

## Three Companies Use Analytics to Win Back Customers

Merrill Lynch, power tool maker Positec, and Coastal Contacts each take a comprehensive, approach to analytics.

BY MILA D'ANTONIO

Consumer-facing companies have to work hard to influence today's empowered consumers to make a purchase, and often have only a brief window of time to do so. Research shows that often when consumers walk away from a phone call or from a website without purchasing, the prospect is still hot.

Companies that don't follow up with these prospective buyers are missing out on potential revenue opportunities. Remarketing is one way companies recapture the interest of those prospects. However, less than one in four companies do any remarketing whatsoever, according to a 2008 webinar from Ito1 Media, "Ready, Aim, Acquire." Here's how three companies use this valuable strategy to reach out to prospects—and customers—before a sales opportunity is lost.

### Positec mixes mediums for optimal effectiveness

Positec started selling power tools three years ago through direct-to-consumer infomercials. Customers buy via the phone or Web. During the first two years only 60 percent of the people who called or visited the site converted; 40 percent called but didn't order. Positec wanted to step up its marketing efforts to convert the 40 percent, but the company had no way to capture information about the non-converting callers in order to reach out to them.

In March the company deployed a solution from TARGUSinfo that allows Positec to complete a reverse look-up on the phone numbers of people who call the contact center, but don't place an order. TARGUSinfo appends the address associated with each phone number. Within 48 hours of the call TARGUSinfo then sends a direct mail piece on behalf of

Positec with a special offer pertaining to the product that a prospect called about. Positec can now monitor the success of the direct mail pieces by tracking when those prospects call back to redeem the offers.

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So far the offers have proven to be successful. Three separate postcard campaigns have seen increases in conversion upwards of 4.5 percent with an average ROI of 50 percent.

Tom Duncan, president of Positec USA, says that the process has become a critical component of the company's customer

acquisition strategy. "We use it as part of an overall strategy," he says. "With this we can decide on the best way to get back in touch with a customer."

### Coastal Contacts brings clarity to the purchase process

While Positec analyzes visitor behavior via the phone to capture potentially lost leads, Coastal Contacts, a retailer of contact lenses, analyzes visitor behavior on its website in real time to present appropriate offers via email to customers or prospects who abandon their shopping carts.

Coastal Contacts uses an on-demand marketing solution from Unica to help deliver the right customers the right message at the right time, which has led to higher conversion rates. "We watch what products people are viewing on the website," says Braden Hoepfner, director of Web sales at Coastal Contacts. "If they don't purchase them, we target them."

By using a combination of onsite messaging and email, Coastal Contacts sends communications with a targeted offer based on the products the prospects viewed. While Hoepfner doesn't disclose specific ROI, he says that the strat-

egy has led to higher conversions and better sales overall. "We're faster to market with our campaigns and we have better data to impact the campaigns," he says. "Our customers are served better too by getting content that is more relevant to them each time they come."

### **Merrill Lynch focuses on retention**

Merrill Lynch also leverages real-time analytics to align its messaging and win back customers. Aaron Tellier, director of CRM at Merrill Lynch's global business planning and measurement group, says that the company is currently focused on client retention. This means he has to be able to identify whether clients are about to leave. "Knowing that a customer is thinking about leaving you is important," Tellier says.

According to Tellier, who spoke at a session during the DMA's annual conference in October, by using Interaction Optimizer from Portrait Software, the financial institution gains insights into customer response behavior to build better marketing campaigns. As a result, Merrill Lynch can optimize every contact with the customer and present the right offer to the right customer at the right time.

Tellier also said the system has the ability to identify callers ready to defect by analyzing a combination of contact information, transactional, and demographic information, as well as current activities. This data includes customer life-cycle (new customer, cross-sell), customer life stage (new baby, retirement), transaction (new deposits), external (socioeconomic), and customer-initiated triggers (inbound interactions). The system analyzes the information and scores customers on their likelihood to deflect. Tellier said that based on the scores, Merrill Lynch now presents these customers with what Merrill Lynch considers the most optimal offer to encourage them to stay.

Today's economy is forcing organizations of all sizes to reexamine their customer strategies. Merrill Lynch, Coastal Contacts, and Positec demonstrate that a proactive approach to keeping valued prospects and customers from leaving is not only practical, it's a critical component to any retention or acquisition strategy.

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