



REACH ANALYTICS



SERVICES CASE STUDY

Reach Analytics Improves The
Direct Mail Response Rate By
50% for a Leading Membership
Services Company

APRIL 2013

A leading membership services company works with Reach Analytics to replace a poorly-performing client model. **Net result: An overall 50% lift in response rate.**

Client Challenges

As a marketing department for one of the nation's largest member organizations it is essential to identify and target only the customers with a need for a specific product. With many products and a large, national customer base it is necessary to segment every campaign to limit prospect fatigue and reduce costs. A poorly segmented campaign can result in missing thousands of sales and millions in revenue.

Pre-Existing Client Practices

Reach Analytics was called in to improve segmentation and increase the direct mail response rate. Up to that point the client had used an in-house scoring model to identify targets from a list of over twenty-five million prospects. Their model was fueled by internal customer data and a national database that provides demographic clusters that group people into pre-defined categories.

Success

Using QeS, Reach Analytics quickly determined that the cluster variable used in the client's model was not the defining factor for driving customer response. In fact, 30% of the variables used in the client's model had no impact at all on the outcome. Reach also discovered that a significant number of the variables used in the client's model were missing and negatively impacted the scoring results.

Reach Analytics initially built a new model to estimate the response rate. Within the analysis of the initial model, we identified five sub-segments that when analyzed alone provided a significant improvement over the client's current results. Reach Analytics ultimately built four new models—and identified one segment

Results

- ^ A 50% lift in response rate
- ^ Discovered that 30% of the client's variables used had no impact on outcome

that was so strong, it didn't need a model. Implementation of the Reach Analytics multi-segmentation and model scoring solution proved to be quite effective. Removing the pre-determined clusters and replacing the poorly-performing client model with QeSSM-modeled segments resulted in an overall 50% lift in response rate.

About Reach Analytics

For three decades, Reach Analytics has been providing industry-leading predictive analytics solutions to Fortune 500 clients. Over thousands of projects, our QeSSM predictive engine combined with our deep domain expertise in Insurance, Financial Services, Retail and E-Commerce, Health Care and Services have led to exceptional outcomes for our clients. Our senior team members have held a variety of industry leadership positions in the Direct Marketing Association, among others, and are widely considered to be among the top direct marketing and predictive analytics practitioners in the world. To find out more about how Reach Analytics can assist your organization, please contact us at info@reachanalytics.com.