

Solutions to Help Growing Companies Improve Direct Marketing Performance

The GiftsForYouNow.com Case Study

How Acxiom used customer profiling analysis to help an online and catalog merchant increase its sales and save marketing dollars.

InfoBase List Express



The Company

Founded in 1999, GiftsForYouNow.com sells personalized gifts such as sweatshirts and t-shirts to retail and wholesale customers nationwide. The company started by marketing and selling its products through catalogs. But thanks to the Internet, the retail side of the business has exploded.

Chuck Albanese, General Manager of GiftsForYouNow.com, has big plans for the fast-growing company. "We've been growing by more than 50 percent a year for the past four or five years, and we intend to continue that by adding new customers," he says.

In fact during its peak season in the fall, GiftsForYouNow.com increases its staff ten-fold just to cope with the volume, and that is part of the challenge.

The Challenge

A key challenge for the company lies in generating sales and acquiring new customers during off-peak periods. In the past, it successfully marketed more aggressively to the existing customer base. But to grow the business, GiftsForYouNow.com had to go one step further to find out exactly what customers want and how to satisfy their needs year-round. In addition, it had to optimize the marketing budget, which traditionally was divided equally between space advertising and direct mail.

GiftsForYouNow.com's objectives

GiftsForYouNow.com wanted to improve strategic planning and increase the effectiveness of its tactical marketing campaigns by:

- Making list selections that are more likely to achieve results
- Targeting existing and potential customers with carefully designed direct mailings

The Solution

Acxiom Recommends

Based on GiftsForYouNow.com's objectives, Acxiom recommended that the Acxiom Personix Portrait would be the ideal way to provide more insight into the customer base.

GiftsForYouNow.com did not have a firm handle on its best prospects even though it had them segmented by Internet vs. non-Internet clients. The company could save valuable time and money when expanding its offerings nationwide by doing this profiling first. It would enable the company to look at the profile of its catalog buyers separate from its Internet buyers and make more effective media selections that could carry it through off-peak seasons.

To this end, Acxiom created a Personix Portrait report for the customers being analyzed. The report shows the Personix distributions of the specific population and a base reference population to develop a comparison. In addition, the Portrait report provides details of which Personix clusters are more likely and less likely to contain households similar to the base reference population.

The Personix Portrait Report was a perfect fit because it would enable GiftsForYouNow.com's customers to be "dropped" into Acxiom's 70 Personix clusters, which specifically identify consumer buying habits and life stages. A category called Platinum Oldies, for instance, comprises married or single people without children who are more than 66 years of age. They own their home and live in the city or suburbs. They are in the upper-middle income bracket and have a net worth of \$500,000-\$1 million.

Execution Strategy

The top 20 clusters are identified using an index. An index score of greater than 100 represents the most suitable prospects or “responders” to a direct mail/telemarketing campaign, whereas an index score of less than 100 would be the least ideal prospects.

The project had three components: the Personix Portrait Report, the Data Profile Analysis (DPA) Report and a Preferred Demographic Append.

To produce the Personix Portrait Report, GiftsForYouNow.com sent its files containing its Internet vs. non-Internet customers to Acxiom, who compared GiftsForYouNow.com’s customer data with the U.S. population and generated a list of top 20 clusters that are the best prospects for the company.

The DPA Model Report provided a comprehensive profile of customers using Acxiom’s InfoBase data. Essentially, it applied predictive modeling to confirm the clusters identified in the Personix Portrait Report are indeed the best prospects for GiftsForYouNow.com. The modeling combined with a targeting strategy will help GiftsForYouNow.com make the right offer, to the right person, at the right time and through the right channel.

Final Count

Acxiom’s direct marketing expertise combined with its leading consumer data and selectivity provided GiftsForYouNow.com with results that only Acxiom can provide. The next step for GiftsForYouNow.com is to maximize the results with a Preferred Demographic Append Report. This will enable the company to enhance the Personix Portrait and DPA Model Reports by adding even more granular demographic elements to each customer record on file, and fine-tune the direct mail campaign even further.

The Results

Results exceed objectives

Acxiom’s research was enlightening. Armed with solid data, GiftsForYouNow.com is in a good position to plan its fall direct mail campaign, which is so critical to the company’s full-year results. It also can adjust its marketing spend based on this information.

Chuck Albanese is confident there will be a big improvement in results based on the success already achieved in the newspaper and magazine advertising initiatives. For instance, most of the customers of GiftsForYouNow.com are female and over 55 years of age. Sweepstakes, soap operas and quilting are particular areas of interest for them. Armed with information from Acxiom, GiftsForYouNow.com now understands which publications lead to better results, and can make better media choices as a result.

The geographic information obtained through the report was particularly useful in helping GiftsForYouNow.com interpret the impact of advertising. As Albanese explains, an advertisement running in a newspaper in a particular state may not appear to be getting a good response. But an analysis of the response rate with respect to the number of copies of the advertisement distributed may indicate a much stronger performance in that region. The company discovered, for example, it should advertise 10 times as much in South Dakota. “We’ve seen responses in areas we haven’t been able to go after before,” says Albanese.

Before doing the upcoming fall mail campaign, GiftsForYouNow.com plans to run head-to-head testing for particular segments and geographies in order to refine its control advertising. It might run 10 million of one advertisement, and 10 million of another in the same geography to determine which performs better.

"Without the information Acxiom provided, we wouldn't be able to make as good decisions about our upcoming fall direct mail and advertising campaigns. It's been tremendous," says Albanese. "We're looking forward to leveraging Acxiom's market analysis and modeling in our list buying activities. This information will help us grow as a direct marketer by purchasing only the lists that match the demographics of our customer base."

The Acxiom Team Makes the Difference

At Acxiom, we strive to work together in a coordinated effort and our common cause is your success. It's really that simple.

Our team specialists work closely with you to help support your marketing efforts. We respond to every one of your questions, concerns and needs quickly and efficiently.

Our knowledge of the direct marketing industry is unparalleled and we take great pride in the work we do for you every single day.

You're busy enough as it is doing your job. Rely on us to do our job, and together we will do great things.

Call us for a free consultation 800-732-9250

8:00–6:00 ET Monday through Friday.

Email us any time with your questions:

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Acxiom is a leader in marketing information and data solutions. We help companies grow their business and create enduring customer relationships.

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