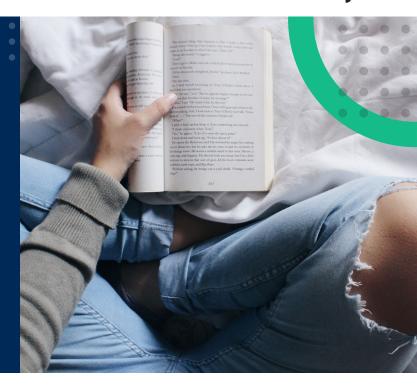# Case Study

Multi-purchase: increase your customers second purchase potential by 131%

Overview

87% increase in second purchases, month on month

131% increase in second purchases (when comparing the high propensity segment with the control cell)

The Problem Faced

For retailers everywhere, a database full of one-off purchasers means a lack of loyal customers and a lack of profit. A challenge so many organisations face is achieving that second purchase, which often is the true tipping point for retailers. But what if you could predict which single buyers were most likely to convert, and speak to them differently from customers who need that extra nudge? Or indeed which customers were most likely to become a loyal customer? What if you could use this information to tailor your marketing to encourage longevity from these customers? If you have a specialist offering this can be even more challenging, especially if your product lends itself to gift buying.

World of Books, a seller of quality second-hand books, wanted to find out whether customers who have only bought from them once, were likely to re-purchase.

RedEye's Predictive Modeller, part of their Marketing Automation solution, Contour, allows brands to delve into their database further than ever before. It can predict the likelihood of your customers making a second purchase and becoming a valuable loyal customer. With this type of analytics in a marketer's arsenal, communications can be based on informed decisions.

The Predictive Model

RedEye implemented their Multi-Purchase Predictive Model to the World of Books contactable database of one-time purchasers. The model uses a wealth of transactional, behavioural and multi-channel engagement data to predict the likelihood that certain customers will make a second purchase with the brand, splitting the data by zero, low and high propensity to purchase again.

To assess the effectiveness of the model to predict second purchase conversion, each of these segments were split 50/50, with half receiving World of Books' regular emails, while the other half received a tailored on-going lifecycle campaign. The tailored campaign included content and messaging purposely created to inspire a second purchase, with content aimed at encouraging browsing and incentives.

The Results Achieved

Equipped with this new information about their single purchase customers, World of Books saw an impressive increase in second purchases. When looking at the high propensity segment, that received the dedicated campaign, World of Books saw an 87% increase in second purchases, month on month. What's more, when comparing this high propensity segment with the control cell, World of Books saw a 131% increase in second purchases.

Essentially, the addition of a new deeper level of analytics about the World of Books single purchase customers meant that they could implement a far more personalised and effective campaign to the right customers. The use of the model meant that World of Books was able to convert more customers into multi purchasers, making these customers far more profitable for the business.

87%
increase in
second purchases
month on month

8%
of the average
customer base are
made up of
multi-purchasers,
but generate
40% of value

> " A loyal customer is worth exponentially more than the value of their first purchase. A second purchase goes a long way in establishing a long-term customer relationship. Predictive Modeller allows the marketer to quickly identify who these loyal customers are likely to be.
>
> The uplift over the low and control segments in the test has shown that the model not only picks up the high likelihood segment effectively, but also accurately identifies those who are unlikely to take their relationship further. "
>
> **Vasudha Khandeparkar
> - RedEye Head of Insight**

RedEye

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

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