



Xtelligence CI Case Study

OVERVIEW

- A Major national retailer planned to upgrade their marketing strategy and tactics using newer, more sophisticated internet technologies.
 - The Retailer evaluated a customer insight service built by PredictiveIT Inc. in Scottsdale, based on innovative selling strategies.
 - Xtelligence helps the company's executive's track marketing effectiveness in real time, significantly improves customer retention, and creates a one on one dialogue with millions of customers.
 - With over six years of use, Xtelligence has proven to be an extremely efficient and cost-effective tool.
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RETURN ON INVESTMENT

- Initially began with 40,000 customers, grew to 5 Million customers
 - Customer Satisfaction increased from 67 to 98%
 - Customer Retention (repeat business) increased from 58 to 88%
 - Loyal customer list grew from thousands to many millions.
 - Not only maintained, but increased market share and profitability
 - The Xtelligence system has opened a significant new ROI capability: creating and executing campaigns to micro segments of the customer base. The company gets instant feedback on which messages are working, and which are not. Through the Xtelligence campaign monitor the company can then adjust the message that goes out to the larger customer/prospect base.
 - The company now has a competitive advantage by being able to quickly identify segments of their customer base and reach out to them in the way and with the frequency the customer requests.
 - Management can do analysis to help establish sales objectives by product, geographic segment, demographic or psychographic profile, and measure the effectiveness of promotions.
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COMPANY BACKGROUND

This Major retailer is one of the largest domestic automotive products outlets in the United States. Annual net sales are in the billions. They stock and sell a portfolio of all the major domestic and imported automotive products. Sales are channeled through approximately 700 wholly-owned service outlets.

SITUATION

This Major retailer had developed an online presence. They were trying to understand how they could capture the thinking of their customers who want to go online, buy parts and then go in and have the parts installed somewhere. This represented a shift in business culture from bricks to clicks. However, they were looking for a way to effectively speak directly to the customer, and let the customers speak directly to them.

This retailer previously marketed through traditional channels: television, radio, and print media. Through Xtelligence, PredictiveIT advocates maximizing profits by analyzing current and historical sales patterns and adhering to a careful system of communications with the customer/prospect.

SOLUTION

PredictiveIT Technologies began by understanding the strategic goals of the retailer:

- 1) Improving customer loyalty,
- 2) Creating a genuine dialogue with customers and prospects
- 3) Taking advantage of low cost methods for increasing sales and profitability

PredictiveIT pointed out that in order to maintain their corporate culture that focused on the customer, the retailer would need to gather customer insight that would allow them to micro-segment customers and then develop direct and personal conversations with each customer at the customers choosing.

The Xtelligence system provides daily information on customers, campaigns, and products. It tells how much business each customer is doing, and how much business each one historically. One special feature of the system is a Non-Buy report-which customers are not buying products they used to buy, and when was the last time they did buy them. Listings on this report serves as red flags signaling the need for communications tailored to meet their needs. Another feature is an objective-setting module in which a sales objective set for a particular campaign, brand, or customer segment can be tracked for performance over a specified time period.

The Xtelligence system gives this Retailer access to valuable sales information and trends that have not been available before. They can also gain valuable insight from customer feedback. For example, the system will alert the company to the existence of a negative customer survey. The company can directly talk to the customer, and in the background adjust deficiencies that may be the root cause of the negative comments. This capability wasn't envisioned when the system was designed, but it has been a major success factor.

In real time, the company can evaluate promotions, comparing sales over the promotion period vs. another period to determine whether the promotion should be repeated, revised, or abandoned for one more profitable.

The Company executives and line sales and service staff report that the Xtelligence system is very easy to use. The reports are clear and understandable..

CUSTOMER COMMENTS

"[Xtelligence] has changed our corporate culture. "

—Bryan L., Ecommerce Director