

Targeting to Deliver Feel Good



The Role of the Data Mining Team

- **Case Study 1: Quarterly Statement**
- **Case Study 2: No7 CRM Programme**
- **Case Study 3: Targeting at the Till**
- **Case Study 4: Customer Evenings**



Case Study 1: Quarterly Statement



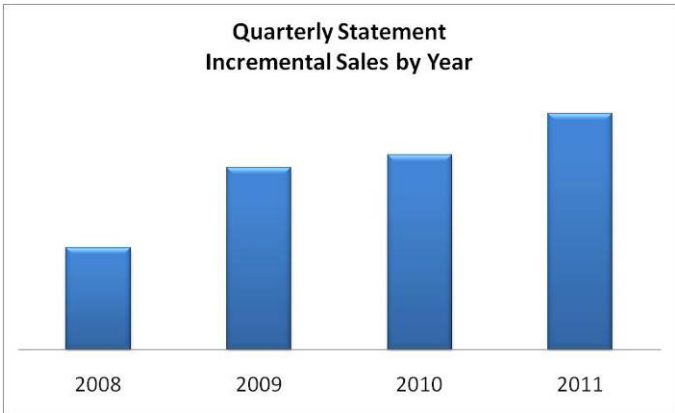
2008
2009
2010
2011
2012
2013

2008 Targeting was haphazard, the process was clunky and offers weren't dictated by insight

2009 Applied simple RFM targeting to create consistency across all offers as well as speeding up the process

2010 Move away from seasonal targeting and take all of customers' shopping behaviour into account using propensity modelling

2011 Tailoring messages, offers and creative versions to make it as relevant and personalised as possible



The collage displays a variety of promotional offers and coupons from Boots. Key elements include:

- 3 for 2 Mix & Match is back...:** Promoting a 3 for 2 offer on toys, games, and kids' books.
- £5 off:** A coupon for £5 off on a range of products.
- offer:** Multiple coupons for various products, each with a 'Product name' field.
- double points coupon:** A coupon for double points on a specific product.
- 3 for 2 Mix & Match across over 1000 facial skincare products:** A large offer for facial skincare products.
- £2 off:** A coupon for £2 off on a range of products.
- Tick off your whole holiday checklist for less:** A promotional message with a checklist of items.
- XX points:** Multiple coupons for XX points on various products.
- save £5:** A coupon for saving £5 on a range of products.
- 00 points:** Multiple coupons for 00 points on various products.
- loremip:** A coupon for a 'loremip' product.



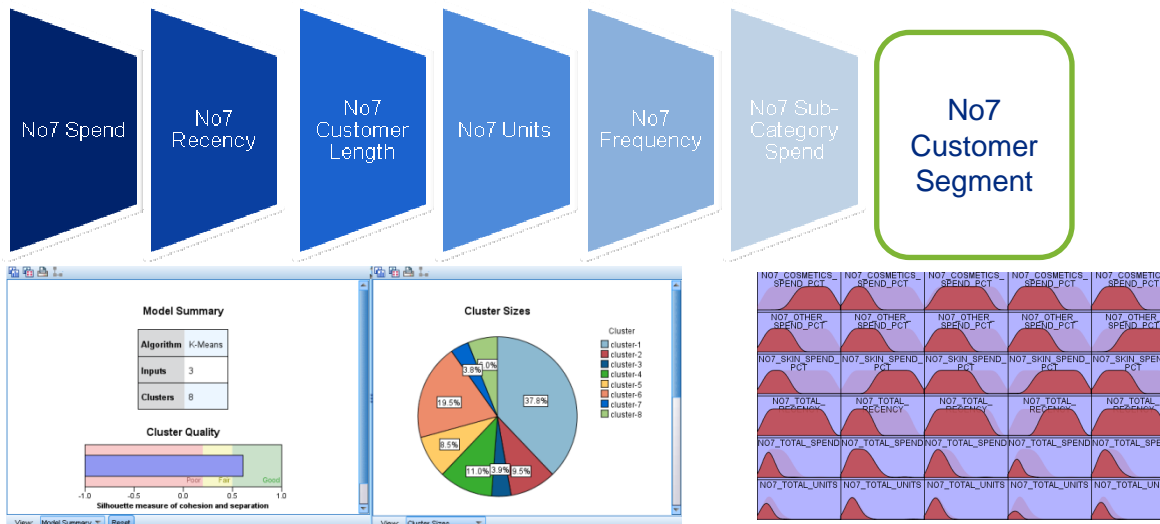
Case Study 2: No7 CRM Programme

OBJECTIVES:

- Drive No7 engagement, breadth and incremental spend through regular targeted direct communications
- Understand customer behaviour during the programme and how it changes
- Test and learn

Broad targeting with detailed segmentation and strict control groups to understand what works and what doesn't

K-means Clustering used to identify important variables for defining segments



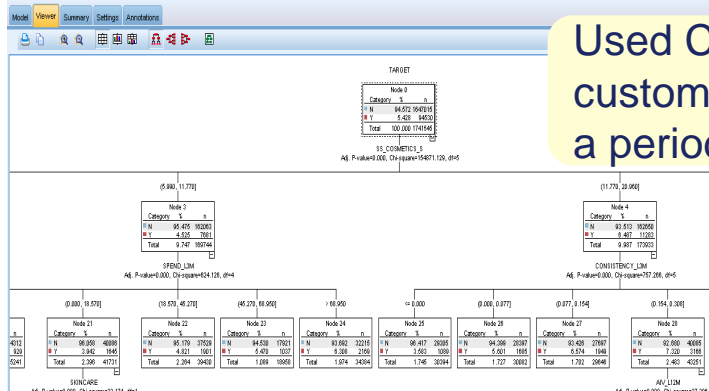
Segmentation refreshed monthly to track changes in behaviour



Case Study 3: Targeting at the Till

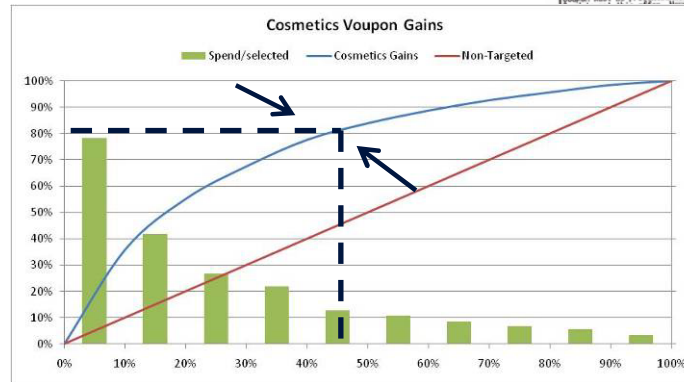


Move from one offer per period that was untargeted

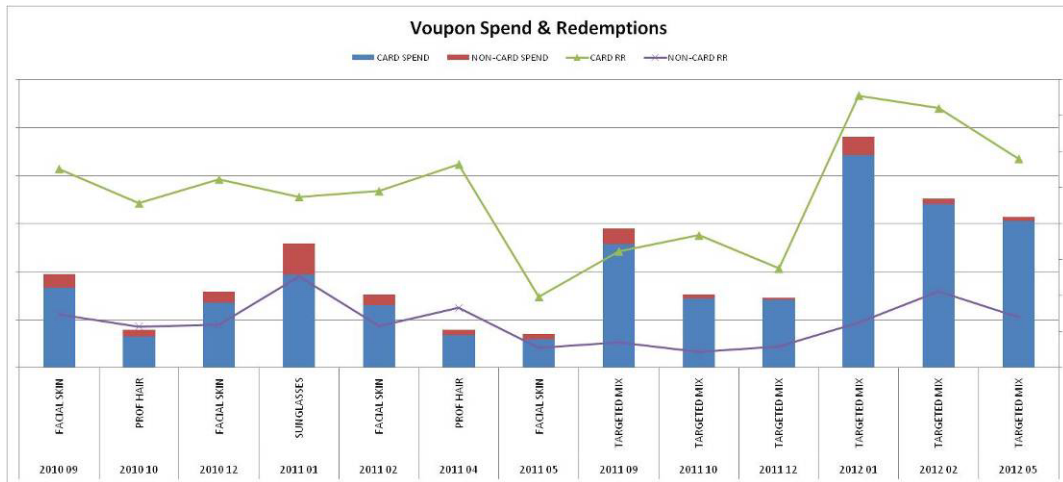


Used CHAID models to identify which customers were the most likely to visit in a period and use a till-generated offer

Applied gains chart logic to refine targeting and improve response rates



The image shows three overlapping Boots Advantage Card offers. The top offer is 'double point' for all Adult and Boots Pharma Cough Cold. The middle offer is '600 points when you spend £60 or more on Boots.com'. The bottom offer is '15% off healthcare' valid from 30 October 2012 to 02 December 2012. Each offer includes terms and conditions.



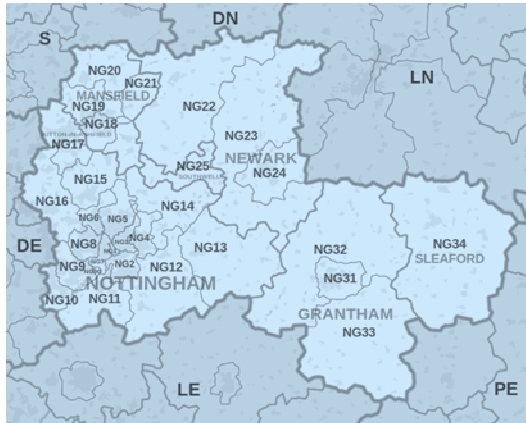
Increase in Customer Engagement
 Increase in Spend
 Increase in Redemption Rates
 Increase in Customer Frequency





Case Study 4: Customer Evenings

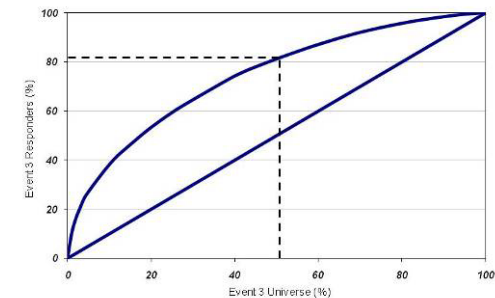
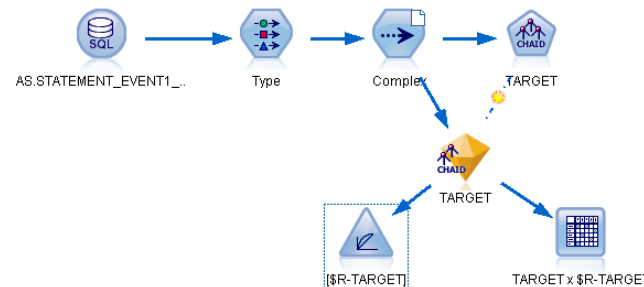
Customer Evenings Were Poorly Targeted – Not Customer Led



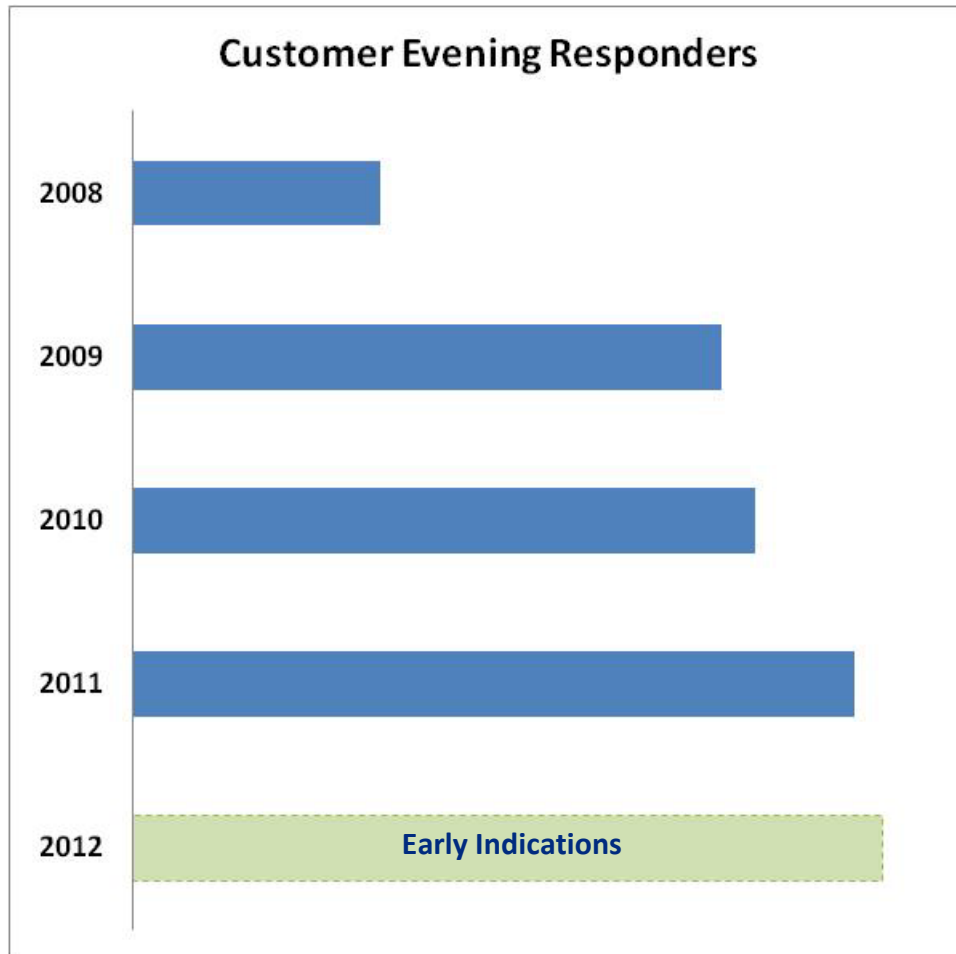
Focused on getting the right suggestions to each customer by using each customer's buying history

ACCOUNT_NUMBER	STORE_NUMBER	STORE_TYPE	SALES	TXNS	TOTAL_SALES	TOTAL_TXNS	SALES_PCT	TXNS_PCT
93	NULL	NULL	15.85	4	195.64	44	8.08	9.09
123	NULL	NULL	6.20	2	195.64	44	3.03	4.55
1483	EVENT STORE	EVENT STORE	165.16	36	195.64	44	85.85	81.82
1840	EVENT STORE	EVENT STORE	8.43	2	195.64	44	4.04	4.55
949	NULL	NULL	94.44	13	128.47	16	74.74	81.25
6701	NULL	NULL	25.60	2	128.47	16	20.20	12.50
1483	EVENT STORE	EVENT STORE	31.51	3	60.42	6	52.52	50.00
1849	NULL	NULL	386.81	22	390.29	23	101.00	95.65
77	EVENT STORE	EVENT STORE	64.76	8	75.32	11	86.86	72.73
1840	EVENT STORE	EVENT STORE	10.56	3	75.32	11	14.14	27.27

Refined the targeting to improve relevance and likelihood to visit



Case Study 4: Customer Evenings



2008: Poor Targeting

2009: Applied RFM targeting to find customers' favourite stores

2010: Applied propensity modelling to achieve maximum responses from minimum mailings

2011: Introduced multi-channel targeting to increase customer awareness

2012: Refined propensity model and store list to attract the best customers

Bringing all elements of targeting together to maximise spend and minimise costs.



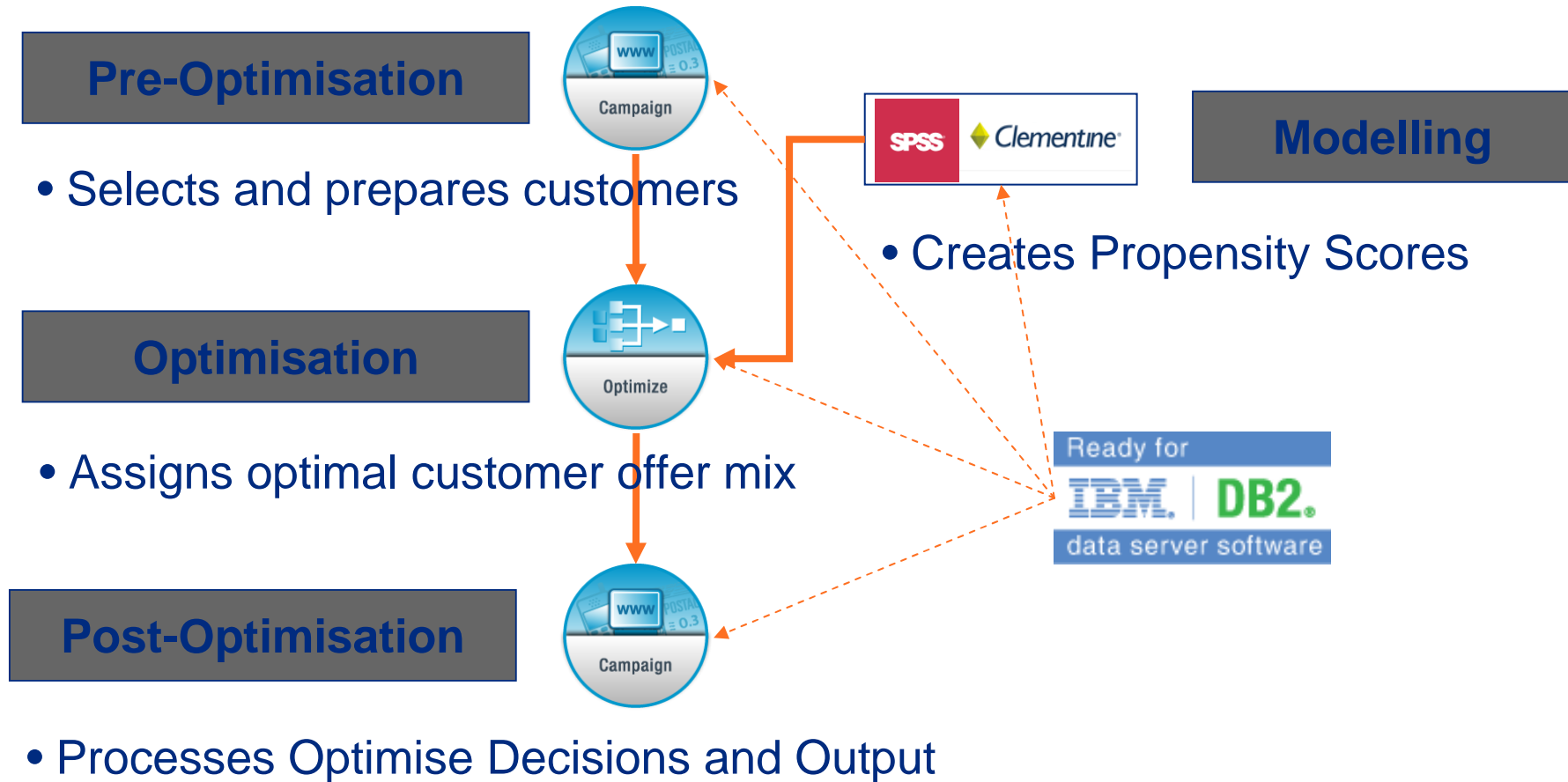


Getting the message Out to Customers

- The role of Optimisation
- Multi-Channel Optimisation
- Future challenges



Delivering a Clear, Manageable Process



Efficient Process Increases Output Quality

Multi-Channel Optimisation



Traditionally a Direct Mail Focus

Now Active via Multiple Channels

Delivering Feel Good in all Interactions



The Challenge of Growing Complexity



**Coherent Planned Profitable Touch-points
Direct Marketing – In-Store - Online**

Delivering Feel Good



- Our Motivations and Objectives
 - Delivering the right message to each customer
- Creating Feel Good moments
 - Using insight to understand the customer
- The Future Challenge
 - Significantly increased output and results and a base for the future

Unica
Marketing
Innovation
Award Winners
2010



Thank You & Questions



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