



Founded in 1946, Reeds Jewelers, Inc. is a leading multi-channel jewelry retailer based in North Carolina. www.reeds.com

Results

Reeds Jewelers built a more comprehensive customer data strategy with the help of 3rdwave. The results of the partnership include:

- *Improved ability to analyze customer data, produce targeted customer mailing lists, and maintain data quality.*
- *More accurate targeted mailings which have resulted in a 20% sales increase over previous year's campaign.*
- *Better visibility into marketing performance. Reeds is now reallocating budget from broadcast advertising to direct mail programs due to the success of 3rdwave's on-demand analytic CRM solution.*

A leading Jewelry Retailer finds it's own diamonds in the rough.

Customer clarity drives marketing performance.

Challenge

Reeds Jewelers reached a point where the need for more sophisticated customer data management outpaced the services offered by their previous mailing list vendor—even though that firm was one of the largest in the direct mail industry. Transaction data was going unmined and responses to direct mail campaigns were going uncaptured. Mail costs were higher than necessary due to large numbers of undeliverable addresses. The consequences to Reeds of leaving these issues unaddressed were rising like the stacks of returned mail.

In an effort to achieve a more comprehensive customer data strategy, Reeds Jewelers set out to find a solution that would:

- Increase sales through better profiling and targeting of customers by specific analytics including RFM (Recency, Frequency, Monetary value) scores, past transactions, and campaign response history.
- Facilitate the transfer of responsibility for customer data stewardship and marketing campaign management from their corporate headquarters to the retail stores.
- Reduce direct mail costs by improving mail delivery through better data quality and management.
- Improve site location decisions through access to actionable information about specific areas' demographics and jewelry sales potential.

Solution: 3rdwave

To meet the challenge, Reeds Jewelers chose 3rdwave. As part of a comprehensive Customer Analytics solution, 3rdwave deployed its on-demand analytic CRM application to integrate Reeds Jewelers' point of sale data and broaden access to customer information.

"We unified multiple data stores, then routinized monthly updates, applying hygiene including duplicate removal and householding to increase mail deliverability. We deployed a complete marketing database application that generates detailed and summary reports. The solution includes sophisticated real-time capabilities for analysis and for creating targeted mailing list." says Mike Knight, CEO of 3rdwave.

Reeds' Customer Analytics solution includes the following tools:

- **Multi-Dimensional Reports:** Enables the user to specify criteria, then design reports on the fly by selecting variables and measures to display. A user could, for example, examine transactions linked to the occasion of Valentines' Day, and discover what types of merchandise were purchased for that occasion.

Deployment of an on-demand analytic CRM solution gave Reeds Jewelers the ability to analyze customer data, produce customer mailing lists by strategic criteria, and view other customized reports.

- **Mailing Lists:** Helps the user to create mailing lists of Reeds customers, drawing on the sales transaction database. Knowing what items the individuals on this list purchased for previous Valentines' Day gifts could drive versioned or even one-to-one personalized direct mail tactics.
- **List Management:** Enhances the power of the Mailing List feature, with tools for combining lists, managing seed lists, and interacting with the customer Do Not Solicit database.
- **Maps:** Allows the user to create, in real time, thematic and point-location maps. This tool is useful for analyzing retail stores' market areas and customer behavior.
- **Household Spending:** Produces estimates of market potential for specific products and services, segmented across demographic variables and geographic regions. The Household Spending tool provides insight into purchase behavior of Reeds' target prospects and customers.

Enhancements made since the launch include better profiling capabilities, and Credit and RFM segmentation scores, for improved targeting of specific campaigns. Hold-outs and control groups are now part of every direct mail campaign, to improve the value of results analysis by showing any incremental lift generated per campaign.

Future plans include adding a module to do variable-data printing in time for Valentines 2007, when Reeds will send customized, personalized offers based on each customer's past transaction history.

Results

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Through increased data visibility, Reeds is able to see that their direct mail campaign for the 2006 Holiday season is bringing in sales results that are approximately 20% ahead of the 2005 season.

Reeds is so satisfied with the results that they are moving budget dollars from broadcast advertising to direct mail programs supported by the application.

About 3rdWave

3rdwave is a marketing research and technology firm specializing in the art and science of Customer Analytics. We provide solutions that simplify the complexity of customer data management and analysis, giving organizations better visibility into marketing performance. Since 1994, 3rdwave has provided marketing information solutions to businesses and organizations across the nation, in various industries including retail, financial services, healthcare, hospitality, manufacturing, pharmaceutical and consumer electronics. 3rdwave is headquartered in Verona, Wisconsin, with offices in San Francisco, California and Chennai, India.

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305 South Main Street
Verona, Wisconsin 53593

Phone: 608.848.9283
Fax: 608.848.3136
info@thirdwaveresearch.com

For more information, please call (608) 848-9283, or visit 3rdwave on the web at www.thirdwaveresearch.com.