

# Marketing Analytics Key To Growth During Economic Slowdown

Submitted by: The Sage Partnership

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Marketing analytics can help companies thrive and grow in the face of an economic slowdown. That was the clear message from a two-day international user conference staged by data mining vendor KXEN, sponsored by Teradata, Neolane and Kognitio and attended by more than 100 delegates from banks, insurers, utilities, telcos and other firms.

Citing results that included a 250% improvement in profits, an almost \$1M saving in just three months, a 108% increase in ROI and an 80% boost in regular customers, users of KXEN's software underscored the role of analytics in remaining competitive against a background of economic uncertainty.

Analytics consultant Dr. Stuart Clarke told the conference how KXEN-enabled incremental modelling had enabled a US retailer to increase targeting accuracy, response rates and profitability across 200 direct mail campaigns. "In this case the retailer not only achieved an 80% reduction in modelling and deployment time, the company also saw a 150% increase in overall response rate and a 250% improvement in campaign profitability."

From the French home improvement and construction products supplier La Boite à Outils, IT director Frédéric Dufau-Joel spoke of using KXEN to identify the best customers, how and when to contact them, and what product lines to have on the shelves in each store. "The results suggest that reducing the number of stocked items from 20,000 to just 5,000 - together with making the right customer recommendations - could bring about as much as a four-fold increase in sales," he said.

Turning to the banking industry the conference then heard from Neil Pollitt, customer insight manager at the UK's Co-operative Financial Services. He explained how KXEN's software had reduced costs while increasing responses and return on investment during a Visa cheque campaign. "We saved £200,000 in mailing costs while achieving a near doubling in the response rate, and our return on investment increased by 108%.

"If we weren't using KXEN some of the things we're doing now would take the team three or four times longer, and cost a lot more. It's certainly repaid the investment very very quickly and it just continues to demonstrate good value."

Delegates also heard how KXEN analytics can benefit arts organisations. From the Royal Shakespeare Company head of market planning Mary Butlin explained how KXEN's software was being used to segment audiences and to inform artistic planning.

Reporting increases of 61% in Stratford-upon-Avon ticket buyers, 80% in regular attendees, 40% in full memberships and 67% in Shakespeare's Circle donation scheme income she went on to say of KXEN's software: "It has changed the way the RSC works and our audiences are benefitting as a result. By letting us see the broader picture of audience behaviours we can be much more led by insight from the database, something which was so difficult before."

It was then the turn of leading UK electricity and gas company E.ON which is trialling a new approach to

optimised marketing which is largely driven by models built by KXEN's software. E.ON Head of CRM Mark Perrett suggested that in theory, uplifts of around 30% on current performance were achievable.

"We're currently trialling an approach to marketing optimisation which relies on an increasingly large number of models generated by KXEN. Desktop analysis suggests that uplifts of 30% are achievable and with our trial we're obviously looking to validate these uplifts. This gives us a fantastic opportunity to deploy all of our models simultaneously and truly identify the best offer for each individual customer which is consonant with our marketing strategies."

In conclusion KXEN founder and CEO Roger Haddad said the prevailing economic climate was challenging the way companies think about their customers and their markets, and the most responsive organisations would be best placed to remain successful.

"Now more than ever people are chasing the best deals and the companies that can respond the fastest will be the winners. Equally costs are rising and even those outsourcing their analytics are finding budgets straining. Organisations with analytics that can deliver good results quickly are the ones best equipped to weather the coming financial storm."

#### About KXEN

KXEN, the Data Mining Automation Company™, delivers next-generation customer lifecycle analytics to enterprises that depend on analytics as a competitive advantage. KXEN's Data Mining Automation Solution drives significant improvements in customer acquisition, retention, cross-sell and risk applications. Its solution integrates predictive analytics into strategic business processes, allowing customers to drive greater value into their business. Founded in 1998, KXEN has corporate offices in San Francisco, California and Paris, France, with Fortune 1000 customers around the world. For more information please visit [www.kxen.com](http://www.kxen.com)

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