

Companies have spent years developing information technology systems that collect massive amounts of data about their customers and prospects. Yet many of these organizations have not been able to utilize the data to its full capacity. As a result, they are collectively losing out on millions of dollars in revenue and profit.

Davenport and Harris point out in their new book *Competing on Analytics*, that leading companies are now building their competitive strategies around data-driven insights using the secret weapon of Analytics: sophisticated, quantitative and statistical analysis and predictive modeling. To make that weapon work, in addition to senior leaders' support, skills and knowledge in combination with powerful tools are essential, as explained next.

- **Knowledge and skill sets:** Business understanding and knowledge are crucial to guide the collection of relevant data to solve specific business problems. Certain quantitative skill sets are also required to apply appropriate methodologies to perform various analytic tasks such as reporting, modeling, and analysis to best serve business needs.
- **Powerful tools:** Data analysis can be complicated and time-consuming. Simple tools based on spreadsheets constitute a starting point, but lack flexibility and functions.

The good news is that sophisticated analytic tools have become more affordable and easier to use. They enable businesses to analyze data about an enterprise's customers and customer interactions, and to present the findings so that better and quicker business decisions can be made.

With many years of industry experience and powerful analytic software tools developed in-house, Data Rewards analytic professionals are well-versed in creating analytic solutions to bridge the gap between data and profitable business strategies. Whether you are short-staffed or need additional expertise, we provide consulting and outsourced solutions to meet your specific business needs.

- **Analytic consulting:** Define business goals, identify analysis data, and design analytic projects and roadmap
- **Outsourced analytic solutions at whatever level you need:** Develop all types of predictive models and segmentation, and perform targeting selection, measurement, and optimization

Included are our four successful case studies that cover marketing acquisition, retention, campaign measurement and improvement.

*“The reason we've outsourced predictive modeling and advanced analytics to Data Rewards is three-fold—they deliver best results; they are easy to work with and flexible; and they're fast and cost effective.”*

**—DIRECTOR OF MARKETING  
ANALYTICS, CORPORATE  
MARKETING, STAPLES, INC.**

## CUSTOMER ACQUISITION

- **Challenge:** A leading private educational loan provider saw low response rates from their direct-mail campaigns.
- **Objective:** Improve direct-mail efficiency.
- **Approach:** Our team recommended using multi-source data including demographics, credit attributes, student lists, and past campaigns to build predictive response models, which were developed and applied to select the best 1,500,000 leads from a prospect database of 17 million student names.
- **Results:** After the predictive models were implemented, the new campaign response rate was improved by 51%, which resulted in \$6 million more booked loan volume per campaign.

## CUSTOMER RETENTION STRATEGY

- **Challenge:** Despite increased marketing spending, a large retailer witnessed flat same-store sales; i.e., sales in existing stores, excluding new stores, were flat.
- **Objective:** Drive same-store sales to support overall business sales growth.
- **Approach:** Using 2 years of loyalty card transaction data, our team developed a customer behavioral segmentation with extensive profiling. Initial findings led us to work with the client to design and conduct a survey study to uncover key needs and preferences in a couple of critical customer segments. Our client redesigned its customer loyalty program and certain product lines to address changing customer preferences and shopping behavior. Additionally, new marketing campaigns were developed to reconnect with key customers.
- **Results:** Test stores generated a 70% higher revenue growth rate over a 10-month period.

## INCREMENTAL CAMPAIGN LIFT

- **Challenge:** A large online retailer spends millions of dollars a year on banner advertising. With the declining view-through and click-through rates, they want to know which customers generate high incremental revenue and which media and creative strategies can be improved.
- **Objective:** Identify customers who generate high incremental campaign, revenue, and the key improvements that can be made in portal marketing campaign media impression buying, and creative decisions.
- **Approach:** Data Rewards developed incremental banner ad revenue prediction models, and profiled the high incremental value customer group with multi-dimensional data that comprised demographics, online transactions, and detailed campaign placement and creative metrics.
- **Results:** Revenue from the top 10% model-scored customers accounted for 40% of the total revenue. They generated 4.5 times more incremental revenue than the average customers. Campaign strategies are significantly enhanced with the analysis findings, and additional marketing strategies are developed to increase the top customers' loyalty and lifetime value.

## MEASURING AND SEIZING OPPORTUNITY

- **Challenge:** One million customers at a major bank are active with online banking such as online payment and investment. While these 1 million customers average 78% higher value than all other customers, people know the comparison is not quite "apples-to-apples" because not all non-online banking customers are comparable to these 1 million active online customers. It is challenging to quantify the benefits that online banking brings to the business.
- **Objective:** Quantify the untapped value of converting customers to the Web in order for the bank to determine appropriate spending levels in the budget plan.
- **Approach:** Our team used the Super Score Builder Match Sample module to create—from the millions of offline customers—a sample that was comparable along several key dimensions to the online customers.
- **Results:** Using multidimensional sampling, we were able to accurately measure the revenue and profit differences between the online and offline customer groups, and to identify a significant business opportunity.



781.652.9625  
[Info@datarewards.com](mailto:Info@datarewards.com)  
[www.datarewards.com](http://www.datarewards.com)