MERKLE

ANALYTICS

CUSTOMER HEALTHCHECK

VALUE VS

ENGAGEMENT

DREAM DO DELIVER

Introduction to Merkle Analytics

We are a dedicated, performance unit of BI analysts, data scientists, data engineers, platform specialists and CXO consultants. We deliver results for our clients in marketing, business and customer analytics.

We have a growth mindset for our people and our clients.

We believe the future of business is customer experience. In crafting experiences so personal and valuable that you never have to shout to make customers listen. That data, technology and creativity hold the power to create experiences that make our lives better, easier, more meaningful, the power to make winners out of smart companies, and losers out of others.
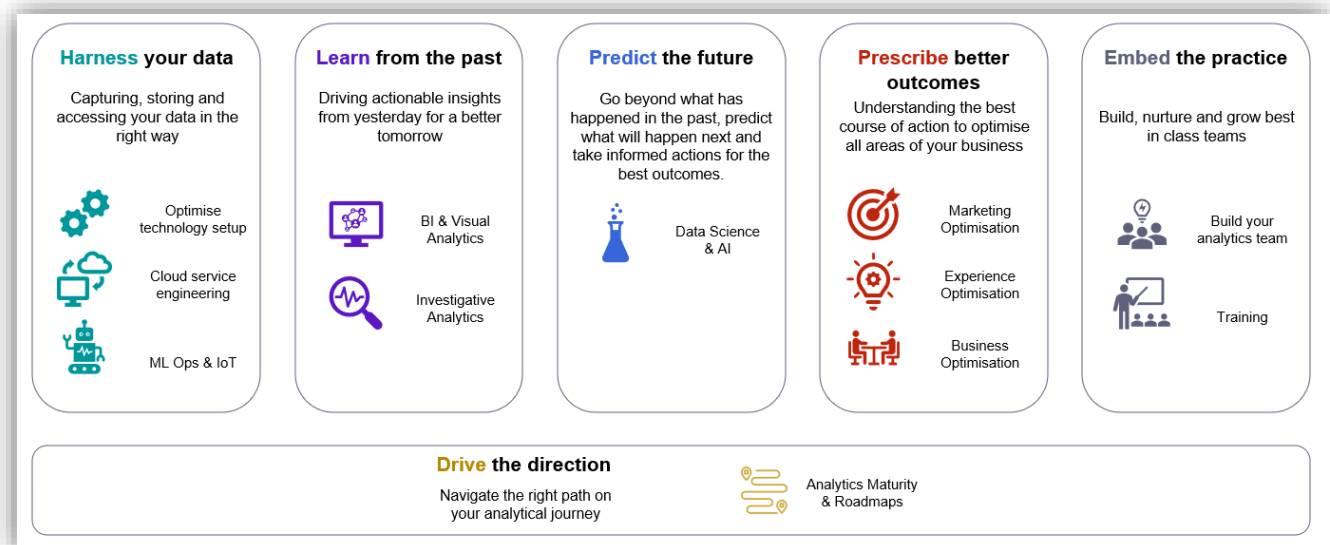
We believe the future belongs to those who care, with fervent empathy, about the human truths in the smallest specks of data and who build experiences from that. But that's not what makes us Merkle. We do more than just 'believe'.

We drive progress.

And that's what makes us Merkle.

Our Approach

We understand that every business is unique, with its own objectives, challenges and customers. That's why, for every client, we provide a bespoke solution, drawing on our specialist expertise across the following core disciplines:

Harness your data

Capturing, storing and accessing your data in the right way

- Optimise technology setup
- Cloud service engineering
- ML Ops & IoT

Learn from the past

Driving actionable insights from yesterday for a better tomorrow

- BI & Visual Analytics
- Investigative Analytics

Predict the future

Go beyond what has happened in the past, predict what will happen next and take informed actions for the best outcomes.

- Data Science & AI

Prescribe better outcomes

Understanding the best course of action to optimise all areas of your business

- Marketing Optimisation
- Experience Optimisation
- Business Optimisation

Embed the practice

Build, nurture and grow best in class teams

- Build your analytics team
- Training

Drive the direction

Navigate the right path on your analytical journey

- Analytics Maturity & Roadmaps

Product Overview

Get.

Grow.

Keep.

In the world of customer experience management, understanding the strength of your customer base is paramount to ensuring optimal experiences, increased loyalty and lifetime value.

The Customer Healthcheck helps you to quickly find groups of under or over-performing customers and enables you to deploy the right treatments to those groups, at the right time.

What is it?

A rules-based approach, that is easily understood, implemented, and activated across the organisation. Using three dimensions of longevity, engagement and value to segment your customer base, we create groups of similar people, highlighting where there are areas of unrealised opportunities and risks.

We score your customers by their interactions and engagement with your inbound and outbound channels and campaigns. We then overlay value to identify groups of high spend consumers who interact with you through your most valuable channels.
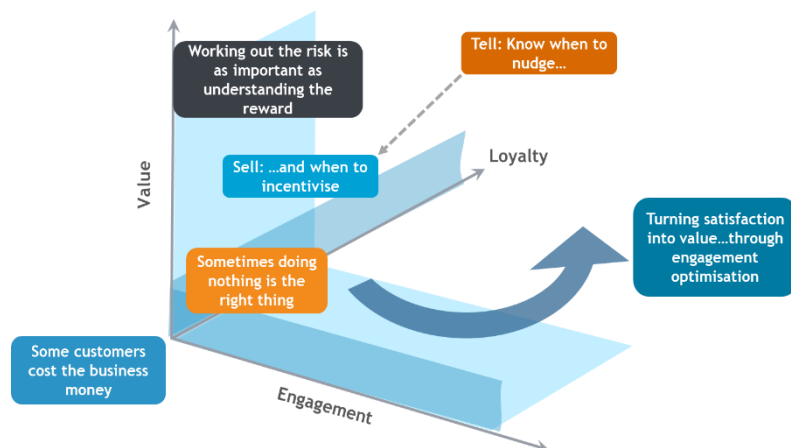
We'll look at the base at 2 points in time to highlight movements of key customer groups, allowing informed decisions around budget investments and appropriate actions for consumers at risk.
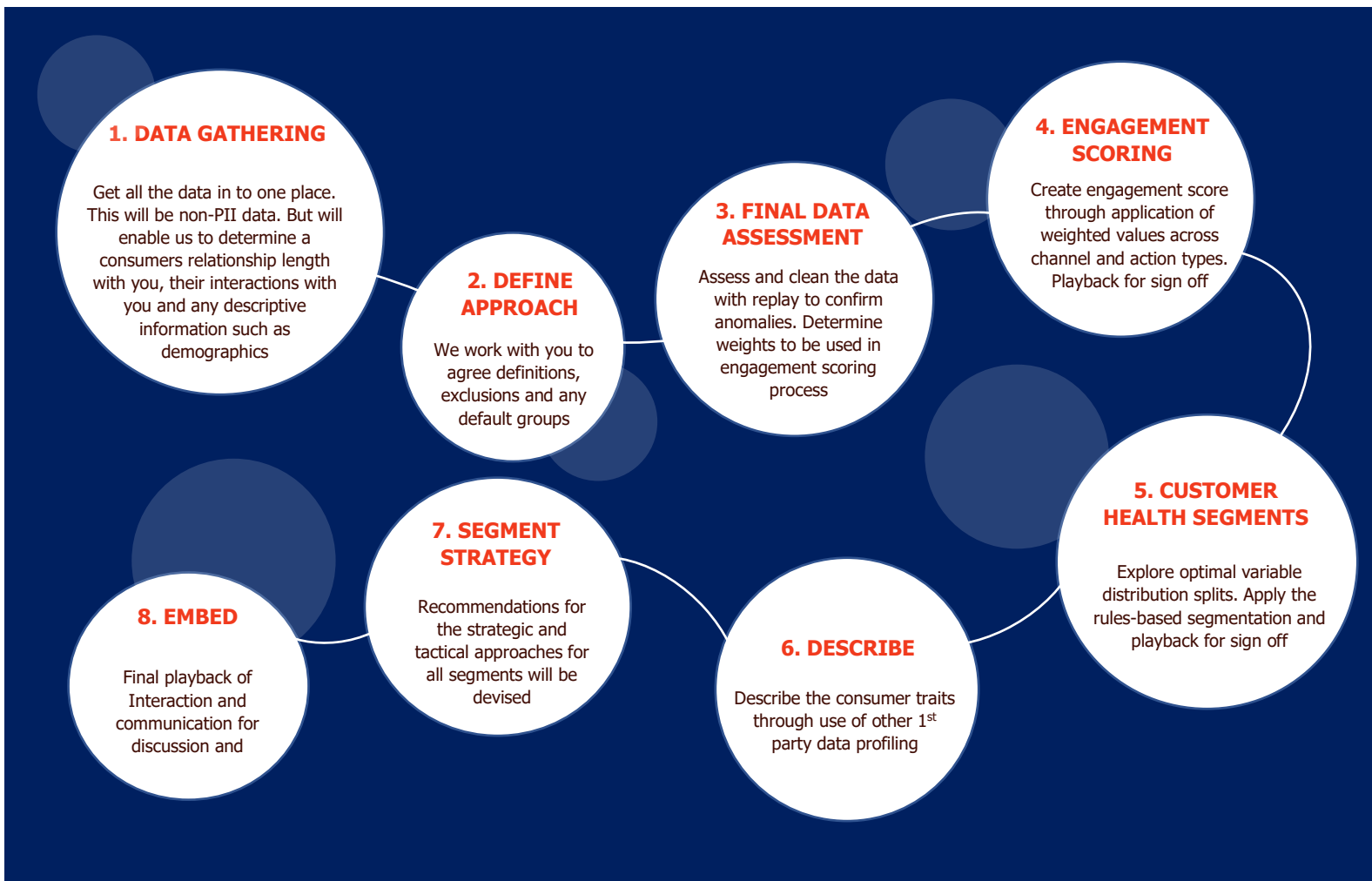
Rules can be easily applied to refresh the segmentation regularly, tracking movements and impact from your marketing activity. We can help you understand who your customers are, build communication tactics and marketing strategies and determine the right treatments to maximise their value.

Who is it for?

B2C businesses whose customers typically make multiple purchases within an annual period.

The best results will come from retailers where consumers buy multiple products annually and have 1st party engagement tracking available i.e. fashion retailers, hospitality, travel and grocery.

How do you do it?

1. DATA GATHERING

Get all the data in to one place. This will be non-PII data. But will enable us to determine a consumers relationship length with you, their interactions with you and any descriptive information such as demographics

2. DEFINE APPROACH

We work with you to agree definitions, exclusions and any default groups

3. FINAL DATA ASSESSMENT

Assess and clean the data with replay to confirm anomalies. Determine weights to be used in engagement scoring process

4. ENGAGEMENT SCORING

Create engagement score through application of weighted values across channel and action types. Playback for sign off

5. CUSTOMER HEALTH SEGMENTS

Explore optimal variable distribution splits. Apply the rules-based segmentation and playback for sign off

6. DESCRIBE

Describe the consumer traits through use of other 1st party data profiling

7. SEGMENT STRATEGY

Recommendations for the strategic and tactical approaches for all segments will be devised

8. EMBED

Final playback of Interaction and communication for discussion and

How will it help me and my business?

- Identify and describe first party customer audiences for activation
- Recognise those not engaging with the brand at different life stages
- Understand those at risk or churn and the size
- Who is generating the most value and who is under-performing
- Relationship between engagement and value
- Focus budget in areas of high and low investment
- Direction to improve customer experience against an optimal ROI

Next Steps

What do I need to do?

The client needs access to their customer data with engagement data tagged and identifiable at an individual customer level. We'll need access to the following blocks of customer data: Demographics, Behavioural (engagement and sales) and Relationship Length.

We'll need access to your data, or dependent upon capabilities, can receive data to analyse within our own working environment. We will work with your marketing, analytics and data teams to define and activate.

What's included and what will I get?

- Stakeholder workshop: we will meet with you to establish use cases, agree key parameters such as scope and definitions and specify our access to your data
- Analytics data assessment: we will perform data gathering, prep, statistical analysis and transformation of your data into 'features' suitable for rules-based segmentation and engagement score creation
- Optimal variable splits and Health check segmentation: using data-science and ML techniques we'll identify the optimal cut of points for each dimension to input into the final segmentation. From these we'll create 6-9 usable groups and show how these change between two points in time
- Recommendations & focus areas: we'll recommend 3-4 groups of customers or key movement where the data highlights an immediate potential opportunity or risk
- Tutorial, documentation, and walkthrough
- Health Check refreshes: we will periodically refine the cut offs for the health check using your data to capture the dynamic nature of your business environment and evolving patterns of customer engagement and purchasing behaviours

How much does it cost?

£40k, one off configuration fee, £2k per month for maintenance, hygiene checks and cut-off refreshes. Exclusive of VAT.

How long will it take?

Typically, a customer health segmentation can be up and live within 5-6 weeks of sign off, subject to a robust analytics configuration and approval from the client. Timings will vary based on where and how the solution is implemented, and when final data assessment is reached i.e. timings start from the point at which the data is fit for analysis.

What might you consider next?

- Measurement workshop
- Customer Health Dashboard
- Best next action models for purchase, churn and channel engagement
- Customer Health CX Strategy
- Customer LTV
- First Party audiences applied to acquisition

Detailed Project Overview

#	Task & Description by Week		1	2	3	4	5	6	Who
1	**Data Access and Validation** - Set up access for analyst to your data systems, - or arrange secure supply of analysis set	▶							Client, Merkle Analytics
2	**Kick off Meeting** - Agree variable definitions - Discuss exclusion groups, specifc use cases - Analysis dataset metadata	▶							Client, Merkle Analytics
3	**Data Validation** - Assess analysis set - Clean and prep for analysis	▶							Merkle Analytics
4	**Data Playback*** - Dataset metadata validation. - Discuss outliers and anomalies - Initial thoughts on engagement score weightings	▶							Client, Merkle Analytics
5	**Engagement Score** - Determine weightings for interactions - Review engagement distribution - Prep summary info for playback		▶						Merkle Analytics
6	**Engagement Playback** - Review and agree score applications			▶					Client, Merkle Analytics
7	**Health Segmentation** - Determine distributions and optimal key variable splits - Devise rules for application - Prep summary infor for playback				▶				Merkle Analytics
8	**Segmentation Playback** - Review and agree segments - data splits, segment sizes and groupings					▶			Client, Merkle Analytics
9	**Movement & Descriptive Analysis** - Apply rules at 2 points in time to monitor segment movements - Prepare segment profiles					▶			Merkle Analytics
10	**Strategic Recommendations** - Review groupings and segment tactics - Review with CXM Consultants - 　　- determine long term strategies 　　- future projects and objectives						▶		Merkle Analytics, CXM
11	**Final Presentation** - Segment stats and profiles - Tactics and Strategies - Further steps and recommendations							▶	Client, Merkle Analytics, CXM

*Timings start from the point at which data is fit for purpose

Meet the Team

Dan Wigley

Analytics Practice Lead UK

Dan is responsible for leading a team of 250+ specialists. He has over 13 years' experience in a wide variety of Data and Technology platforms, with an expertise in analytics and website optimisation. He has a proven track record and experience across a broad range of verticals having worked with over 100 of the UK's biggest brands

David Spencer

Head of Analytics Sales UK

Strong experience in implementing both business and consumer led solutions, specialising in advanced analytical strategic sales, delivering high return on investment for clients, as well as great relationships.

Grace Sinclair

Director – Data Science

Expert knowledge in the application of data science techniques such as propensity modelling, segmentations and text analytics in business contexts, with particular specialism in CRM and loyalty applications.

Case Studies

Finding the Opportunities

Business Challenge

We were tasked with the creation of a value and spend based segmentation for a major UK high-street retailer, informing both their strategic prioritisation and tactical activity deployment.

Merkle Solution

We did an initial exploration of transactional & customer data. We then developed a value-based segmentation defining key groups for growth. Segment-shift/growth strategy was then developed. Lastly, segment insights and subsequent basket analysis was used to inform communication targeting and proposition/product development.

Client Outcome

Despite the client's strong brand proposition, they had limited understanding on how to drive incremental value from the customer base. We helped deliver on this.

Identify Areas for Growth in Gaming

Business Challenge

A national gaming company was looking to better understand their customers playing behaviours and identify the areas for growth via a deep dive into their most popular games.

Merkle Solution

We segmented the games together based on price & play frequency and game type (e.g. strategy/luck or low odds games).

Client Outcome

The output of this was that gaming company had a better understanding of their games and hence could identify which gaming segments they should target to grow in either value or frequency.