

KEY TAKEAWAYS

Neiman Marcus received an RIS News Fusion Award for Cross Channel Innovation for using Neustar MarketShare's analytics to better understand revenue attribution.

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– Jeff Rosenfeld,
VP of Customer Insight and
Analytics, Neiman Marcus

Neiman Marcus



How Data Made Neiman Marcus Wise To Customer Buying Habits

The Challenge

Tie Marketing Spend to Buying Behavior, With Accuracy

Neiman Marcus faces the same challenge as all multi-channel retailers today: Understanding the true impact of their marketing spend on customer-buying behavior. Those insights help both to inform what's working well today and to highlight where different, better marketing decisions need to be made for the future.

The retailer tried to determine which marketing efforts were responsible for sales, both online and offline (call center and retail stores). Neiman Marcus developed some rudimentary rules with the aim of attributing credit to different marketing efforts. But this ad hoc approach missed the mark, resulting in too many false and inconclusive assumptions about true marketing efficiency.

The Neustar Solution

Deliver Customer Interaction Insights

Neiman Marcus implemented our Neustar MarketShare solution to combine and evaluate the retailer's online and offline data using an analytical approach adapted from biostatistics. By modeling behavior at the individual customer level, this approach could drive customer acquisition and revenue growth by targeting individual customers—something the Neiman Marcus team liked.

Neustar MarketShare reported attributed sales for all order channels (stores, web, mobile, call center) from the prior year. This allowed Neiman Marcus to see the incremental effect of email, search, catalog, and display advertising.

This incremental effect of marketing takes into account non-marketing factors such as the value of the brand, seasonality, and customer-driven activity, so not all of the revenue is attributed to marketing. This was the first time Neiman Marcus could see the effectiveness of each marketing channel and how they perform comparatively.

The Outcome

Realign Marketing Spend and Better Targeting

Neiman Marcus can now identify the marketing that preceded a purchase – whether it was the same day, weeks ago, or months ago. This allows for optimizing spend by channel as well as personalizing marketing channels by user. After several real world tests, the company realigned substantial dollars of marketing spend and increased response with better targeting.

Next, Neiman Marcus partnered with Neustar MarketShare to conduct a rigorous in-the-mail catalog targeting test. Significantly boosting response rates is essential for expensive media such as catalog mailings. Unlike traditional methods, Neustar MarketShare's solutions better predict who is sensitive to receiving a catalog (more likely to purchase from a catalog than other marketing treatments), and selects who should receive a catalog and who would likely purchase anyway without receiving a catalog.

The test measured gross lift of Neiman Marcus brand sales across call center, online, and store sales. Since the Neustar MarketShare methodology is holistic and models behavior at the individual customer level, the attribution work can also be used for predicting response and customer targeting.

According to Jeff Rosenfeld, VP of Customer Insight and Analytics for Neiman Marcus, "Using our attribution models to also target was a great proof point for us that this methodology and product really work."

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