



Case Study

AI and predictive analytics reduced customer churn by 54%

Overview



90% increase in active contacts



3.9% reduction in lapsed customers.



34% increase in Customer Lifetime Value

Leading builders merchants

Travis Perkins have been helping to build Britain for over 200 years, supplying building materials to the trade, becoming one of the largest suppliers to the UK's building and construction industry. With a national network of more than 650 branches and over 100,000 product lines they are a well-known brand in the building trade industry.

The clues to your customer's next move exists in the data

From the prospects likely to purchase, or the customers at risk of lapsing, RedEye is using Artificial Intelligence and Predictive Analytics to successfully identify key 'next likely actions'. By doing this we put the power back in the marketer's hands by giving you the opportunity to influence those outcomes.



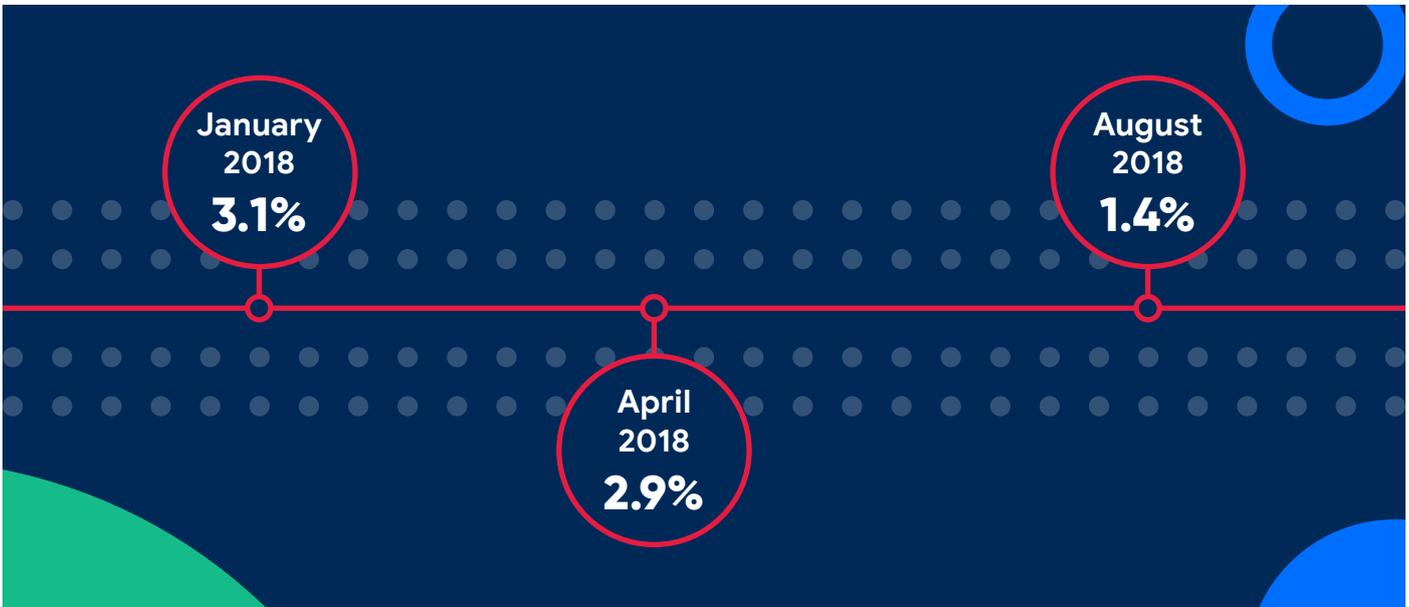
Using its proprietary Customer Data Platform, RedEye has built a Predictive Model that works on top of Travis Perkins' database. This Model analyses all customer behaviour, from past transactions to website engagement even within the last hour, to understand patterns of behaviour.

The Churn Model, identified Travis Perkins customers whose behaviours indicated that they were likely to churn. This gave Travis Perkins the opportunity to use multi-channel communications to re-engage those customers before they were gone for good. Machine learning comes into play to ensure those algorithms are constantly honed and tweaked to provide ever more accurate insight and models specifically in step with your brand.

Reducing the lapsed segment size by 3.9%

For Travis Perkins, and for your brand, reducing customer churn means increased engagement and increased spend. With an overall reduction in the Travis Perkins lapsed segment of 3.9%, imagine the increase in spend that could be achieved for your brand. In our fully integrated platform, Artificial Intelligence then allowed for the delivery of highly personalised messages to be sent to every individual on the Travis Perkins database, according to that prospect or customer's individual behaviour. Every customer receives a message specific to their stage in the customer lifecycle.

Rate of customer churn



The impact of customer churn

The nature of the customer lifecycle means that reducing the rate of customer churn is just one of the ways that an organisation can improve lifetime value. For Travis Perkins the use of the Churn Model drove an increase in customer lifetime value of 34% in a single 12-month period.

Reducing customer churn is one of the most profitable activities a marketer can employ. It is far more expensive to acquire a new customer than to retain an existing one. Any reduction of the lapsed segment is a direct increase on the active segment, allowing marketers to turn more customers into profit. At RedEye, we have been working on implementing Predictive Models on the Travis Perkins database for over a year now.

Together with RedEye, Travis Perkins have progressed from trying to understand what marketing messages will work best to re-engage lapsing customers, to automatically targeting predictive segments with their latest products and offers.

Improve your customer lifetime value

Reducing the churn rate of the Travis Perkins database is just one element of increasing customer lifetime value – and it is clearly an effective method at that! By reducing churn over the last eight months, the overall value of the Travis Perkins database has grown by over 86%, leading to an increase of nearly 90% in the segment of active contacts.

Imagine the potential for your marketing with an increase of 90% in active contacts?

34%
**INCREASE
IN CUSTOMER
LIFETIME VALUE**



RedEye

Get in touch to see how we can optimise your
marketing campaigns through automation

www.redeye.com