

Case Study

Nationwide retailer

OBJECTIVE: With direct mail growing ever more expensive every year, a nationwide retailer's goal was to profitably promote its seasonal direct mail campaigns.

SOLUTION: Experian's Custom Analytics team was brought in to develop an *uplift modeling process* to identify those customers who are *likely to purchase only when persuaded through targeting*.

Buyers When Targeted: Developed likelihood to purchase model on customers previously **targeted** and purchased a meaningful amount during a previous and similar campaign.

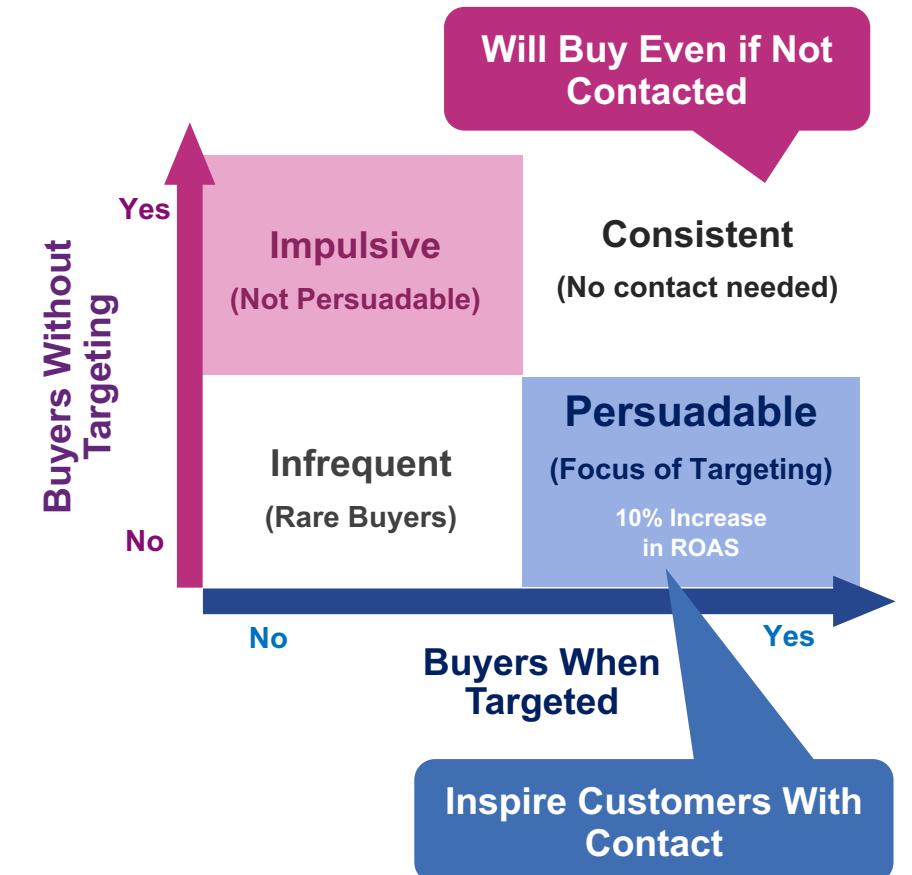
Buyers Without Targeting: Developed a likelihood to purchase model within the company's previous **control** group (i.e. customers held out of all promotions).

Scored both models and differenced to identify who can be persuaded to shop if contacted as well as who will shop regardless.

RESULTS: Initial rollout of this targeting solution was tested in conjunction with their existing targeting solution, a likelihood to purchase model.

10% Increase in ROAS found through this enhanced targeting approach.

The *uplift process* was initiated for all seasonal campaigns moving forward.



$$\left(\frac{\text{Likelihood of Purchase}}{\text{without Contact}} \right) \text{ Minus } \left(\frac{\text{Likelihood of Purchase}}{\text{with Contact}} \right) \\ = \left(\text{Benefit if Contacted} \right)$$