

Case Study

Using AI and predictive analytics to increase VIP's by 65%



Overview



VIP segment increased by **5.4%**



VIP Model drove an increase in customer lifetime value of **34%**



Value of the Travis Perkins database has grown by over **86%**

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, giving you the opportunity to influence those outcomes.

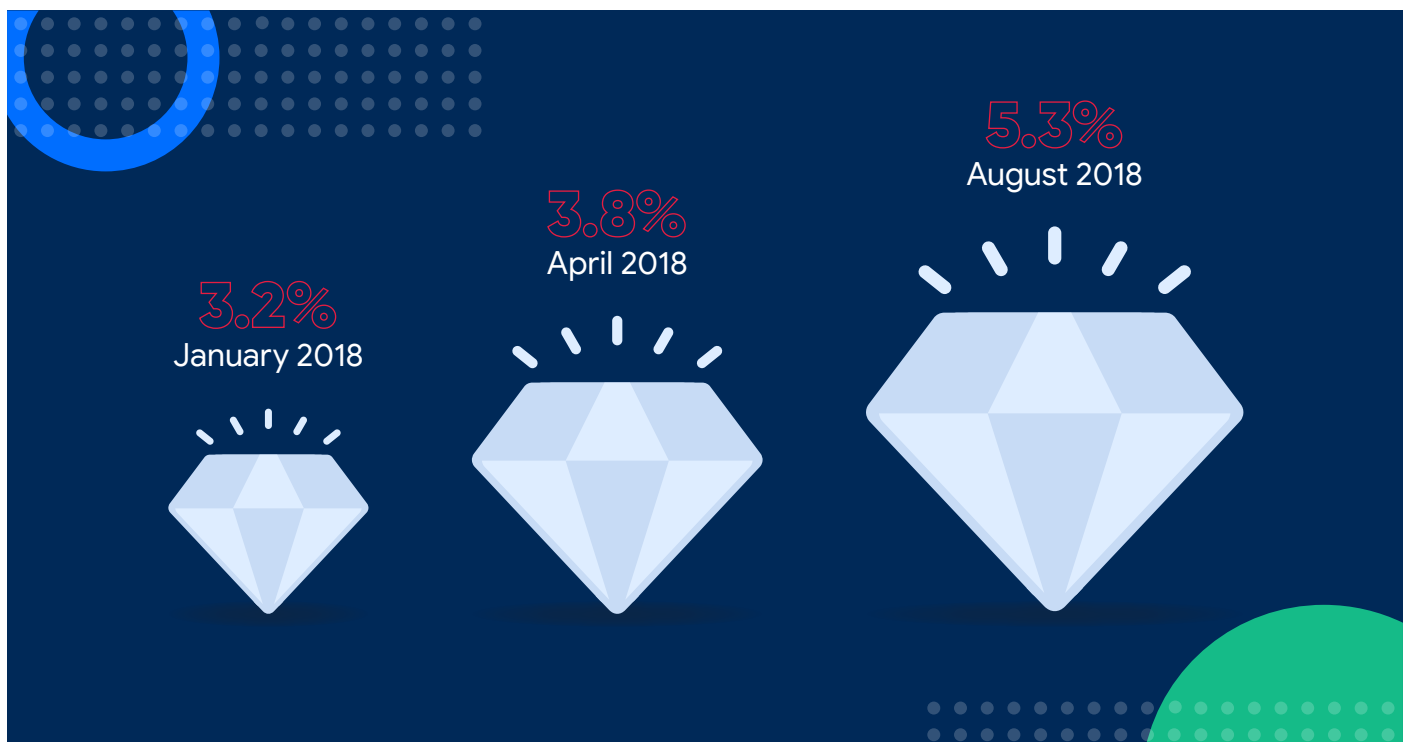
RedEye has built a series of Predictive Models that work on top of Travis Perkins' database. The Models analyse all customer behaviour, from past transactions to website engagement even within the last hour, to understand patterns of behaviour.

Identifying those likely to become VIP

The VIP Model, searched for patterns of behaviour that reflected the behaviour of current VIPs. This identified Travis Perkins customers who were likely to become a VIP customer. This gave Travis Perkins the opportunity to use multi-channel communications to engage those customers, encouraging them to join this incredibly value customer segment. 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.

For Travis Perkins, and for your brand, increasing VIPs means increased engagement and increased spend. With an overall increase in the Travis Perkins VIP segment of 5.3%, 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.

Proportion of VIP's



The benefits of growing your VIP pot

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

The VIP segment has the highest lifetime value when compared to any other customer segment. Expanding this group not only means increased revenue, but also strengthens your customer retention and engagement. VIP's represent the epitome of loyal customers and are key brand advocates, the most persuasive way to market your brand and engage new customers.

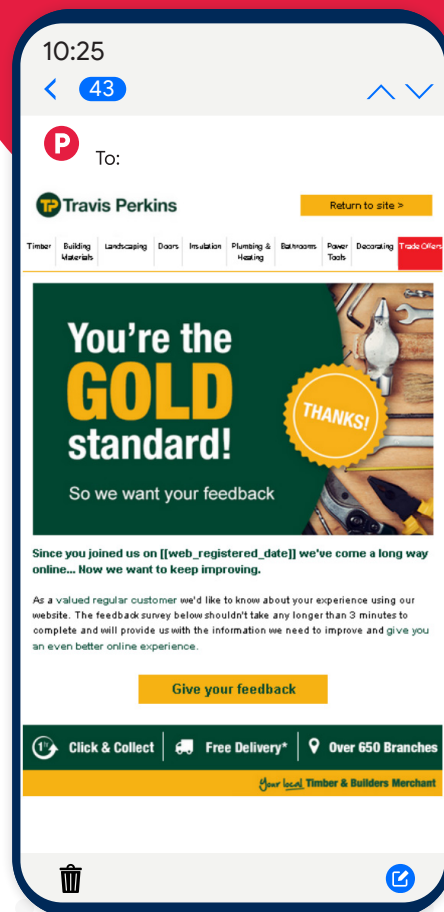
At RedEye, we have been working on implementing Predictive Models on the Travis Perkins database for over a year now. Together with RedEye, Travis Perkins have progressed from trying to understand what marketing messages will work best to drive customers to become VIPs, to automatically targeting predictive segments with their latest products and offers.

Improve your customer lifetime value

Increasing the proportion of VIPs in the Travis Perkins database is just one element of increasing customer lifetime value – and it is clearly an effective method at that! By increasing VIPs over the last eight months, the overall value of the Travis Perkins database has grown by over 86%, with those customers identified as likely VIPs seeing an increase in lifetime value of 198%.

By identifying those customers likely to become a VIP and marketing specifically to them, Travis Perkins saw those customers increase their average spend by £194 per customer. VIPs are the most valuable customer group you have.

What would it mean to you to increase this group by 65%?



34%

INCREASE IN CUSTOMER LIFETIME VALUE



RedEye

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

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