

ENHANCING CUSTOMER LOYALTY

FOR AN INDUSTRY-LEADING COMPUTER TECHNOLOGY PROVIDER

Elder Research created an automated evaluation of the impact a printer supplies loyalty program had on customer lifetime value, retention, and market share.

INDUSTRY

- » Retail
- » Consumer Electronics

BUSINESS NEED

» Loyalty Department wanted to increase total lifetime value of customers and strengthen the re-seller program

SOLUTION

» Employed advanced analytics to segment customers, determine loyalty metrics, and design and deliver summary reports with actionable program insight

BENEFIT

» Increased program enrollment by 35%, resulting in more than \$600 million in sales over five years

THE CHALLENGE

During a six-year engagement, Elder Research piloted, developed, and productized a series of statistical modeling, predictive analytics, and data mining applications — in areas including fraud detection, customer segmentation, market basket analysis, cross-selling, intelligent offer generation, and scorecard development — and helped the client establish a global analytic center of excellence.

Elder Research's work on this project enabled the largest and most profitable division of the company to deploy advanced analytics tools for a customer loyalty program and use analytics to evaluate targeted marketing campaigns.

THE SOLUTION

Elder Research collaborated with the client to create an automated evaluation of the loyalty program's impact on customer lifetime value, retention, and market share. Some of the services provided by Elder Research included:

- Segmenting customers based on factors such as the types of hardware and supplies purchased and customer sales characteristics
- · Analyzing customer attrition
- Creating customer value and loyalty metrics used by the program
- Creating operational and programmatic goal metrics

The scheduled and on-demand reports provided management with a broad overview and actionable details on the loyalty program in a timely and accurate manner. Analytics were also used to design and measure targeted marketing campaigns for the client's most important customer base, allowing client management to focus resources on campaigns that were the most effective.

RESULTS

The enhanced loyalty rewards program contributed to a 35% increase in program enrollment contributing more that \$600 million in increased sales over five years.

ABOUT ELDER RESEARCH

Elder Research is the U.S.'s leading consulting company in the science, practice, and technology of advanced analytics. We have helped government agencies and Fortune Global 500® companies solve real-world problems across diverse industries by amplifying the productivity of their analysts.

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