶ **Additional savings via campaign or seasonality deep dives**
▶ **Additional sales channels/levers**
▶ **Expanding analysis to additional countries and optimise accordingly**

> **Optimised strategy resulted in opportunities to reduce catalogue use by 22%, while preserving €294m in sales**