Case study

LEADING SCANDINAVIAN BEAUTY AND HEALTH CHAIN IMPROVED CONVERSION BY 8X BY CREATING A SEGMENT OF ONE

Challenge

Operating over 200 stores and catering well over one million members in its loyalty club, the beauty chain was already extensively leveraging data in its business.

Customer insight was used to tailor the direct communication with customers, dedicated online and mobile apps were the means to interact with customers along with tailored newsletters in marketing automation.

Age, interest, and purchase patterns were main basis for segmentation: analyzing customers' purchase history, segmenting customers by common purchase patterns and then creating unique content by segment by newsletter for the marketing automation was the main growth and revenue generating tactic.

But it had its drawbacks.

Whilst analyzing purchase history is more and more used it's time consuming due to first building a segment and then creating content. With marketing automation the requirement for content generation multiplies — requiring all the more manual labor.

Beauty business was at the crossroads. One route was starting a project to get data complete, immaculately organized and perfectly managed.

The other was more pragmatic: Use what you've got and go for quick wins that prove value.

Armstrong One has modules for each stage of the customer journey, didived into three parts: attract, grow and retain.

Solution

By leveraging the same historical purchase data as before but enriched with customer behavior data collected in real time from all digital channels — and applying predictive analytics to the combination — they could identify what the customer is doing — and why — and what she is about do next.

With this information fed into the optimization engine, the result was the knowledge of the optimal message and offer, delivered via what channel at what time on a customer by customer basis.

And it wasn't merely knowledge but real-time content triggering through marketing automation.

In short, the company supercharged its marketing automation solution with Houston Analytics' Armstrong One.

Results

Instead of manually created segments, Armstrong One automatically created a segment of one. From customer point-of-view marketing was turned into a value-add service: messaging was personal, relevant and received on a timely fashion.

Initially the beauty chain deployed three customer journey modules: transactional recommendation, product replenishment and share of wallet / cross-sell. Performance improvement was instant. Respective conversion indexes with modules were 531, 386 and 827.

Simply put 5.3x, 3.9x and 8.3x better conversion to what their performance previously was.

Armstrong One also brought a now focus to the business as a whole. Relevance. Nowadays customers don't want to be treated a segments or personas but rather as individuals with individual needs. And they demand their needs to be catered.

BENEFITS & EFFECTS

8.3X
improved conversion performance

HOUSTON ANALYTICS