

INDUSTRY
Automotive

SOLUTION
Consulting

PRODUCTS
Customer Intelligence Analytics

CLIENT STORY

Life Cycle Marketing Drives Sales:

Automobile Marketing with No Blind Spots

Cash-back incentives are a standard mechanism employed by the auto industry to drive short-term sales. Although it's a standard industry practice, our client – a large automotive manufacturer – realized that these incentives aren't necessarily the best way to build long-term client relationships. Oftentimes, there are different, more effective ways to engage customers into the future.

Our client needed a way to gain greater insight into the buying habits and life cycle of their customer base. The immediate opportunity was to take a more targeted and tailored approach in order to retain more customers. Our role was to help the client migrate away from product-focused marketing, and move towards an approach that centered on the individual needs and preferences of the buyer.

The client had a vast amount of customer data, and needed a creative way to turn it into knowledge and actionable insights. Our solution included three major components: (1) Customer Life Cycle, which identifies the customer's stage within a vehicle purchase cycle to determine the customer's buying potential (2) Segmentation, which categorizes customers based on many factors, and differentiates by profit-driving behaviors and (3) Offer Optimization, an engine that's powered by statistical models to find the "best" offer to extend to a customer based on business goals and assorted client-supplied constraints. This engine also helps make sales forecasting and goal-setting more accurate.

This analytically driven solution has been successfully used by our client in marketing campaigns for several years. The marketing teams appreciate the practicality of a data-driven approach to the creation of incentives, and the executives prize the excellent forecasting ability they now possess. Confidence is higher that programs will deliver expected results, and campaigns using this solution generally experience a 10 – 60 percent lift in sales over control groups.

The automobile manufacturer has a better way to sell - a clearer view into the lives of its customers, an informed way to prioritize customers with the greatest potential, and a smarter way to disseminate offers and incentives.

RESULTS

Client can create offers **tailored** to individual buyers

10% – 60% lift to sales programs

Predictive modeling allows campaigns to be **optimized** before launch