TREDENCE

Case study

Implementing Global Holdout in Marketing Campaigns
for a Retailer Catering to 90M Households →

The Customer

Our client is one of the leading global retailers in the United States engaging with 8M+ customers in its online and offline stores daily and serving approx. 90M households. Therefore, marketing plays a pivotal role in ensuring high customer engagement and business growth for them.

The Challenge

Every month, the retailer invests millions of dollars in sponsored and owned marketing programs. However, the increment due to the marketing efforts was not correctly attributed to the dollar spent across the campaigns.

Some of these challenges included:

High overlap between campaigns

The Test and Learn (T&L) practice that was already in place had a significant overlap in audiences across campaigns, which made it challenging to accurately determine the impact of each campaign or extract valuable insights from them.

Sub-optimal experimental set-up

Experimental groups for different marketing campaigns were not set up in accordance with industry best practices for control sizing, time period selection etc., resulting in often inaccurate attribution and readouts

Minimal customer orchestration across campaigns

The marketing campaigns lacked effective coordination across teams, leading to challenges in their implementation. As a result, the customer journey became disjointed and inconsistent, reducing opportunities to maximize customer on intent.

Lack of accurate measurement for true incrementality

Emphasis on short-term KPIs rather than long-term effects on customer loyalty and basket expansion has resulted in incomplete measurement. Short-term metrics such as clicks and opens may offer immediate insight, but they often overlook crucial long-term indicators like repeat purchase rates and the improvement of long-term customer value (LCTV). Furthermore, the trend towards shorter and overlapping marketing campaigns complicates the accurate assessment of incrementality, further exacerbating the issue.

Tredence Solution

The Tredence team of customer and marketing analytics experts designed and implemented an easily scalable and highly responsive campaign measurement ecosystem.

1 Best-in-class global holdout for accurate campaign performance attribution

A tightly orchestrated global holdout helps isolate interference from other campaigns and allows for accurate measurement of the impact of individual campaigns or group of similar campaigns on customer behavior.

The Tredence team built and implemented a global holdout with active customer orchestration to ensure that at any given point in time, a global holdout:

Is an accurate representation of the customer base using **multi-dimensional audience selection**

Automatically scales up and down based on new campaign type, scale and objectives

Optimally distributes campaigns across select customers for accurate attribution analysis and ensures no customer is over-exposed to global holdout

The efficient design of the global holdout created immediate benefits:

Measuring the long-term impact of a campaign

By observing and comparing the behavior of the exposed and unexposed audiences over a longer period across campaign types, our client could identify whether the impact of the campaign persisted or faded over time.

Isolating a single campaign's impact and optimizing campaign decisions

The client couldn't assess the performance of a single campaign without interference from other campaigns. This helped in making better decisions around campaign investments, scaling back, or discontinuation.

2

Scalable marketing Datamart for expediting and automating analysis

Tredence's marketing measurement intelligence Datamart aggregated marketing response feeds from multiple campaigns and provided a holistic view of our client's marketing performance. The solution built on Azure Databricks, provided the capability to handle and process large and complex marketing datasets (~1 TB marketing data volume was processed and marketed every month).

The scalable Datamart created multiple capabilities for the business insights team like:

The ability to easily analyze campaigns across multiple microsegments, time periods, campaign types, and channel types.	The ability to analyze multiple campaigns together to evaluate the combined impact on customer behavior	The ability to track customer actions (app download, category purchase, frequency of purchase) over time to measure both short-term and long-term impact.

Our solution helped our client turn customer data repositories into knowledge assets that provided deeper insights into customers' attitudes, preferences, values, behavior, and more.

3

Closed loop measurement and insight democratization

This is a powerful approach that provides rapid insights into the effectiveness of marketing campaigns at a very granular level. These actions and recommendations act as a feedback loop for continuously enhancing experimentation design and improving business outcomes.

The closed loop measurement approach by Tredence helped the client:

Make future-fit business decisions

Business teams can identify touchpoints and campaigns that effectively drive conversions, helping them optimize their marketing strategies and increase return on investment.

Improve customer intelligence significantly

The retailer leveraged integrated dashboards to gauge which campaigns were driving the most conversions, and which were the best-performing channels. They also identified the customer segments that were most responsive to various marketing tactics, including untapped micro-segments that required higher levels of nurturing.

Measure true incrementality through predictive scores

The global holdout approach leverages AI/ML outputs from CLTV models and propensity models to evaluate the long-term impact of campaign propositions on customer loyalty and basket size. The analysis helped in better prioritization and spending optimization by balancing short-term and long-term benefits.

Map customer journeys

By combining closed-loop measurement with Datamart, our client tracked each customer's journey in detail, from initial engagement with a campaign to the final conversion, and then analyzed that data to improve future campaigns.

Business Impact

Tredence's scalable and effective solutions drive business value by significantly optimizing marketing campaigns to achieve maximized performance and ROI. Our engagement resulted in:

1-2%

improvement across key campaigns

Tredence's implementation of a best-in-class holdout strategy resulted in higher returns on marketing spend, with an average improvement of 1-2% in campaign performance.

2-3%

increased engagement

By utilizing a reusable, repeatable, and scalable solution, Tredence improved campaign design and audience selection, resulting in a 2-3% increase in customer marketing engagement rates.

3%

improved conversion rate

Tredence's closed-loop campaign micro-measurement approach enabled the identification of key factors that influenced campaign success, resulting in a ~ 3% improvement in customer conversion rates.

Tredence's best-in-class framework and implementation fostered substantial enhancements in the retailer's marketing efficacy leading to customer engagement, and conversion rates, thereby propelling optimal return on investment.