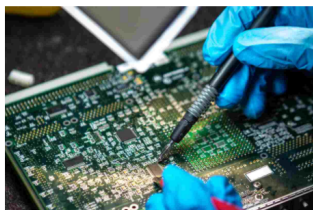


CASE STUDY

Driving Sustainable Business Value with Customer Profitability Analysis – Quantzig’s New Success Story



The Client

The client is a leading European electronics goods retailer who was looking at revamping its product pricing and promotion strategy by leveraging customer profitability analysis. Using detailed customer profitability analysis reports, they wanted to drive profitability by attracting and retaining profitable customers.

The Business Challenge

A European electronics company was looking to identify new cost-saving opportunities by making better CapEx allocation decisions by leveraging customer profitability analysis. The client spent more than 10% of their sales on acquiring assets and close to 8% was non-performing with poor inventory movement. Their main aim was to tackle this challenge by reducing mismatches in asset levels by increasing POS throughput. This is when they approached Quantzig to help them identify activities and customers’ behaviors that drive business outcomes by employing customer profitability analysis.

Employing customer profitability analysis can help companies to identify and capitalize on new opportunities to drive growth. **Request a free proposal** to gain in-depth insights into our portfolio of customer analytics solutions.

Solutions Offered and Value Delivered

With insights obtained from customer profitability analysis reports, the client was in a better position to identify the two customer groups that generated the highest net profit for the company. Our product profitability analysis solution also empowered them to identify five product categories that helped them drive profitable growth.

Our analytics experts adopted a comprehensive approach to product profitability analysis which revolved around decomposing costs down to the product code to better analyze the cost distribution pattern. The insights obtained from our customer profitability analysis solutions enabled them to see where the costs associated with each product arose and how they could identify the lowest acceptable price for each product the company sells. Furthermore, the client was also able to model the effect on product profitability by changing the cost of processes associated with manufacturing, sourcing, and selling those products.

Customer profitability analysis can help you identify profitable product categories and improve sales. **Request a free demo** to know how we can help you.

Based on insights such as these, the electronics retailer:

- Changed the pricing structure and configuration of its product portfolio
- Identified five profitable product categories worth promoting, with the goal of ensuring that ‘cash cow’ products were promoted to all customers
- Redesigned its cross-sell and up-sell strategies
- Identified potentially important customer segments

The tipping point in this product profitability analysis engagement occurred when the client was well-prepared to develop a sales strategy based on the products their customers purchased. The devised strategy also played a key role in helping them achieve their business goals by ensuring their customers purchased ‘cash cow’ products as well as other complementary products.

Contact our customer analytics experts to know more about our capabilities and the benefits of customer profitability analysis.

Steps to Gauge Profitability Using Customer Profitability Analysis



The insights obtained from detailed customer profitability analysis reports can guide you in developing targeted marketing campaigns. **Get in touch with us** right away!