



CASE STUDY

RETAIL

PROPENSITY MODELING LEADS TO **ACCURATE CUSTOMER SEGMENTATION, BOOSTS LOYALTY & SALES**

The right insights enable companies to understand customer behavior, communicate more effectively and increase loyalty.

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To drive the sales volumes of a seasonal product and enhance its visibility among loyal customers, the Asian arm of a global retail chain decided to target previous buyers of the item. Prior attempts to do so with simple promotional campaigns had failed to deliver the desired results.

Segmentation and Personalized Promotions

WNS developed a sophisticated customer segmentation framework to enable the client to launch hyper-personalized campaigns for the product. We also deployed robust statistical tools to glean qualitative insights.

Through Exploratory Data Analysis (EDA) on the previous year's transactions related to the product, we identified characteristics that

differentiated the typical buyers from non-buyers. We deployed an analytical model across the retailer's entire loyalty base to predict the purchase behavior for the larger population.

The retail chain's entire loyalty base was divided into 17 granular segments. We designed targeted promotional offers based on the revenue objectives identified for each segment. Keeping in mind the client's need to minimize the number of promotional e-mails, we clubbed similar segments and launched tailored offers for each group.

Post the campaign rollout, parameters including response rate, incremental revenue generated and the number of buyers were measured using control and test groups.

The Outcome: Increased Loyalty

The WNS approach enabled the retail chain to better target prospective buyers of the product. There was a stellar response to the personalized promotional offers. The company achieved a 200 percent increase in the loyalty purchase of the product compared to the previous year. WNS' proprietary model continues to be used to launch promotional offers for the product as well as another popular seasonal item. We also continue to support the retail chain in its marketing efforts.

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