Maximising marketing ROI at N Brown Group

N BROWN GROUP PLC

Where Fashion Fits!

EXECUTIVE SUMMARY

A user of Celebrus for many years, N Brown Group has used the software to benefit from improving customer engagement and business efficiencies from the data it captures on customer behaviour. This data has been used to support better strategic and tactical decision-making in the organisation and to evolve and enhance the digital experience for customers.

In an increasingly competitive omnichannel retail market though, there is no opportunity for resting on laurels; momentum must be maintained and ever-more innovative uses of the customer data found in the pursuit of continuous improvement. In response to this, N Brown focused on the next element of their journey with customer data – increasing the effectiveness of their marketing initiatives and improving efficiencies in marketing spend.

ABOUT

An expert in fashion that fits and flatters, N Brown is one of the UK's leading online retailers. Its key retail brands are JD Williams, Simply Be and Jacamo. The Group is all about democratising fashion and is size inclusive, focusing on the needs of under-served customer groups – size 20+ and age 50+. N Brown offers an extensive range of products, predominantly clothing, footwear and homewares, and its Financial Services proposition allows customers to spread the cost of shopping with the Group.

N Brown is headquartered in Manchester where it designs, sources and creates its product offer. It employs over 2,600 people across the UK.

CHALLENGES

Historically a catalogue and mail order retailer, the use of paper in marketing has been central to N Brown's considerable success for many years; but with 77% of new customers coming to their brands online, and with 71% of all digital traffic now on mobile devices, the need to optimise return on investment from paper-based marketing became essential.

N Brown embarked on an ambitious project to reduce the investment in paper without negatively affecting demand. With a goal to ultimately grow overall order values from this exercise, the challenge was how to deliver results from the project in a way that actually increased the efficiency of their marketing spend.

SOLUTION

The first step was to focus investment on the paper marketing which delivered the best results. The Customer Insight team within N Brown's marketing department was able to use Celebrus to understand the impact not just of paper-based marketing as a whole, but the different types of paper marketing.

To do this, they used a "Response Cube," a tool to understand the incremental impact of paper mailings, combined with Celebrus data to understand the web sessions and visitor rates that resulted from those mailings. Extrapolating from these results, they were able to categorise which mailings were "negative" (i.e. that had a negative impact on demand from where the control group outperformed the test) and which were "positive." This enabled a refocusing of investment on "positive" mailings which resulted in around a twofold increase in the impact of paper resulting from these marketing activities at the Group's Jacamo and SimplyBe brands.

The second step was to develop optimised contact strategies to maximise return on the remaining paper marketing investment. Moving on from the elimination of negative mailings, the team developed highly sophisticated contact strategies that reduced print and postage costs whilst optimising ROI.

To better understand who to mail, a "Mailing Response Score" was built using data inputs from transactional, demographic, web behaviour and e-mail engagement metrics. Approximately a quarter of key variables that created this score used Celebrus online behavioural data; this enabled the team to categorise customers into "Online Customers" (with high online order penetration, low older product preference and multiple web sessions per month) or "Offline Customers" (displaying the opposite behaviours). This facilitated insight into which individuals should receive mailings, resulting in a considerable reduction in costs at the Group's JD Williams brand and an improved return per contact at their House of Bath brand.

In addition, the team has been able to optimise the frequency of those mailings through a sophisticated programme of testing and analytics to develop a "Contact Density" model. This gives them a highly granular understanding of both the demand and gross margin driven by each mailing, enabling them to optimise the number and frequency of mailings sent to "Online" compared to "Offline" customers. This has resulted in a clear understanding of the diminishing returns from additional mailings to online customers versus offline customers, giving the confidence to forecast the ideal number of contacts per customer.

As well as a Mailing Response Score, predictive models are applied to customer targeting for both online and offline customers. There are over 25 predictive models now in production, differentiating customers on the basis of metrics including purchase probability, value, time to order and more.

RESULTS

- Optimising contact strategies
- Marketing effectiveness
- Cost reduction
- Predictive analytics

CONCLUSION

These achievements have been made possible through the Customer Insight team's use of SAS, Teradata Aster and Teradata Customer Interaction Manager, powered by extremely granular cross-channel digital customer data from Celebrus. Other data sources are also blended with this data to develop highly sophisticated models that drive the team's understanding of their most effective paper-based marketing activities and contact strategies. The significant savings in paper marketing, combined with the reinvestment of those savings into digital channels is being used to generate considerable additional demand and revenue contribution.

Looking forward, further optimisation of paper-based marketing is targeted with aggressive goals for further reductions in this method as a proportion of total investment. The advanced customer behavioural and experiential data delivered by Celebrus is also core to ongoing initiatives in the areas of personalisation, next-best-action and right message-right time. This focus on predictive analytics draws on the openness of Celebrus to integrate with multiple industry-standard enterprise and open-source data applications; in addition to SAS and Aster, these analytics initiatives are also embracing R and Python to ensure that N Brown Group maintains momentum in its use of data for customer insight.

"The business focus of N Brown Group is not just efficiency, but also growth. What makes our achievements in maximising the efficiency of our paper-based marketing really outstanding is the fact that, by reinvesting the cost savings from paper mailings into digital channels, we have seen a major leap in our marketing ROI."

Vicky Currie, Head of Segmentation & Selections.

Celebrus

For more information about how Celebrus captures, creates, connects and controls highly granular customer data from digital channels and beyond please visit celebrus.d4t4solutions.com or call +44 (0) 1932 893 333.

Alternatively contact us to talk about your specific requirements via celebrus@d4t4solutions.com.

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