CASE STUDY | RETAIL

Web and customer analytics insight drives business efficiency for JD Williams & Co Ltd

JDWILLIAMS

EXECUTIVE SUMMARY

For omni-channel retailers, changing customer behaviour is not only affecting the e-commerce teams. As online fashion retailer J D Williams & Co Ltd has discovered, from finance to marketing, fraud to customer service, the ability to combine individual online customer data from Celebrus with offline history in its Teradata warehouse is increasingly supporting both tactical and strategic decision making.

CHALLENGES

The retail market has changed radically over the past decade as customer behaviour has evolved in response to the ease and convenience of shopping online. Yet while online increasingly dominates retail sales, a multi-channel model remains a fundamental component of most retail strategies. Indeed, omni-channel fashion retailer J D Williams & Co Ltd has embarked on an expansion of its retail estate in the UK as well as growing its footprint overseas in addition to its continued online success. The retailer ultimately has plans to tie together its customer data across all channels (including Stores) to help deliver a seamless customer experience ensuring the correct message is delivered at the right time and place, as well as via the appropriate method of communication.

SOLUTION

With millions of active customer accounts, J D Williams & Co Ltd has recognised the value of customer data for many years and over the past 20 it has created a single repository for all trading and customer data in a Teradata warehouse. The quantity of online customer information now captured is extraordinary – since 2010 the company has captured and retained every single web site interaction delivered by Celebrus, creating some 65GB of data every month from which to derive detailed customer insight and business value. Each time a customer visits one of the websites, every click, search, basket change, interaction, purchase, in face all interactions, are captured by Celebrus and fed into the Teradata data warehouse.

As Gareth Powell, Head of Web Analytics, J D Williams & Co Ltd says, **"With over half of all customers buying online, the depth of information provided by Celebrus digital interaction data is compelling, not only in improving our understanding of evolving customer behaviour – such as the move towards mobile devices – but also to support both tactical and strategic decision making."**

One area of business value is the use of Celebrus data to inform customer segmentation, not only to improve the relevance of the marketing interaction, but also increase the return on investment. For example, having created six high-level segments for one brand – ranging from "interacting online top shoppers" to "not brand engaged" – J D Williams & Co Ltd then built its customer contact strategy around these segments, including which contact each segment of customers should receive e.g., the channel of communication and type of promotion. The difference in performance (discrimination) between the top and bottom segments in terms of customer response rate is 70%, with a demand per responder variance of £280.

A key factor in determining this segmentation was understanding how the retailer's customers behave online and ultimately creating online-centric variables through the Celebrus data. In addition, the company used key online customer behaviours to segment those customers receiving a full sized catalogue and those getting a reduced sized version in order to optimise catalogue production and postage spend. The results were impressive – with a 3.7% improvement in overall revenue (demand minus pack costs).

The company is now actively exploring the Celebrus data in Teradata Aster to improve its marketing attribution and

looking to eradicate inefficiencies in the paid search, which makes up a significant proportion of the overall marketing investment. For example, analysing the business impact of different paid search keywords by measures such as lifetime customer value and credit reject rates, will enable the company to refine its search spend and focus heavily on those terms that contribute to a strong customer lifetime value. Powell confirms, **"Marketing attribution will only address the investment in paid search – J D Williams & Co Ltd also plans to look at offline attribution, including television advertising, and will use econometrics to achieve a holistic view of all marketing activity."**

RESULTS

In addition to gaining better ROI from marketing investment, J D Williams & Co Ltd is increasingly using predictive modelling to understand the likelihood of a customer making a purchase. The organisation has over 50 predictive models which, before having web data included, were based on transactional and payment insights. Enriching this with browsing information, which reveals an increased purchasing intent, has greatly improved the accuracy of the models.

For example, in the Home department the company used six months of Celebrus data to calculate a score to predict a customer's likelihood to order. This improved the accuracy of the model from 75% to 93%, enabling the retailer to confidently contact customers with a Home proposition with a high probability to order. A predictive model was developed for a Designer range and enabled the company to increase the response rate by 14% and increase demand per responder by 9%. This understanding of online customer behaviour is also feeding back directly into the merchandising strategy. With over 50,000 SKUs per site, J D Williams & Co Ltd's merchandisers have a tough job to track sales across categories and turn around slow moving items.

CONCLUSION

The company is now using Celebrus data to improve insight into product conversions and prioritise activities. For example, comparing individual product conversions week on week can flag a number of issues – from stock outs in popular sizes, to poor product reviews. Powell explains, **"Customers can search by product review, so any product with a 2 star rating or less can deter customer. Revisiting these products can reveal that there is a problem with product copy or the image is not good enough. Essentially this data is providing the business with both a priority list of products to address as well as insight to support plans for next season."**

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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