

CASE STUDY

Developing a Customer Data Platform

to provide omnichannel customer visibility for a retailer serving +100M households



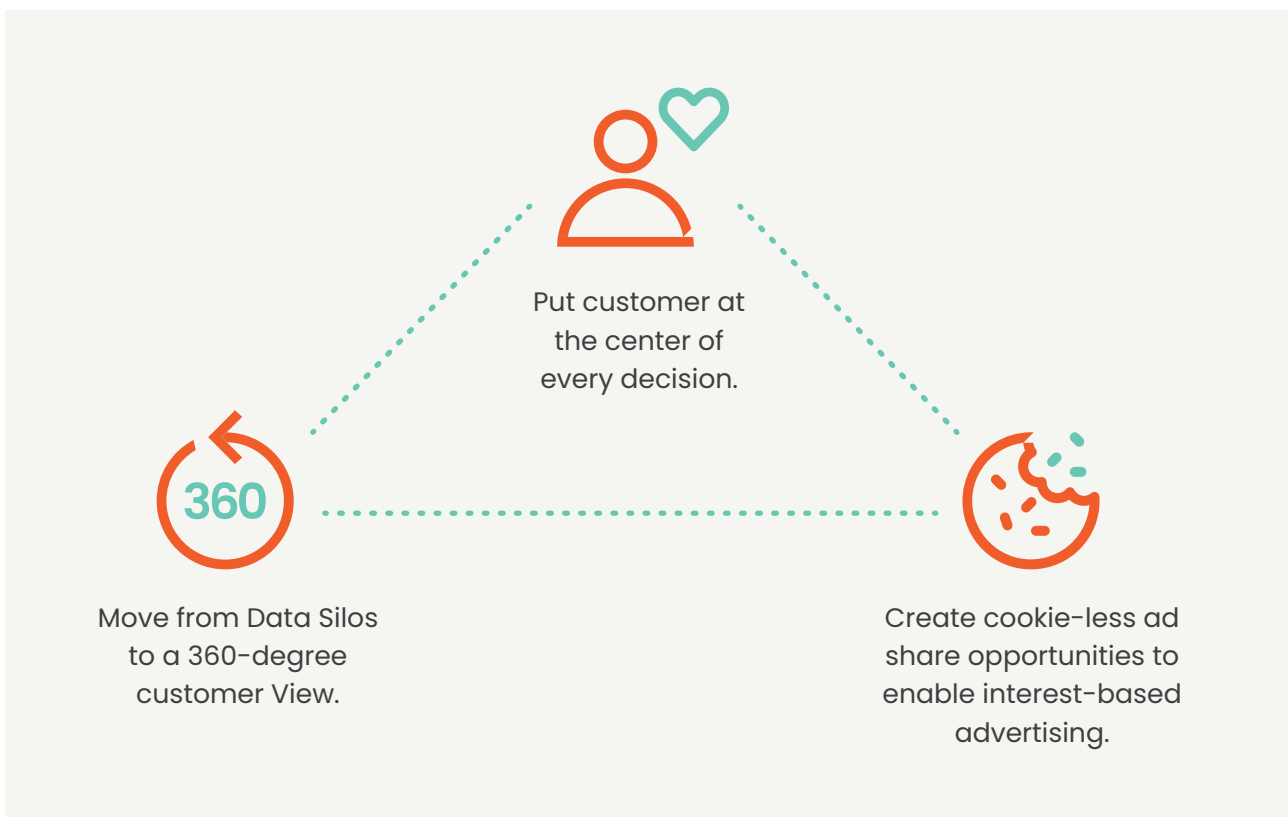
Customer Context

The Global Customer Insight team for one of the world's largest retailers, serving over 100M households, wanted to create a unified customer data platform to provide complete visibility across their customer's omnichannel touchpoints. Historically, the retailer had less than 50% visibility to their customer's omnichannel engagement. As a result, their analysis and data scientists relied on data from multiple sources and legacy technology platforms to generate customer insights for stakeholders, resulting in reduced productivity, multi-day run-times, and incomplete insights.

- Create a single comprehensive view of the customer across omnichannel touchpoints.
- Democratize customer data across the organization to drive better finance, merchandising, marketing, and supply chain decisions.
- Unlock advanced ML customer models to better segment their customer base.
- Optimize their marketing budgets and drive true person-level engagement across all their first-party assets.
- Leverage their customer data to secure a larger share of their partners' marketing dollars.

Our Trifecta Solution Approach

We helped the client build an agile & customer data platform.



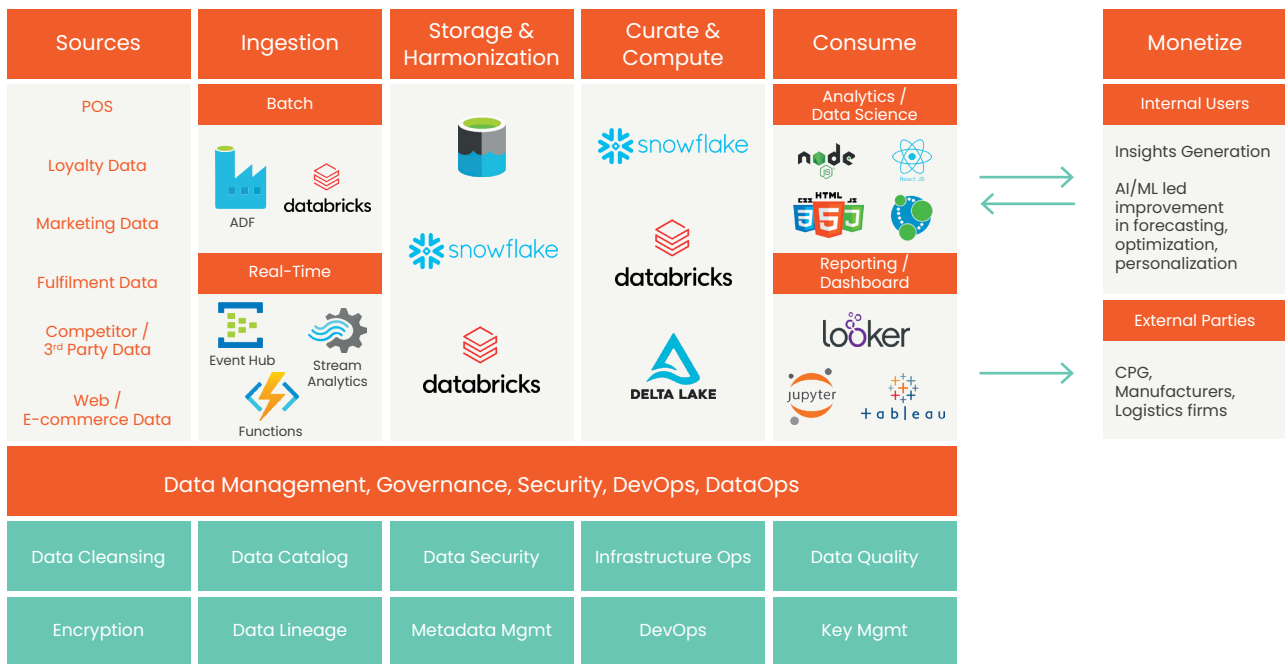
Moving from Data Silos to a 360-degree Customer View

2.5 quintillion* bytes of data are created every day. More than 90% of the world's data was generated in the past two years. Despite the exponential growth in data, only 49% of decisions are based on quantitative information, and less than 10% are insights-driven. Why?

In most retailers, data is stuck in legacy platforms and silos.

The retailer wanted to integrate data from in-store & online transactions, clickstream, demographics, geo-locations, marketing campaigns, customer feedback, third-party sources to create a unified customer view. The first challenge was the scale of the data. They had petabytes of data driven 100+ million households, which were siloed and locked in legacy platforms.

Tredence integrated more than 70 data sources with real-time updates and automated data pipelines to process over 250 TB of data every week using a modern tech architecture:



Once in the Data Lake, our proprietary pre-built algorithms and SANCUS accelerator tied together, harmonized, and cleaned the data to create a unified customer 360-degree view.

The results

14%

Increase in addressable customer data and visibility

\$4.8M

Cost savings per year from optimized storage and processing

5X

Improvement in query and ML segmentation processing time

Putting the Customer at the Center of Every Decision

To unleash Customer Data Platform (CDP) power, we created over 100 persona-based dashboards to track customer health and identify customer insights to make merchandising, site, marketing, and finance decisions. With over 500 daily active users, the customer was truly starting to be at the

center of every decision for the first time.

The most significant sign of changing behaviors?

Using Tredence's 'Test and Learn' platform, investment decisions were prioritized based on their impact on customer lifetime value (CLTV) instead of short-term financial metrics.

The results

10pt.

Improvement in customer net promotion score

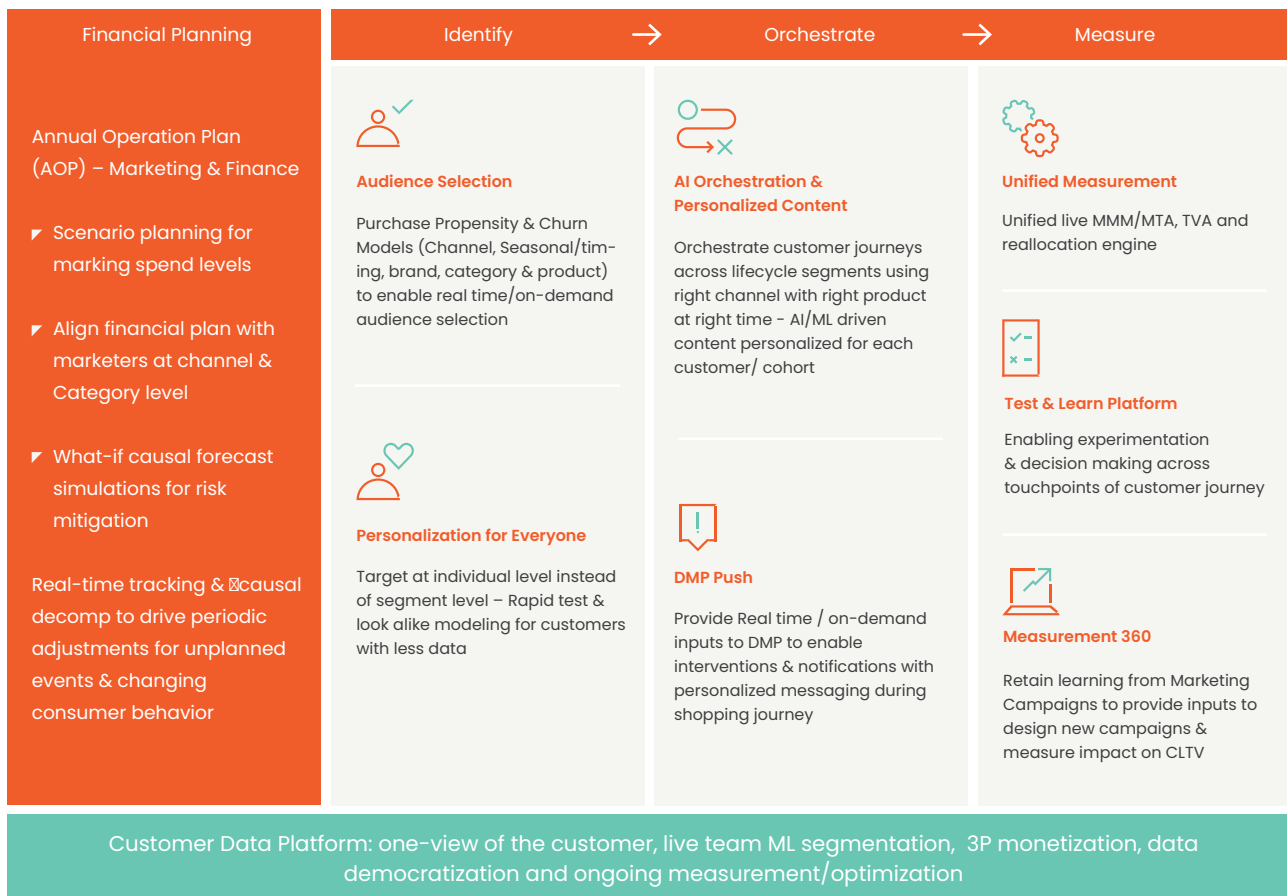
600bps

Increase in forecast accuracy from improved planning process

5%

Increase in online conversion from optimize site experience

On average, 26% of retailers marketing budgets were wasted on inefficient campaigns. Using CDP as the foundation, Tredence provided end-to-end support to optimize the retailer's \$3B marketing budget.



With over \$3B in spend, multiple business units, and hundreds of marketing planners, the retailer needed a scientific way to allocate its marketing budget. Tredence deployed an ML-enabled framework and robust scenario planner that quantified the impact of marketing spend, identified the right spend levels, and optimized channel allocation

The impact: 11% average lift in return on ad spend across campaigns.

According to a recent Forrester research, only 5% of people believe that the offers and messages they receive are prompt and personalized.

This ineffectiveness is driven by legacy customer/loyalty platforms and 'personalization' engines that use simple behavioral segmentation that does not customize the content each shopper receives.

Tredence created more than 150 ML customer segmentation models using over 2000 features to enable a deep understanding of the customer. With Tredence's ML models, the retailer could understand Category and Brand Propensity, Channel Propensity, Churn, CLTV, and Seasonal Propensity. Our AI Orchestration engine then sent the right message to the right shopper at the right time through the right channel to maximize lift and NPS.

The results

+25M

of at-risk customers reengaged in 2020

\$230

Increase in customer lifetime value attributed to marketing

11%

Average lift in return on ad spend across campaigns

To continuously refine their marketing spend, three distinct approaches were used to measure the effectiveness of enterprise marketing spend.

- Customer Health Dashboards tracked CLTV and prioritized focus on winning back lapsed customers, preventing churn with at-risk customers, and monetizing engaged customers.
- Our 'Test and learn' platform allowed the retailer to quickly test seasonal and brand campaigns for in-flight optimization across 100+ campaigns and 10k+ store events, with an average ROI increase of 1.5%.
- Our Unified Measurement program reconciled multiple reporting and measurement frameworks, e.g., MMM, MTA, and TVA, and provided scenario generation ability for marketers to estimate marketing spend, understand ROAS, and optimize their budget across funnels, channels, and publishers to maximize the return.



Winning Ad Share in a Cookie-Less World

By 2022, all three major internet browsers will block third-party cookies. This will create a massive disruption for advertisers who have historically relied on cookies for personalization. With their first-party consumer data and media assets, retailers are well-positioned to see an inflow of \$15-\$20B in incremental ad spend, according to Goldman Sachs, as advertisers seek personalized ad inventory and a direct link between ads and sales.

Leveraging the CDP platform Tredence helped the retailer provide their brand partners with unprecedented customer visibility and connect with high-value shoppers at the point of purchase. Descriptive and Diagnostic analytics helped brands to understand their shoppers better and identify high-priority focus areas. Predictive and Prescriptive analytics-enabled brands to identify shoppers most likely to convert to their brands and offers, and trigger event-based targeting.

The results

6X

Increase in supplier
Marketing spend over
last 2 years

+40%

Increase in
net-new paid
advertisers in 2020

The Bottom Line: The client Leveraged the Tredence CDP to improve conversion, increase retention and maximize the efficiency of their marketing dollars.

With a unified customer data platform (CDP), the client has a deeper and richer understanding of each customer across the online & offline channels that helps them drive personalized promotions, site, and app experiences. Using the predictive purchase behavior models, they are successfully designing and carrying out personalized marketing campaigns. Further, they are using these insights to monetize their eCommerce platform by offering advertising opportunities to their partners.

Want to know more about us? Please visit <https://www.tredence.com/industries/retail/>

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