



## PET SUPPLIES PLUS

Pet Supplies Plus increases average customer spend during campaigns by 30%

### OPPORTUNITY

PSP has 420+ B&M stores present across US. The upsurge in competition and the steady migration of customers towards E-com platforms had an adverse effect on their sales. The shrinking active customer base presented serious concerns.

PSP was running generic campaigns throughout the year which followed a one size fits all approach. All customers were treated alike, irrespective of their characteristics and purchase preferences and were given repeated coupons regardless of their visit history. This led to inefficiencies and low coupon redemption rates. repeat purchases and misuse of coupons resulting in margin drain. In addition to this, lack of systems to track campaign performance prevented PSP from measuring the effectiveness of programs and make course corrections.

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The customer segmentation done by Impact Analytics was developed using advanced statistical models and yet retained the essence of how we classify our customers. We implemented their suggestions in our customer engagement programs and have seen positive results in terms of redemptions, and an increase in revenue stream and Average Basket Size.

- SVP, Supply Chain

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### ACTION

With a customer base that runs into millions, catering to individual customer's wants and needs is a challenge. Impact Analytics understood this and detailed out a targeted approach. Impact identified the key variables that defines customer behaviour and created meaningful segments of customers who shared similar traits. The campaigns were redesigned and the right set of segments were selected based on the campaign objectives. Test and control analysis helps measure the effectiveness of these campaigns.

### OUTCOME

Impact Analytics' solution helped PSP distinguish between customer groups and catering to their individual requirements. Automated periodic refreshes enabled tracking of the customer journey within the system and campaigns were designed to preclude undesirable transitions.

~ 30%

increase in average customer spend during campaigns

~ 5%

increase in the active customer base

10%

increase in the redemption rates of the campaigns

### WHAT'S NEXT?

Customer segmentation can be tied to customer lifecycle management. This can further be combined with upsell/cross sell campaigns to increase the share of wallet, improve profitability and strengthen customer loyalty.



#### About Impact Analytics

Impact Analytics is a fast-growing, AI-powered software solutions company. A leading provider of planning, merchandising and forecasting tools for the retail, CPG and grocery sectors. Its suite of products for Assortment Planning, Allocation Optimization, Markdown Optimization and Promotion Planning is empowering leading retailers to make smart data-based decisions and transform their businesses and achieve substantial business benefits. To learn more, visit [www.impactanalytics.co](http://www.impactanalytics.co)