Boire Filler Group

Case Study Library

Retail Contact Management Database

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Company profile

The Company is one of Canada's largest and oldest retailers, and one of the country's largest store brand credit card issuers.

Business challenge/situation

The Client offers a variety of insurance and membership service products to its store brand credit card holders. These products and services are sold through a group of key vendor business partners, primarily through outbound telemarketing and direct mail.

Historically, the Company selected customers to receive offers from its business partners in a fair and equitable manner. Customer leads were managed using the Company's "Telemarketing Contact Management Matrix". Although this process ensured that the Company's customers were exposed to a variety of offerings and business partners were provided reasonable access to a substantial base of prospects, the Company's approach did not optimize potential revenue for itself or business partners, nor did it recognize the buying preferences of key customers.

Key weaknesses of the program included:

- Customers could be selected only once for a given product within a year

- No "resting" of Customers as they often received multiple offers each month

- Purchase behaviour and offer activity was not being integrated to improve targeting

Solution

BFG developed and continues to maintain a Contact Management Database of over 3.5 million cardholders. On a monthly basis, targeted offers for fifteen different insurance products are delivered to select groups of cardholders.

Each month BFG executes a series of processes to update the database with the previous month's campaign results and create lists of cardholders to target for the current month's offers.

Customer contact, offer and purchase history is captured. Predictive models have been developed to score each cardholder based on their likelihood to accept each vendor offer. Results are tracked on a monthly basis to confirm model "lift" (effectiveness). Company business rules are incorporated in the list selection process to address customer and vendor requirements. Optimization rules are applied to ensure minimum profitability levels are achieved. Lists are generated for each participating vendor to execute their respective marketing programs.

Key Benefits

Implementation of the Contact Management Database had an immediate and profound impact on the program, significantly exceeding management expectations:

A comparison of results post implementation to the 6 months prior found:
- More Customers were receiving relevant offers - Average response was 20% higher.

- Fewer Customers were dissatisfied – "Negative outcome calls" (i.e. telemarketing hang –ups) dropped by nearly 50%

Additional benefits derived from learning post implementation include:
- Improved contact rates by proactive management of incorrect phone numbers

- Improved response rates by eliminating names that can't be contacted

- Increased overall response rates by developing strategies to manage prior refusals

Contact Management Database Schematic