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Innovative Data Solutions

How Lamps Plus used Oyster to generate incremental revenues of over $ 2 million per direct marketing campaign

Lamps Plus is a leading manufacturer and retailer of lighting and fixtures. For 45 years, it has remained a top player in the North American markets. However, with the rise of digital, Lamps Plus started facing challenges in optimizing its email and direct mail marketing campaigns. They needed a comprehensive Customer Interactions Management (CIM) database capable of integrating data emanating from all the channels and sources, which could lead to substantial growth in open and click rates for emails and reduced costs with increased ROI for catalogues.

CHALLENGE

Lamps Plus Direct Marketing (LPDM) had a customer base of around 5 million households. They were unable to integrate store & web transactional data, browse data, email interactions data, email & catalog campaign data together. Email and direct marketing programs were not optimized. There was no integration of different data points of customers. LPDM had to operate on these sub-optimal conditions despite having valuable information about the customers. This was ultimately resulting in poor open and click rates and $ per catalog figures.

OBJECTIVE

LPDM wanted to have a customer interactions database (CIM) that would integrate all customer data points together to get a longitudinal profile of the customer. Score the customer base and segment them efficiently. Run email campaigns and catalog campaigns using predictive models against these segments.

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STRATEGY

The team integrated historical data from various 1st, 2nd and 3rd party data sources across channels and devices. After setting up processes to cleanse, standardize and enrich the customer data, the team implemented customer segmentation based on historical transactions and customer response to campaigns. The advanced analytics part was the most critical, wherein the team:

➢ Implemented a library of predictive algorithms

➢ Installed predictive models for customer response to campaigns. Based on these models, the EA team was able to forecast sales and the revenue impact of specific email and direct mailer campaigns

➢ Provided standardized, easy-to-understand analytical ad-hoc as well as advanced reports through dashboard engines

"Express Analytics has enabled us to use analytics as an effective base for all remarketing programs. The efficiencies gained have allowed us to redeploy marketing dollars for timely customized offers to more predictive customer segments. The result: more engaged customers and higher return on marketing dollars invested."

-VP of Marketing, Lamps Plus

RESULTS

In the first year itself, the retailer saved approximately $200K from improved email open and click rates, In the subsequent years, it generated incremental revenue per campaign of around $2 million (10 campaigns per year). The successful implementation of the CDP solution led to the targeting of customers for new product categories, and the ability to better target promotions based on initial and subsequent impact.