Case Study | **Data Optimization Clothing Retailer**

A National Clothing Retailer Uses **Data Optimization to Improve Customer Activation and Return-on-Investment**

The Problem

A national clothing retailer with over 450 stores in 45 states, maintained a 28MM record data warehouse and conducted a monthly direct mail customer activation program to approximately 10% of their customer file. The customer activation program had been generating unremarkable results, while at the same time experiencing high non-contributing direct mail expenses due to bad addresses, returned mail, etc.

The retailer, in the midst of a difficult economy, needed to improve the performance of their customer activation program, save money, and increase their return-on-investment within their marketing programs. The retailer turned to Speedeon and their suite of data optimization services.

The solution

Speedeon was able to analyze the retailer's data warehouse and initially optimize a large percentage of customer records. Speedeon then determined on-going monthly data "decay" and provided appropriate data updates.

Monthly, the retailer downloaded a data warehouse extract to Speedeon's secure, password-protected FTP site. Using proprietary data optimization algorithms and comprehensive data assets, Speedeon verified all correct records, fixed and updated faulty records (i.e., telephone number and/ or address), and identified incorrect records (i.e, "individual moved", "telephone disconnected" or "no match"). The optimized data warehouse files were then returned to the FTP site, where they were available for use by the retailer.

The Results

Data Optimization initially improved data accuracy by over 20%, and identified and addressed a 2.5% monthly "decay" rate within the retailer's data warehouse. The response rate for the retailer's customer activation program improved by 3% on 2.8 million direct mail pieces per month.

The retailer achieved the same overall response while sending 70,000 less mail pieces (@ $0.51 per piece). As a result, the retailer saved approximately $36,000 per month and $430,000 per year. The retailer was further able to reinvest a portion of their savings into a successful new mover program, also powered by Speedeon.

Data Optimization provides actionable intelligence regarding customer data, so companies can make better direct marketing decisions, and improve campaign results.