

Acquia
EXPERIENCE DIGITAL FREEDOM

THE POWER OF A CDP

Success Stories from the Field



TABLE OF CONTENTS

04

**REVERSING
ABANDONMENT ▶**

07

**DISCOUNTS
AND LTB ▶**

11

**DIRECT MAIL
AND LTB ▶**

13

**PERSONALIZATION
WITH CLUSTERS ▶**

15

**DIGITAL AND OFFLINE
CONVERSIONS ▶**

17

**PERSONALIZATION
AND CUSTOMER
SERVICE ▶**

20

**PERSONALIZING
FACEBOOK ADS ▶**

22

**GEO-PERSONALIZING
EMAIL ▶**

EXECUTIVE SUMMARY

What a Difference Your Data Makes

Although everyone understands that data is key to improving marketing performance, many organizations still struggle to put the massive amounts of data they have collected to use. With data stored in different formats and silos across the organization – not to mention the lack of direct access to this data and lack of actionable insights – the struggle is real.

Leading organizations have come to realize that unleashing the power of data calls for a customer data platform (CDP) – one that unifies data, analyzes it and pushes it to any systems needing it (websites, personalization tools, email marketing systems, customer support systems and so on).

A CDP can deliver measurable marketing impact. This e-book shows eight ways our customers have used their CDP to improve the customer experience, grow business and increase profitability.

CASE STUDY 01

**REVERSING
ABANDONMENT**



**FAR MORE VISITS TO
A WEBSITE RESULT IN
ABANDONMENT THAN
CONVERSIONS**

97

%

3

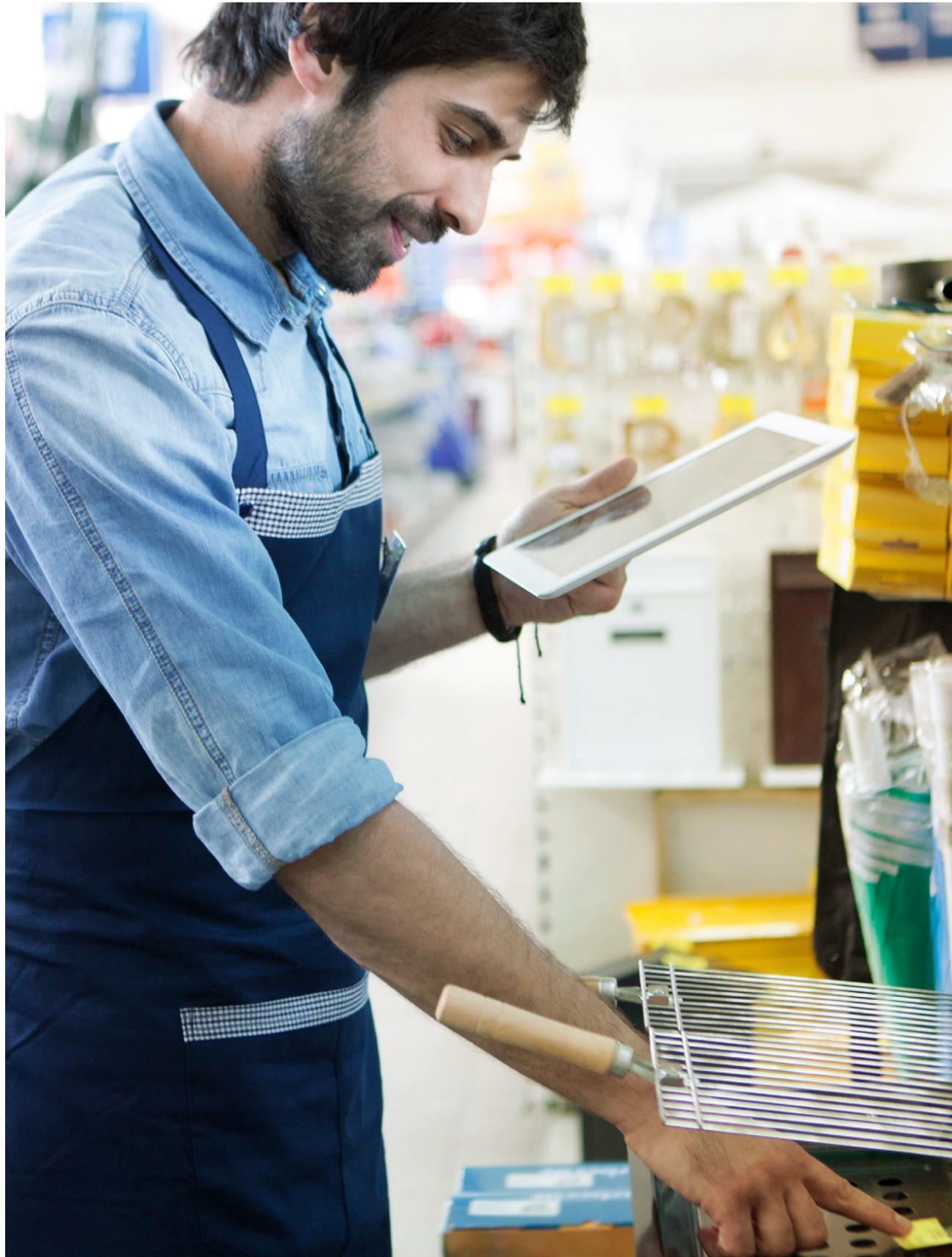
%

REVERSING ABANDONMENT

The **average website conversion rate** is 3%. That means 97% of visitors leave the site without ever taking action. What's the best way to re-engage them and increase conversions?

Without a CDP, re-engagement and conversion can be tough. When all you have to work with is website data – no other online data, no in-store data, etc. – it's hard to know what will bring customers back.

On the other hand, with the data you have in your CDP, you can personalize retargeting campaigns (emails and digital advertising, SMS, or even call center scripts) aimed at these abandoners. A CDP makes it possible to get the right message to the right person through the right channel.



THE WICKES STORY (DATA-DRIVEN EMAILS)

Wickes is a home improvement and garden retailer based in the United Kingdom. They wanted to increase engagement and conversions through more relevant email campaigns.

Before they invested in a CDP, Wickes had a one-size-fits-all approach – no personalization – for messaging customers who had abandoned their carts or dropped off in the middle of a browsing session.

Using Acquia CDP, they adopted a data-driven approach. First, they took a look at their onsite search data and mapped the top 1,000 search terms to product categories. Next, Wickes used the Acquia CDP WebTag to capture customers' web interactions. They then created emails targeting the abandoners with messaging and

creative associated with the specific category the customer appeared to be interested in. To be systematic about it, they only tested the relevance of these targeted emails to the recipients – no offers or discounts were included.

The results:

- /// **108% increase in open rates** compared to generic email messages
- /// **116% increase in clicks**
- /// **275% increase in conversions**

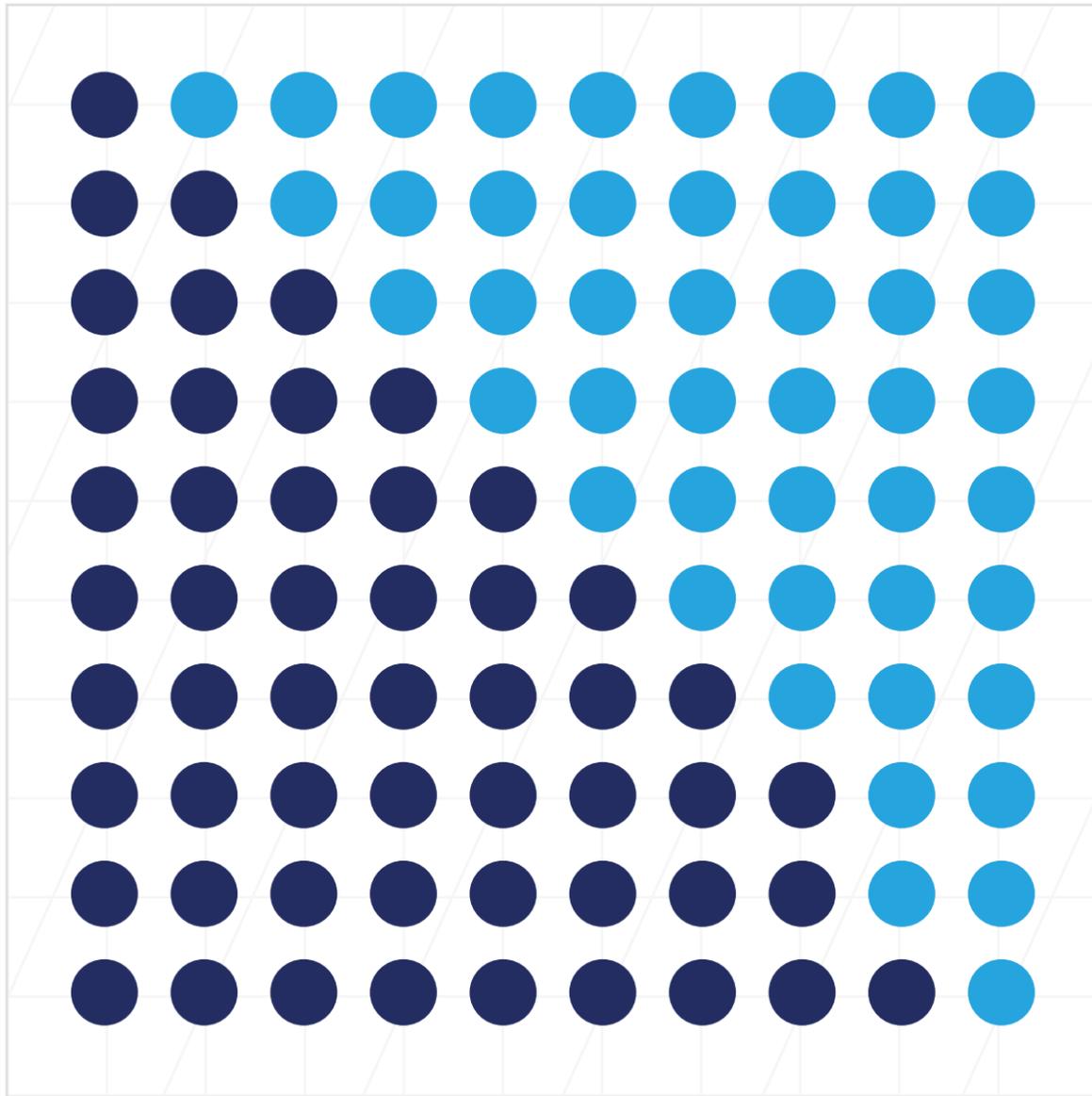
The lesson:

To convert abandoners, use your CDP to understand what they care about and create relevant follow-up emails.

CASE STUDY 02

DISCOUNTS AND LTB





53%

Percentage of retailers who say constant discounting hurts their profits

The “always on” culture of discounting negatively affects profits, 53% of retailers say. Consumers have negative views as well, with 40% saying constant discounts make a brand seem cheap and unfashionable.

– Klarna survey

While discounting attracts customers and encourages buying, if used as a blunt instrument it can pinch profitability. Over-discounting trains customers to expect discounts, reinforcing and encouraging low-margin behavior.

Discounting should be used judiciously, creating the proper incentive for each customer. Customers who would purchase anyway need little to no discounting, while those on the fence may need a push. But it’s hard to assess how big a discount to offer different customers without a CDP. Marketers

either offer blanket discounts or rely on imprecise methods such as the traditional Recency, Frequency, Monetary Value (RFM) model to determine who gets a price break.

With a CDP, marketers can use a Likelihood to Buy (LTB) model to withhold discounts from those who will purchase anyway, offer a small discount for those who do not need much to convert and a larger discount for those likely to churn. To make these models even more precise, Acquia CDP also lets you identify LTBFP – “Likely to Buy Full Price” – customers.

THE IMPRECISION OF RFM

Recency, Frequency, Monetary Value — a method to determine which customers are of the greatest value to a company — **dates from 1990s** direct mail marketing. This method typically rates customers on a scale from 1 to 5 based on how recently they made a purchase, how frequently they buy and how much they spend on average.

The obvious hole in the calculation is that lapsed customers are given lower priority but might be inclined to buy if successfully re-engaged. The metric also cannot by itself indicate what drove the frequency of purchases or the amount spent, let alone whether higher levels of spending will persist for a given customer. Also, relying on RFM can lead companies to bombard those with high RFM ratings with irrelevant or annoying messages.

While RFM was originally a useful model for predicting customer purchases, this method has been eclipsed by the richer data analysis possible when applying machine learning and other advances in data science to a wider range of data types. **Acquia recently did a comparison** between a traditional RFM approach and an AI-assisted LTB analysis, showing that a company could reduce the number of customers receiving direct mail discount offers by 25%, yet increase conversions by 38% using the AI segment.



THE MOOSEJAW STORY (ADJUSTING DISCOUNTS)

Online retailer Moosejaw specializes in sporting goods for hikers, skiers, climbers and campers. They wanted to vary discount levels in an effort to both improve customer spend and campaign ROI.

Before using Acquia CDP, Moosejaw relied on the old batch-and-blast discounting method. As customers came to expect discounts, these price cuts lost their effectiveness.

Using Acquia CDP, Moosejaw segmented buyers based on LTB. Customers with a high LTB paid full price. Customers with a medium-high LTB got a small discount (5-15% off); those with medium LTBs received discounts of 15-25% and those with very low LTBs received a 50% discount.

The result:

A 30% increase in margins!

The lesson:

Discounts should be used to encourage specific behaviors. By using LTB, you can fine-tune your discounting strategies, stop over-discounting and improve profitability.

CASE STUDY 03

**DIRECT MAIL
AND LTB**





While recency, frequency and monetary value (RFM) provides some insight into customer behavior, it can't give you the whole picture. Specifically, RFM can't help identify lapsed or unengaged customers, nor can it highlight your most loyal and valuable customers, let alone help you determine a particular customer's price sensitivity.

The shortcomings of this model can have a real cost when using a marketing method such as direct mail, which can be effective but expensive. Without a CDP, direct mail can have a very low ROI. With a CDP, you can use predictive models to understand customer behavior and improve the performance of direct mail programs.

THE ONLINE RETAILER STORY (EFFECTIVE DIRECT MAIL)

An online retailer sought to make their direct mail campaigns more cost-effective and to increase response rates. Before investing in Acquia CDP, the retailer used 100 RFM segments to guide monthly catalog mailings. With the CDP, the retailer relied on LTB segmentation, both reducing the number of segments and increasing efficiency by targeting only those with the highest LTB.

The results:

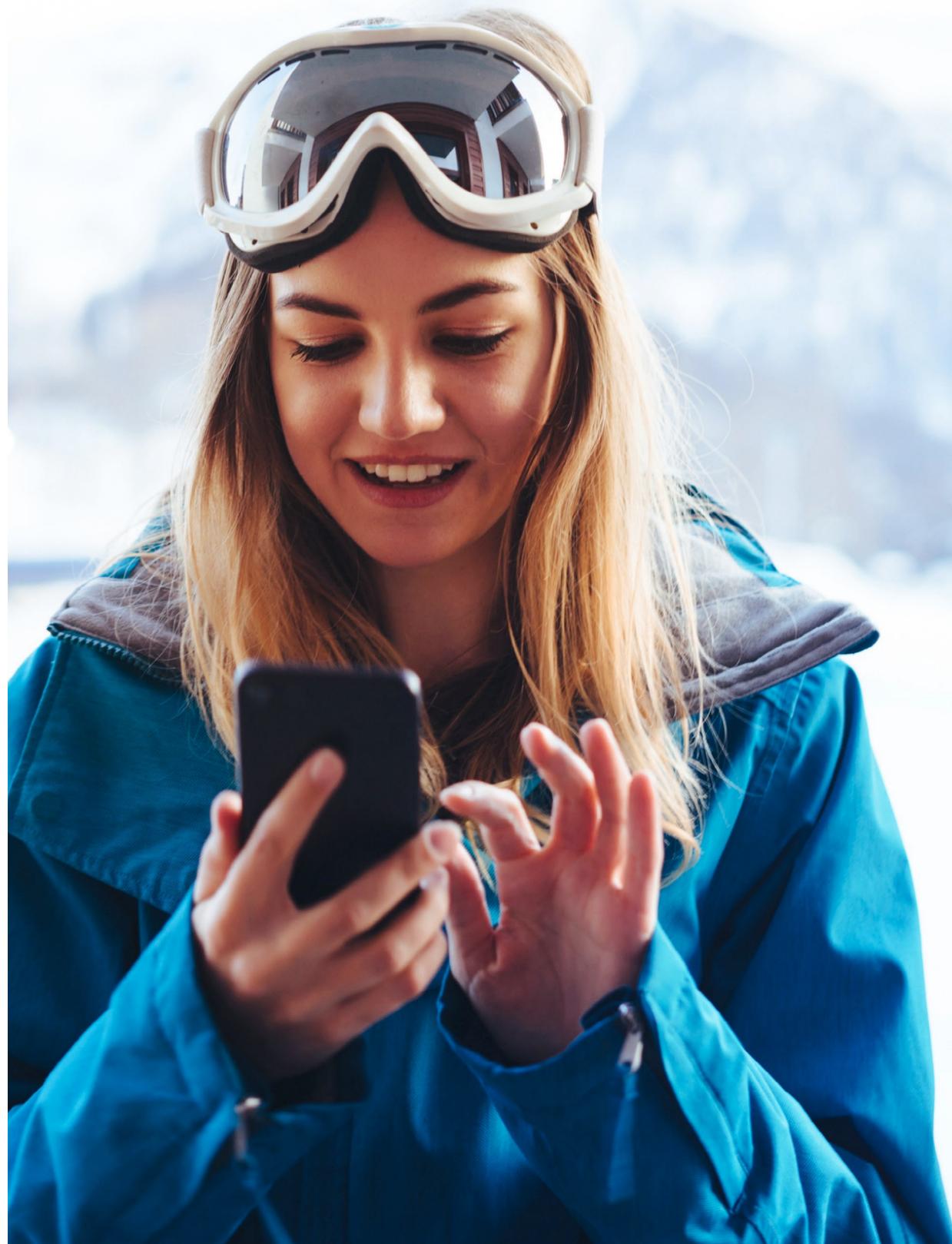
- 12% fewer catalogs sent**
- 25% revenue increase** from campaigns

The lesson:

Focusing on customers that are inclined to buy makes direct mail efforts more efficient and effective.

CASE STUDY 04

PERSONALIZATION WITH CLUSTERS



Campaigns that leverage data-driven personalization report 5 to 8 times the ROI on marketing spend and lift sales 10% or more.

— McKinsey Research

To establish customer LTB ratings, marketers traditionally have had to rely on historical purchase data alone. A CDP can use machine learning to create more reliable likelihood-to-buy categories for sorting customers. Because machine learning can find correlations between buyer behavior and any number of different data points, it can provide a better way to understand customers than traditional segmentation by creating buyer clusters.

THE MOOSEJAW STORY PT. 2 (PERSONALIZED EMAILS)

Moosejaw wanted to personalize its email outreach by focusing on specific clusters of customers — for example, those interested in snow

sports. Before using Acquia CDP, Moosejaw had to rely solely on past purchase data. With Acquia CDP, Moosejaw could create persona-based customer clusters by looking at both purchases of items such as skis and snowboards as well as behaviors indicating customer interest in snow sports.

Moosejaw then created personalized emails about skiing, emphasizing ski brands and cold-weather wear.

The results:

- ✓ 25-41% improvement in clickthrough rates**
- ✓ 54-125% improvement in conversion rate**

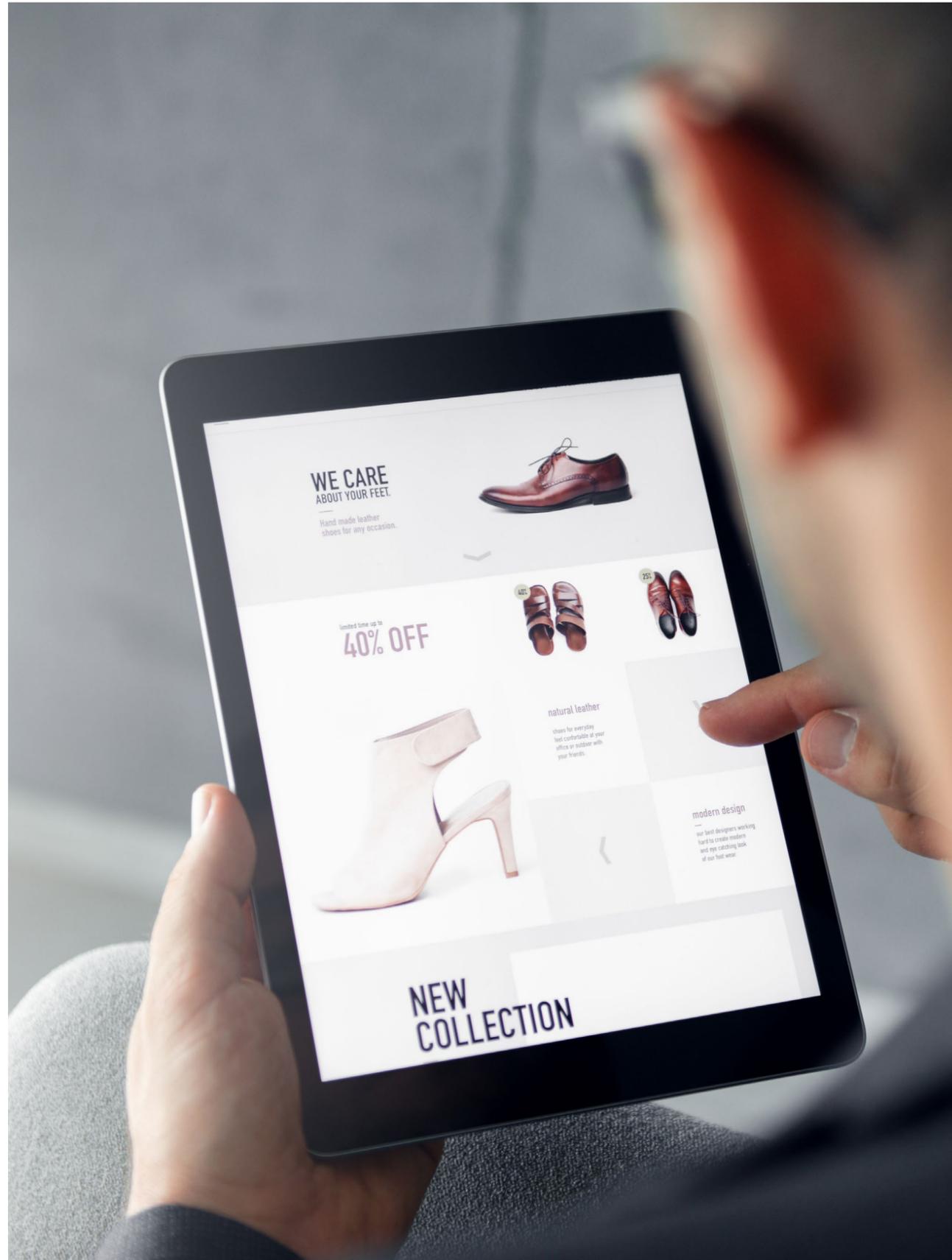
The lesson:

Clustering customers with machine learning, based on more than purchase history, leads to more effective personalization and higher conversions.

CASE STUDY 05

**DIGITAL
AND OFFLINE
CONVERSIONS**





Only 9.1% of U.S. marketers polled rate their company’s current understanding of data-driven attribution as “excellent.”

— ClickZ and Fospha survey

Adtech only links display advertising campaigns to online conversions. But we know that people also complete purchases offline. How can marketers link online campaigns and offline behavior? It’s not possible without a CDP. With one, however, marketers can combine online and offline customer data by drawing from both POS systems and digital channels.

THE CLARKS STORY (ATTRIBUTION)

British-based shoe maker Clarks wanted to connect online promotions to in-store purchases. They could tie online promotions to online purchases, but had no insight into their offline impact. With Acquia CDP, Clarks worked with its retargeting vendor, Criteo, to correlate in-store transactions with display campaigns (product and category) during a specific attribution window.

The result:

Clarks was able to attribute 15% more revenue to online campaigns.

The lesson:

Using a CDP to gather all relevant data makes it possible to better evaluate the total performance of digital tactics.

CASE STUDY 06

**PERSONALIZATION
AND CUSTOMER
SERVICE**





U.S. consumers are willing to spend 17% MORE with companies that deliver excellent customer service.

– American Express 2017 Customer Service Barometer

Call centers are a key customer touchpoint. But customer service solutions often function as data silos. Without a CDP, the agents typically only have visibility into previous support calls and transaction history. With a CDP, agents can work with a 360-degree customer profile that has all relevant information about each individual consumer (e.g., their average order value, lifetime revenue, product affinities, etc.). Information like this empowers agents to tailor calls, responses and follow-ups to each individual.

**THE ARCELIK STORY
(TAILORED SERVICE CALLS)**

Arcelik is a multinational corporation that manufactures and markets durable goods, components, consumer electronics and after-sale

services. They wanted to improve customer experience on service calls and increase upsell conversions, but had limited visibility into past customer interactions with the company.

Using Acquia CDP to support an outbound call campaign to sell additional products or services, Arcelik was able to feed data into a call script tool, automatically filling in eight fields for agents and allowing better personalization.

The results:

Conversion rates of up to 24% when customer information from Acquia CDP was used to tailor conversations to individuals.

The lesson:

A CDP can break down data silos and give call center agents the information they need to improve outcomes on customer calls.

THE WICKES STORY PT. 2 (IMPROVING EFFICIENCY)

Wickes wanted to improve both the customer experience during calls to its support center and the efficiency of call center operations. Without a CDP, agents could only see a customer's purchase history and previous communication with the call center. To get additional details, including whether or not a customer was a member in Wickes' loyalty program, agents had to ask the IT department.

With Acquia CDP, agents can get these important details immediately and customize phone conversations accordingly.

The result:

98% improvement in operational efficiency.

The lesson:

When call center agents have immediate access to information, they can do their job and serve customers more quickly and effectively.



CASE STUDY 07

**PERSONALIZING
FACEBOOK ADS**



In the third quarter of 2020, Facebook ad impressions increased by 35%.

– Facebook earnings call, Oct. 29, 2020

Marketers constantly try to identify their highest value advertising channels. And Facebook continues to be a critical component of the advertising mix. Without a CDP, marketers rely on Facebook’s internal platform to get the customer intelligence needed for targeting ads. With a CDP, marketers can send customer intelligence (e.g., clusters, segments) to Facebook to steer ad placement, thus increasing return on ad spend (ROAS) and return on campaign.

THE TRAVEL COMPANY STORY (CUSTOMIZATION)

This company wanted to increase conversions from Facebook ads. Before investing in Acquia CDP, the company sent generic hotel deals to all regions, with everyone seeing the same offer. With Acquia CDP, the company segmented customers based on ZIP codes in Los Angeles, then sent those lists of customers to Facebook for targeting. Customers in the LA region received local-level deals. Everyone else received generic, non-local deals.

The result:

Over a two-year period, Facebook ad impressions increased by 21% and clickthrough rates TRIPLED.

The lesson:

If you have customer intelligence to share with an advertising partner, share it to improve ad performance.

CASE STUDY 08

GEO-PERSONALIZING EMAIL





Personalized emails are 62% more likely to be opened than non-personalized ones.

– Dynamic Yield Research

Personalization helps your emails break through the noise. Without a CDP, you're limited to very basic personalization, such as using the customer's first name in the greeting. With a CDP, you can personalize the messaging and the creative by, for example, leveraging the customer's geographical data and closest store locations.

THE SPORTING GOODS STORY (GEO-PERSONALIZATION)

A sporting goods retailer with locations in multiple states wanted to increase email engagement by personalizing email banner creative based on the customer's store preference. Before Acquia CDP, the retailer used the same creative for everybody. With Acquia CDP,

the retailer's marketers could use a combination of closest store and store preference to determine which email banner the customer would receive.

The results:

- 77% increase in email open rates**
- 21% increase in clickthrough rates**
- 50% increase in revenue per conversion**

The lesson:

Personalization doesn't have to be complicated. Even personalizing based on a single data point (store location) can improve performance.

YOU NEED A CDP

If this e-book has shown you anything, it is that an intelligent, robust CDP can have a transformative, measurable impact on your marketing.

Acquia CDP gives you:

- /** A single, unified view of your customer, based on all relevant data sources
- /** Machine learning and data visualization capabilities that reveal new insights about your customers and your marketing
- /** A way to activate and operationalize data across all channels

REQUEST A DEMO ▶

Acquia

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ABOUT ACQUIA

Acquia is the open digital experience platform that enables organizations to build, host, analyze and communicate with their customers at scale through websites and digital applications. As the trusted open source leader, we use adaptive intelligence to produce better business outcomes for CX leaders.

