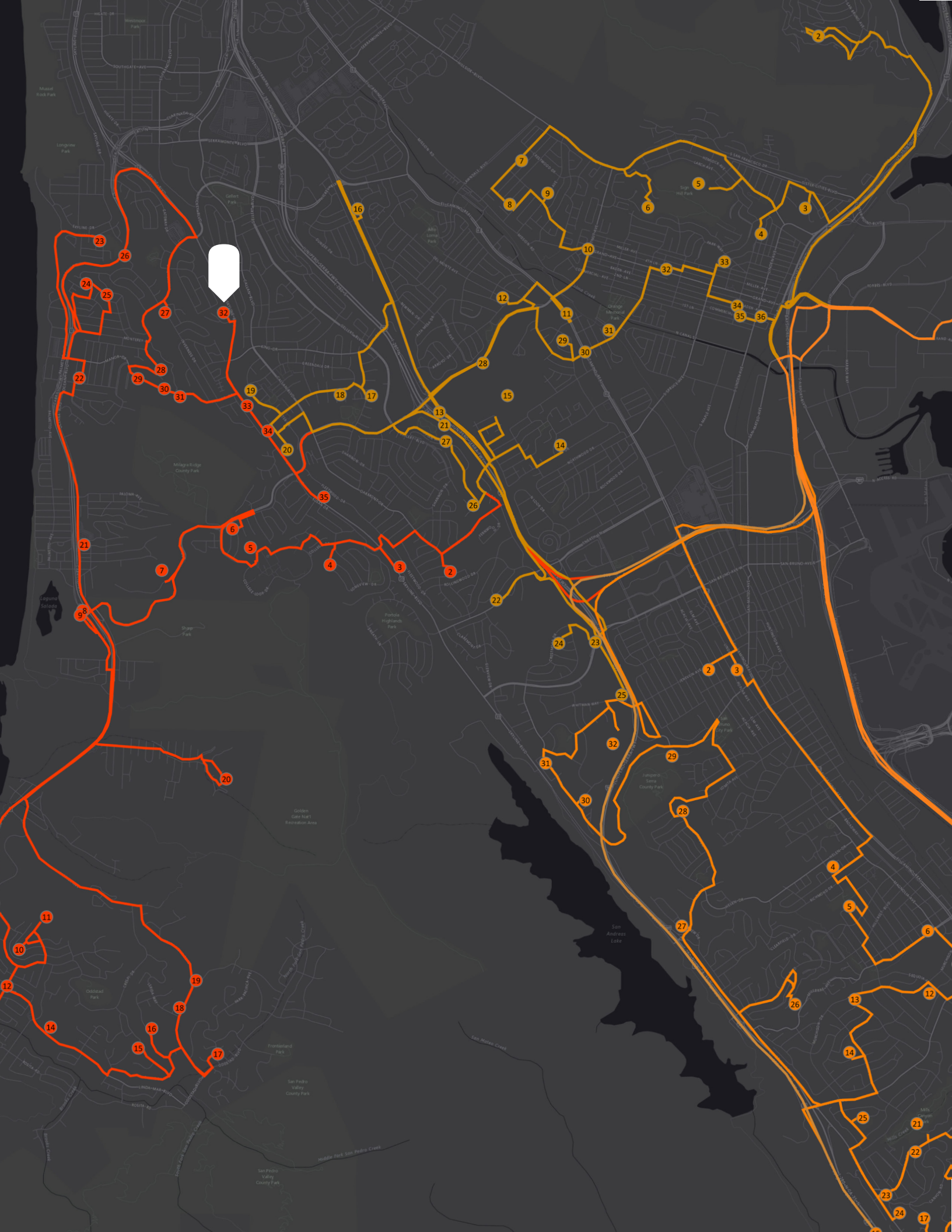




LEVERAGING TAPESTRY™
and LOCATION INTELLIGENCE



You cannot have
true location intelligence
without LOCATION.

The marketing team of a national store was looking to find ways to increase brand engagement and profit revenue while increasing its overall return on investment (ROI).

To achieve their goals, the team decided to leverage Esri's platform to better understand their current first-party data and enrich it with a wide variety of third-party data.





8C LifeMode Group: Middle Ground
Bright Young Professionals

- Own retirement savings and student loans.
- Own newer computers (desktop, laptop, or both), iPods, and 2+ TVs.
- Go online and use mobile devices for banking, access YouTube or Facebook, visit blogs, download movies, and play games.
- Use cell phones to text, redeem mobile coupons, listen to music, and check for news and financial information.
- Find leisure going to bars/clubs, attending concerts, going to the beach, and renting DVDs from Redbox or Netflix.
- Enjoy a variety of sports, including backpacking, rock climbing, football, Pilates, running, and yoga.
- Eat out often at fast-food and family restaurants.

9B LifeMode Group: Senior Styles
Golden Years

- Avid readers, they regularly read daily newspapers, particularly the Sunday edition.
- They subscribe to cable TV; news and sports programs are popular as well as on-demand movies.
- They use professional services to maintain their homes inside and out and minimize their chores.
- Leisure time is spent on sports such as tennis, golf, boating, and fishing or simple exercise like walking.
- Good health is a priority; they believe in healthy eating, coupled with vitamins and dietary supplements.
- Active social lives include travel, especially abroad, plus going to concerts and museums.
- Residents maintain actively managed financial portfolios that include a range of instruments such as IRAs, common stocks, and certificates of deposit (more than six months).

2A LifeMode Group: Upscale Avenues
Urban Chic

- Shop at Trader Joe's, Costco, or Whole Foods.
- Eat organic foods, drink imported wine, and truly appreciate a good cup of coffee.
- Travel extensively (domestically and internationally).
- Prefer to drive luxury imports and shop at upscale establishments.
- Embrace city life by visiting museums, art galleries, and movie theaters for a night out.
- Avid book readers of both digital and audio formats.
- Financially shrewd residents that maintain a healthy portfolio of stocks, bonds, and real estate.
- In their downtime, enjoy activities such as skiing, yoga, hiking, and tennis.

3A LifeMode Group: Uptown Individuals
Laptops and Lattes

- Support environmental groups, recycle faithfully, and contribute to arts/cultural organizations.
- Invest in mutual funds (bonds) and maintain retirement savings plans.
- Use their laptops, iPads, and mobile phones extensively to stay connected.
- Spend money on nice clothes, dining out, travel, treatments at day spas, and lattes at Starbucks.
- Physical fitness a priority, exercising at a club or other facility on a regular basis.
- Participate in leisure activities including painting, reading, iPad, movies from Netflix, hiking, backpacking, kayaking, going to bars/clubs, the beach, movies, art galleries, museums, theater, opera, and rock, reggae, blues, folk, and alt concerts.

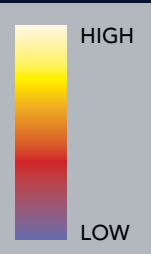
By combining first-party data with other third-party data sources, including Tapestry™—a proprietary database of consumer habits and psychographics—the marketing team was able to get a 360-degree view of the customers in their customer relationship management (CRM) system.

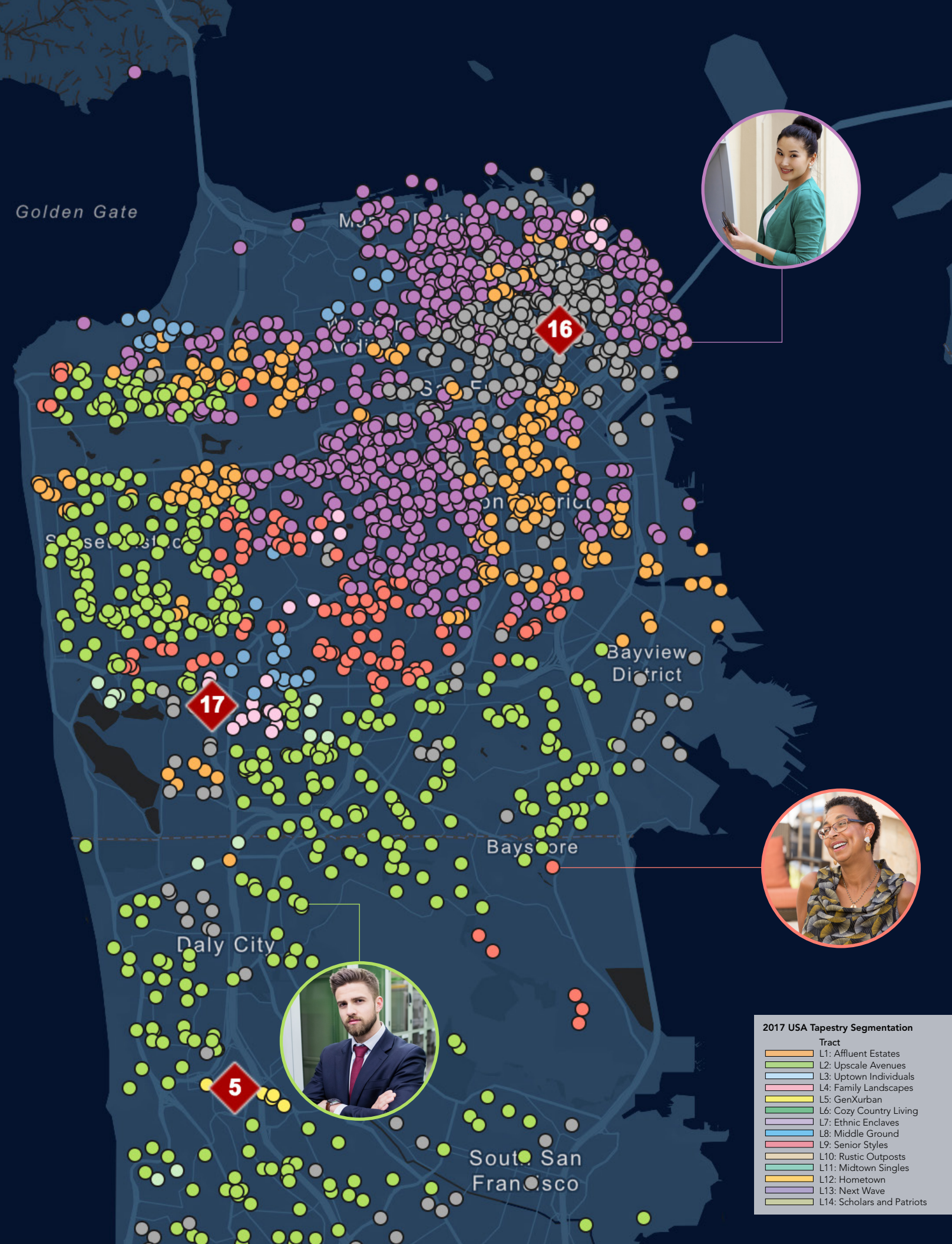
By better understanding their customers and how their consumers interacted with prior campaigns, the marketing team was able to identify key areas to increase their marketing ROI and revenue stream.

The team decided to focus on a few select target markets to identify possible variables to test.

Due to its diverse market and the high consumer point spend rate, the San Francisco Bay Area stores were chosen as the test market.

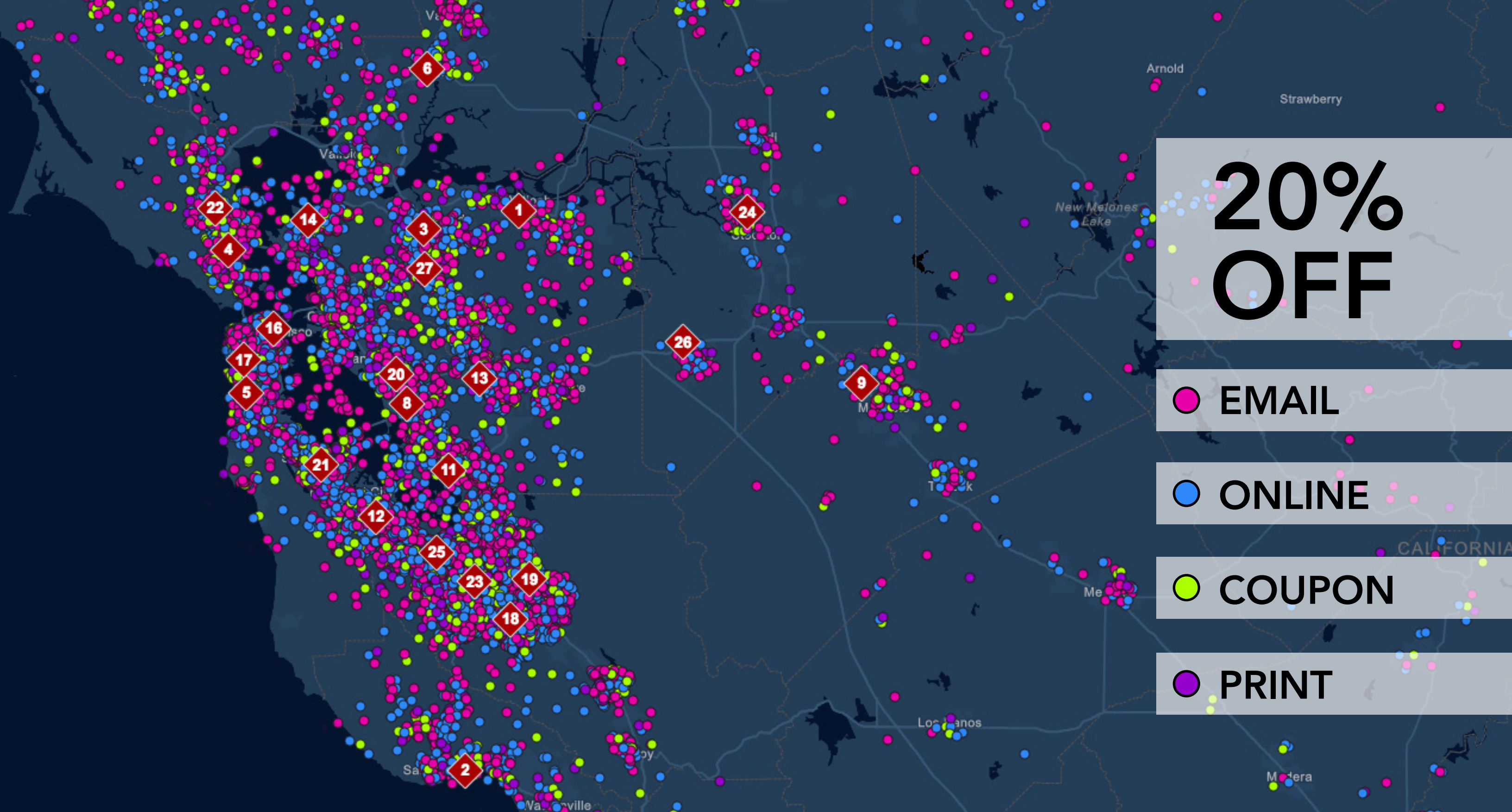






As a next step in analyzing their current customer base, the marketing team then mapped individual customers in their CRM with their corresponding Tapestry profile.

By layering Esri's Tapestry data with their CRM, the marketing team was able to view their consumers through the lens of marketing personas based on a variety of data points, including psychographics, to understand why each channel in each location of the campaign was more or less effective among each segment in their CRM.

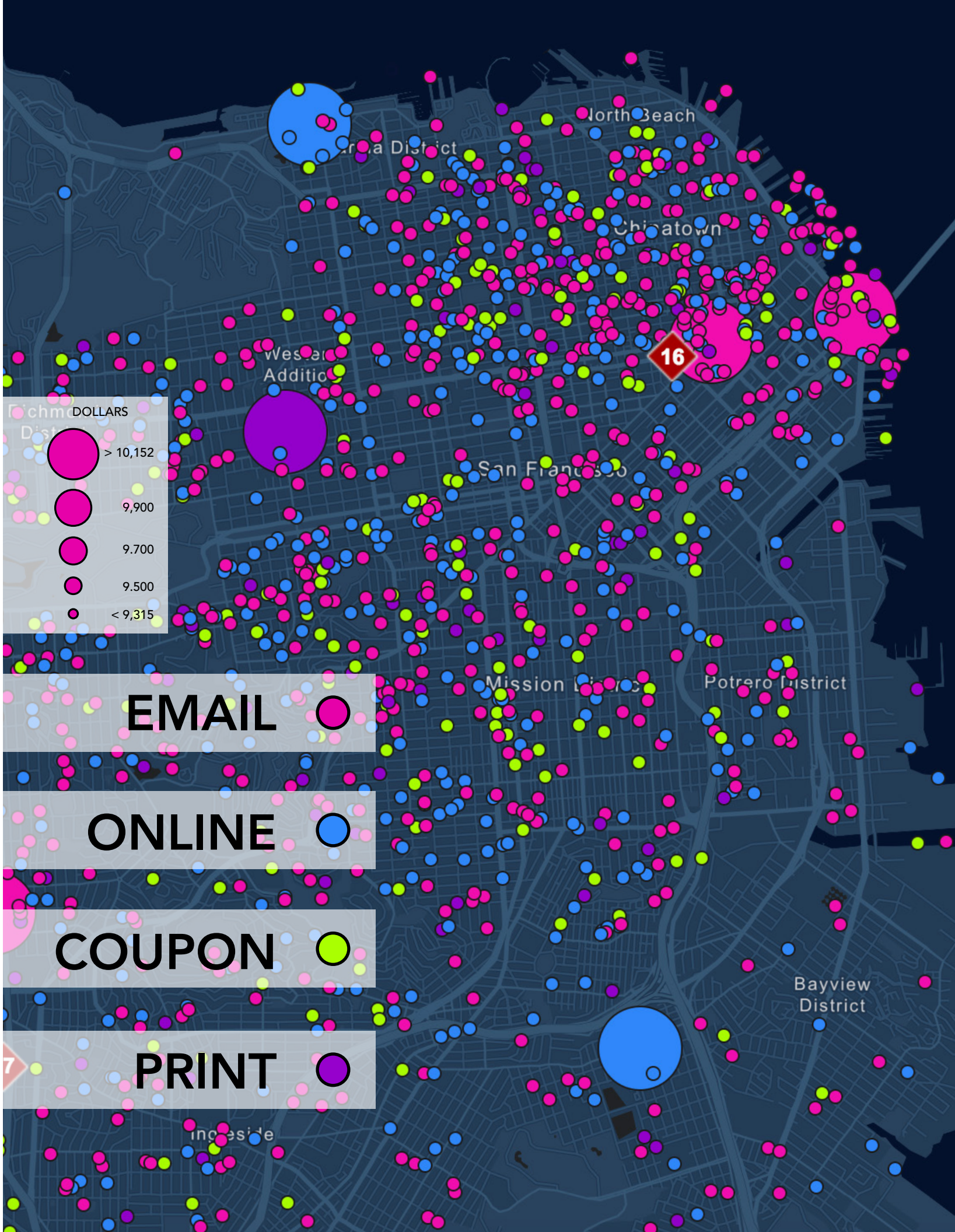


The marketing team then mapped their most recent marketing campaign. In the previous month, the team had utilized four channels to send out an offer for 20 percent off a purchase: email, online, a coupon that was distributed at a point of sale (POS), and a print advertisement flyer. By mapping what marketing channel the

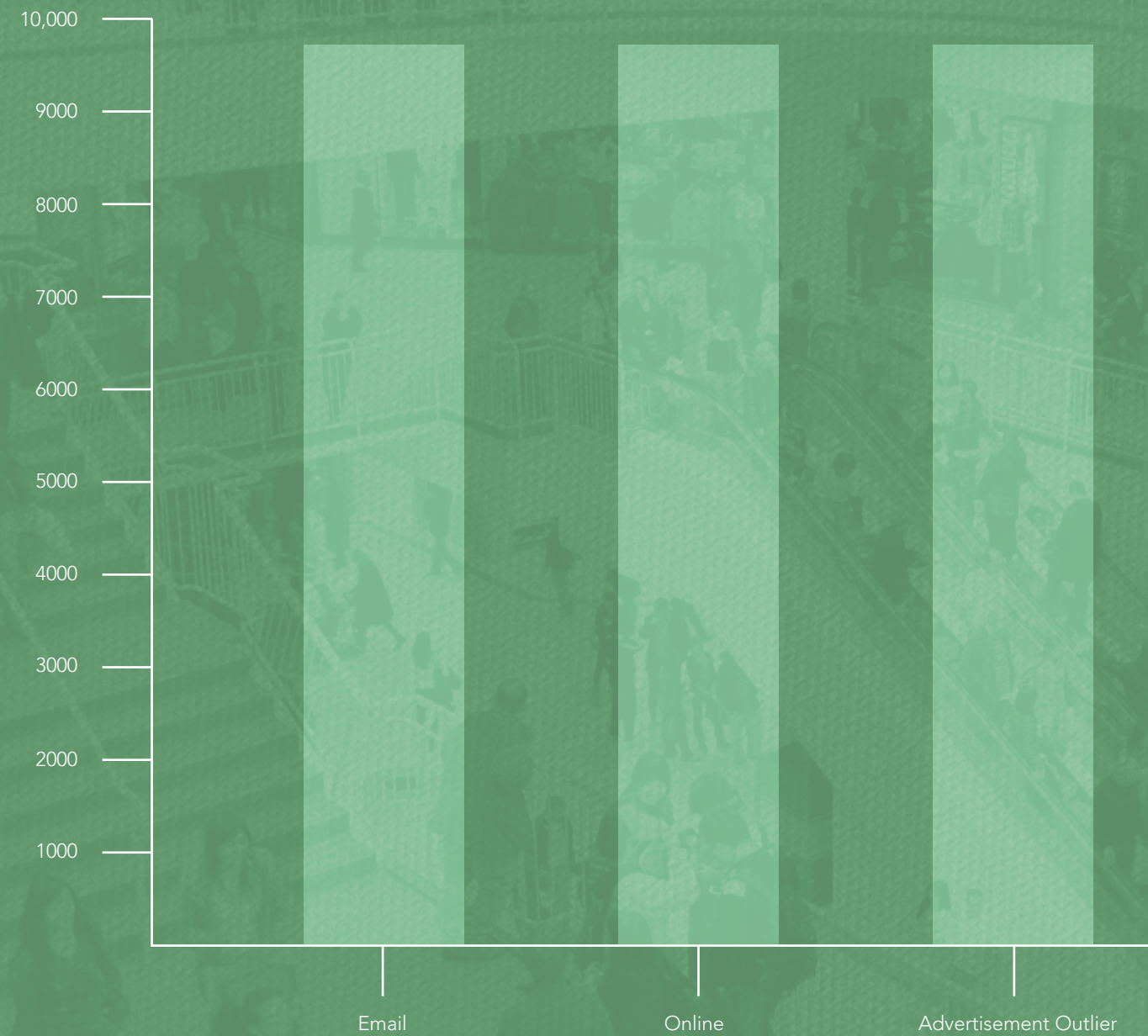
customer claimed an offer from by location, the marketing team was able to better analyze the results of their campaign. The team looked to determine which of the four channels tested were more likely to prompt consumers to claim an offer, as well as which channel solicited a higher ROI in dollars spent per customer.

To better visualize all the variables of the ROI, each circle represents an individual consumer in the CRM, the color of the circle represents which channel the consumer responded to, and the size of the circle represents the amount of profit solicited from each transaction.

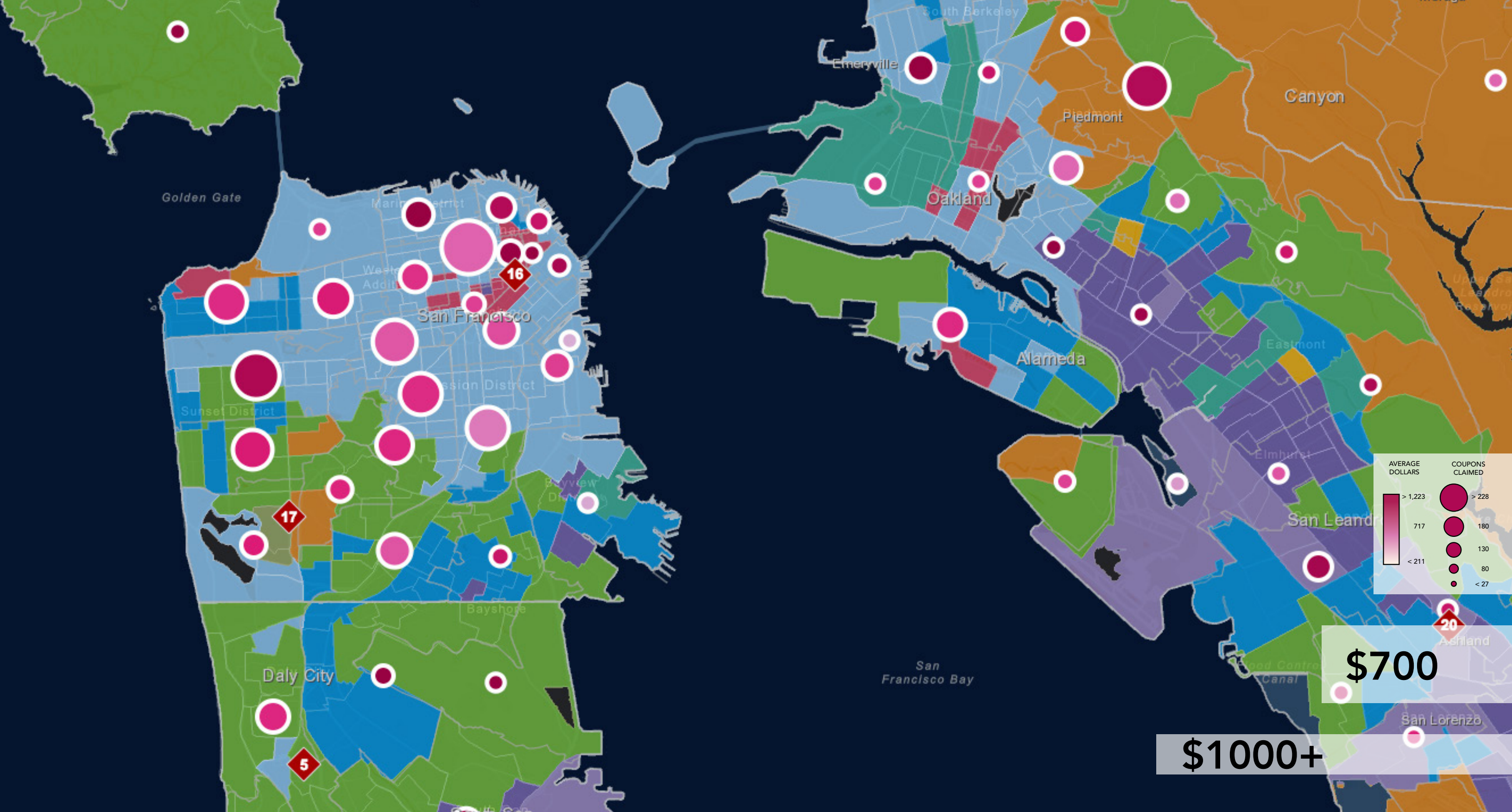
In this close-up of downtown San Francisco, the marketing team was able to see that, based on offers claimed in this specific location, the most effective campaign channel was email, followed by online offers. Offers received in a prior shopping trip at the POS and from the print flyer were not as effective in this area.



Campaign Indicators



A look at one of the key performance indicators (KPI) of the dollars spent by the consumer per offer claimed showed email- and online-solicited dollar spending above \$9,900. An outlier in this area was a response to a print advertisement that also generated over \$9,900.



By looking more closely at consumers who responded to the offer in the print advertisement, the marketing team determined that a majority of the dollars spent per print offer claimed was under \$700. Only a small segment of the CRM that responded to the print offer spent over \$1,000.

To better understand the marketing personas of the consumers that still prefer to respond to print channels but are also more likely to spend more money and increase the ROI of print advertisement, the team looked at the Tapestry profiles to understand why this channel was effective among this segment of the CRM.

Examining their map, the marketing team was able to see that the dominant Tapestry groups among the consumers that spent the most when responding to a print offer were the Senior Styles and Upscale Avenues. Both Tapestry segments are older, affluent, married couples who like to shop at stores like Nordstrom, Marshalls, DSW, or other retailers that sell quality products at a bargain price.

The marketing team also learned from the Tapestry profiles that these two segments prefer print to digital, so it is not surprising that these segments contributed to the outliers of high dollar spending by print offers claimed in the previous marketing campaign.

9 LifeMode Group: Senior Styles



MARKET PROFILE

- Senior lifestyles that reveal the effects of saving for retirement
- Households commonly of married empty nesters or singles living alone; in single-family homes (including seasonal getaways), retirement communities, or high-rise apartments
- More affluent seniors who travel and relocate to warmer climates; less affluent, settled seniors still working toward retirement
- Cell phones popular, as well as landlines
- Prefer print to digital media; avid readers of newspapers to stay current
- Subscribe to cable television to watch channels like Fox News, CNN, and The Weather Channel
- Prefer vitamins to increase their “mileage” and maintain a regular exercise regimen

2 LifeMode Group: Upscale Avenues



MARKET PROFILE

- Prosperous married couples living in older suburban enclaves
- Ambitious and hardworking
- Homeowners (70%) who prefer denser, more urban settings with older homes and a large share of townhomes
- A more diverse population, primarily married couples, many with older children
- Financially responsible but still indulge in casino gambling and buying lottery tickets
- Serious shoppers, from Nordstrom to Marshalls or DSW, that appreciate quality and bargains
- Active in fitness pursuits like bicycling, jogging, and aerobics
- Top market for premium movie channels like HBO and Starz

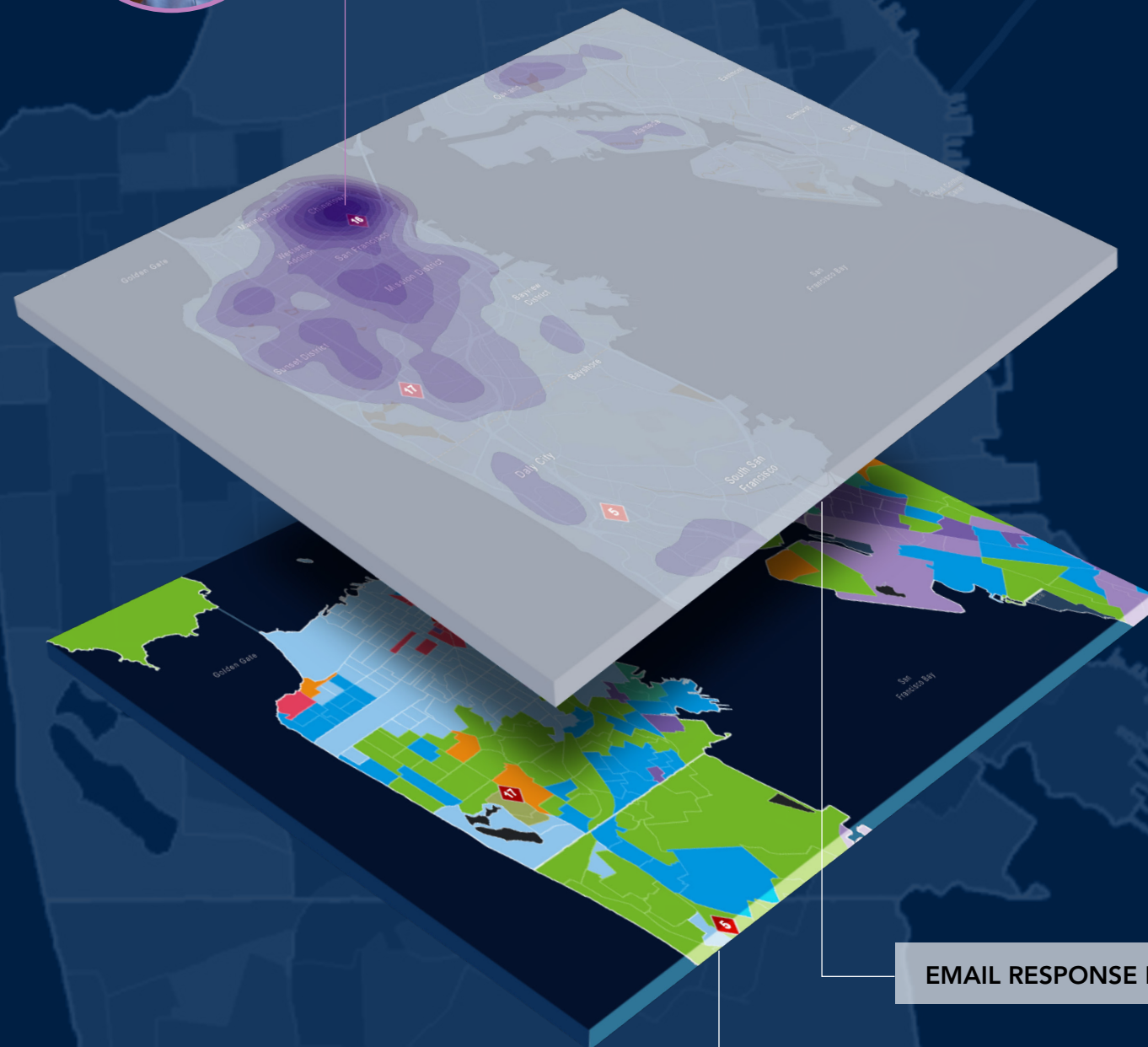
When looking at the dominant Tapestry marketing personas in the market area, the marketing team also discovered that a majority of consumers were considered Uptown Individuals who are quick to respond to digital advertising, early adapters to technology, and accustomed to brands engaging with them throughout their digital experience. They use their laptops, iPads, and mobile phones extensively to stay connected.

3 LifeMode Group: Uptown Individuals



MARKET PROFILE

- Young, successful singles in the city
- Intelligent (best-educated market), hardworking (highest rate of labor force participation), and averse to traditional commitments of marriage and home ownership
- Urban denizens; partial to city life, high-rise apartments, and uptown neighborhoods
- Prefer debit cards to credit cards; paying down student loans
- Go green and are generous to environmental, cultural, and political organizations
- Internet dependent, from social connections to shopping for groceries (although partial to visiting showrooms)
- Adventurous and open to new experiences and places



EMAIL RESPONSE DENSITY

TAPESTRY SEGMENTATION

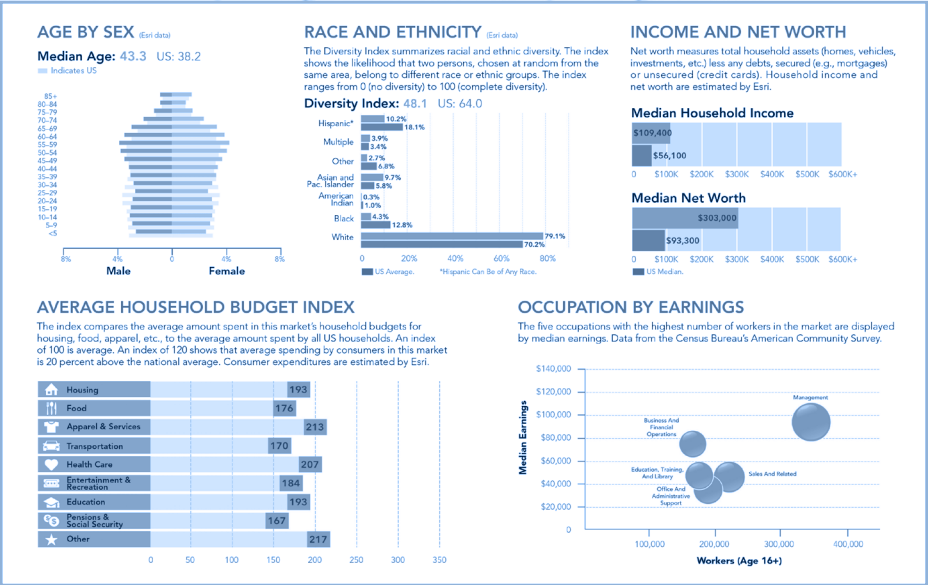
When the marketing team used a heat map to look at the consumers who responded to email offers, it was clear that those who responded were the Uptown Individuals

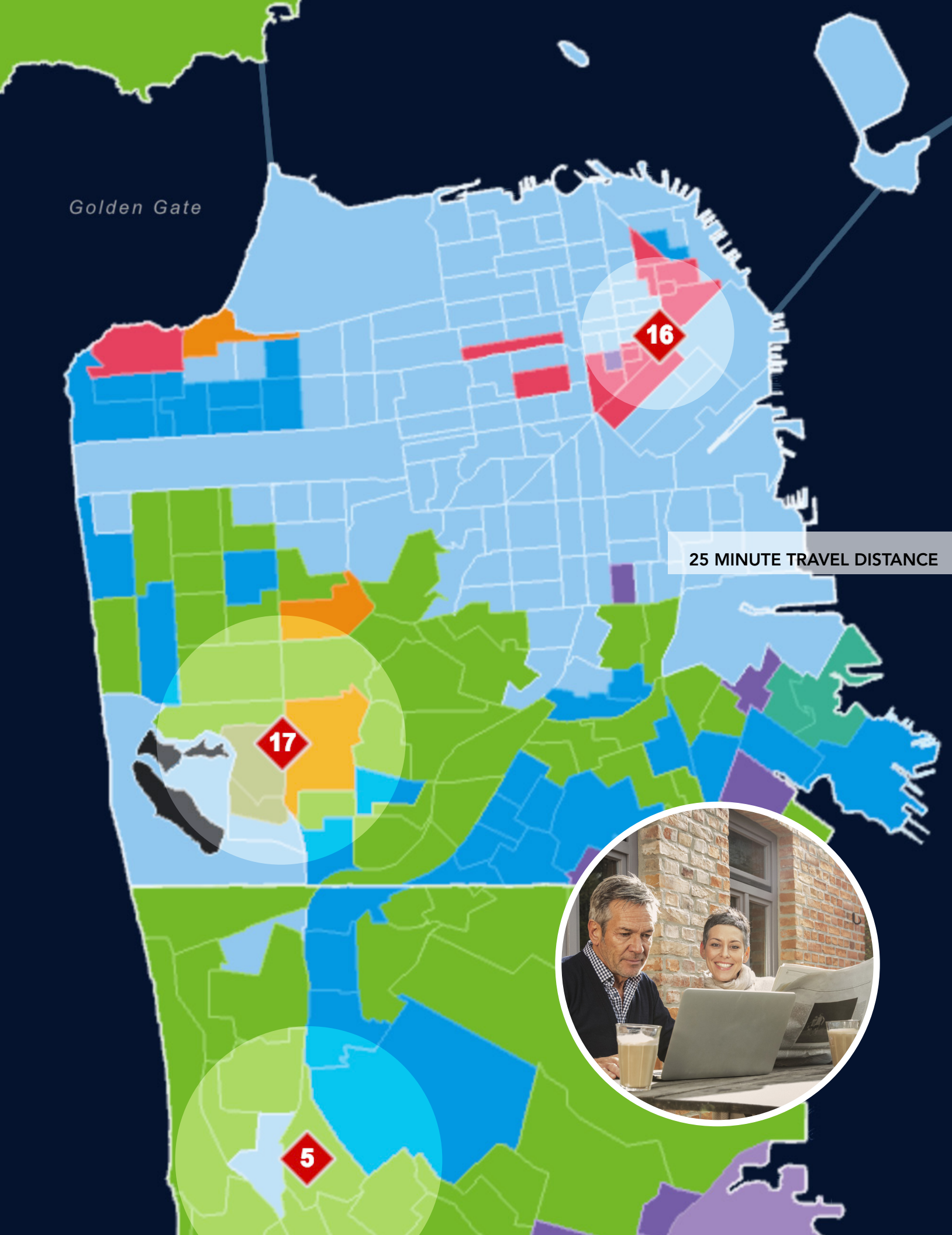
By comparison, when consumers claimed an offer online or in an email, both the number of responses increased as well as the overall dollar spent on each claimed offer. The marketing team was able to also learn that the majority of customers who claimed online and email offers spent significantly more in each transaction than customers who responded to print or coupon offers.

Lastly, the marketing team examined the household income, market potential for appeal, and the number of local competitors in this same area.

Consumers who were inclined to respond to digital marketing campaigns also have a higher expendable income and the capacity to purchase more retail goods.

Just in these few steps, the marketing team was able to identify three changes based on real-time data to increase brand engagement and ROI and drive revenue growth.





1

Rather than spending money on printed advertisements and coupons for every contact in the CRM, the marketing team is only going to send a printed offer or coupon in the mail to customers who fit the Tapestry profiles of Upscale Avenues and Senior Styles and live within a 25-minute travel distance from a brick-and-mortar location.

This will keep these consumers engaged with the brand in the way that is preferable to the consumer all while decreasing the overall cost of future marketing campaigns by not spending on print and mailing costs for segmentations that favor engaging with the brand digitally and will not respond to print offers.

2

After identifying the Tapestry Lifemode group Uptown Individuals as the segmentation that both responded well to email or online offers and is inclined to spend above \$1,000 per transaction, the marketing team decided to focus on two campaigns to increase brand engagement and ROI among this high market potential group.

Because the members of this group are highly connected through their mobile device and Internet dependent, the team will use its brand's app and a function within the Esri platform to send out a pop-up offer to these consumers when they are within a 10-minute walking distance from a brick-and-mortar store location to incentivize the consumer to come in and purchase goods.



MOBILE, CONNECTED



LOYALTY PROGRAM

3

Because Uptown Individuals spend a high amount of their disposable income on branded apparel and are highly motivated by and value social status, the marketing team has created a loyalty program targeted at this segmentation to incentivize spending and brand loyalty.

When previously responding to marketing campaign offers, this target segment spent over \$1,000 per transaction. The loyalty program will encourage increased spending by offering additional rewards and incentives based on cumulative dollars spent on annual purchases. The loyalty program will have the second tier at \$3,000, third tier at \$7,500, and fourth tier at \$10,000 annual spend.

To acquire new customers with similar buying motivations and high dollar spend capacity, an additional marketing campaign will be created for customers in the loyalty program who spend at least \$7,500 cumulatively. Customers who spend at least \$7,500 will also receive special invitations for them and a guest to enjoy exclusive, in-store, reward experiences (e.g., private shopping, fashion show).





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