



2019 CATALOG & INTEGRATED MARKETING SUMMIT

INTEGRATED: THE SMARTER
PATH TO PROFITABILITY

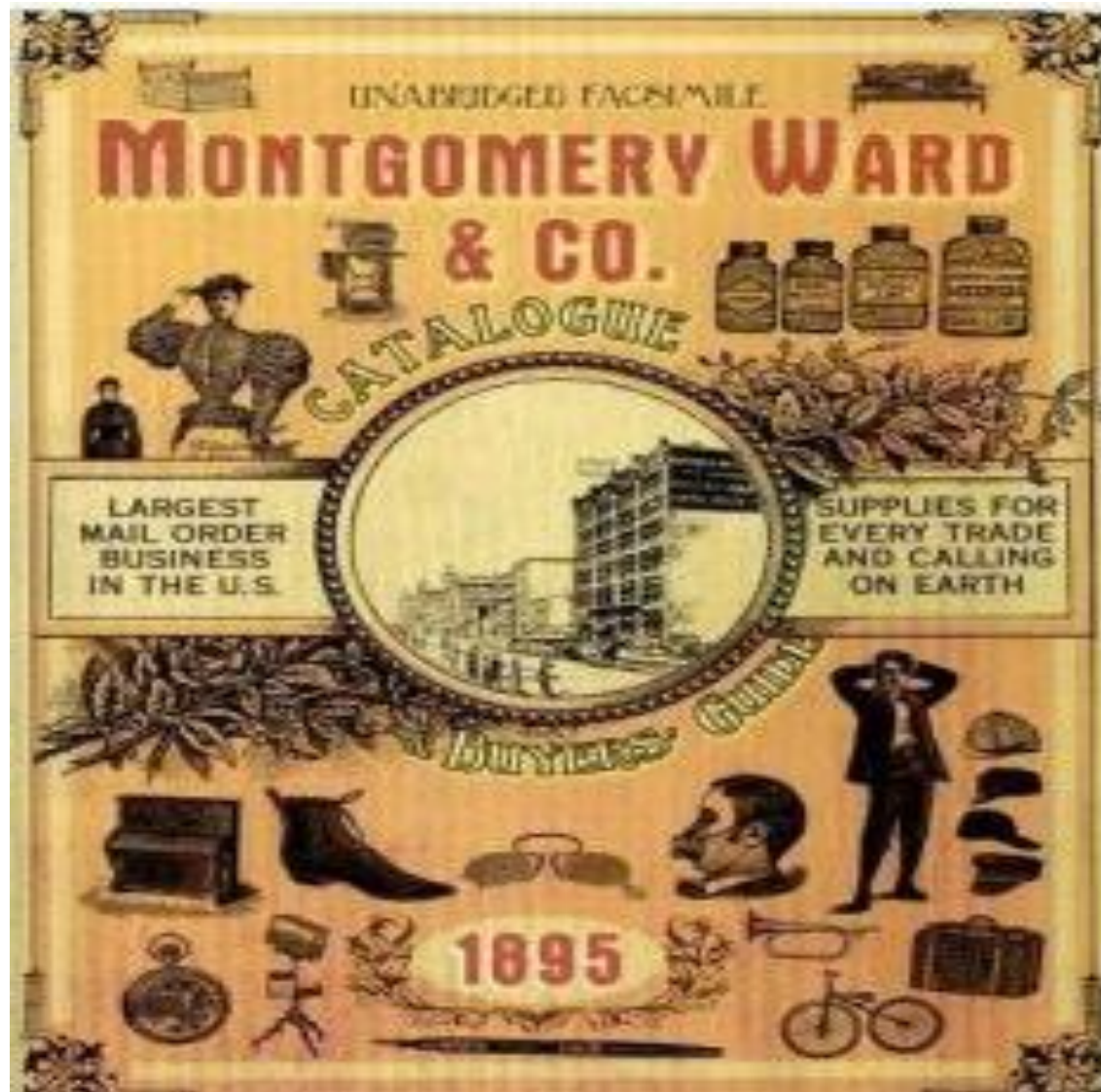
PHILADELPHIA, PA | APRIL 24-25 2019

Improving Customer Retention thru Personalization

Presented by: Brian DeLaite, LS Direct Marketing

April 24, 2019

cohereOne



Montgomery Ward Catalog - 1872

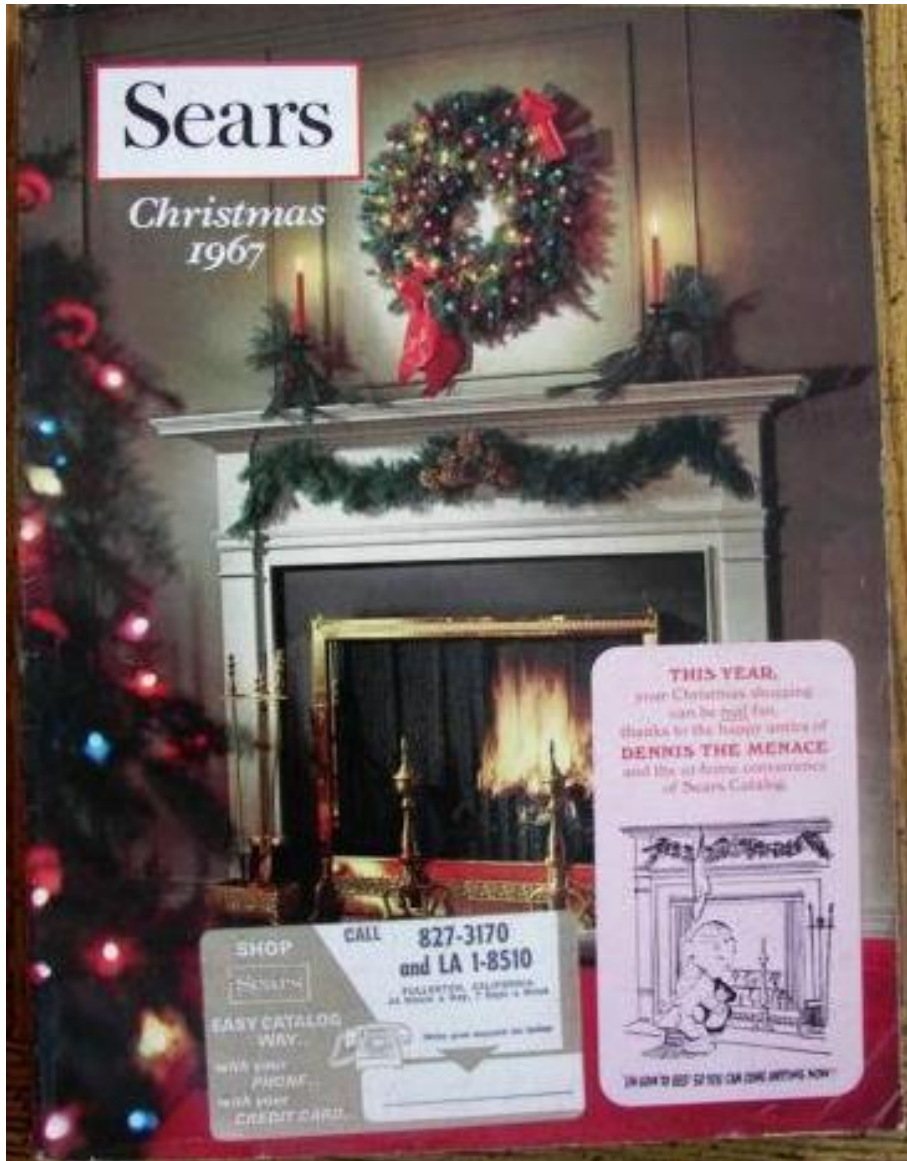
Where it all began...(really!)

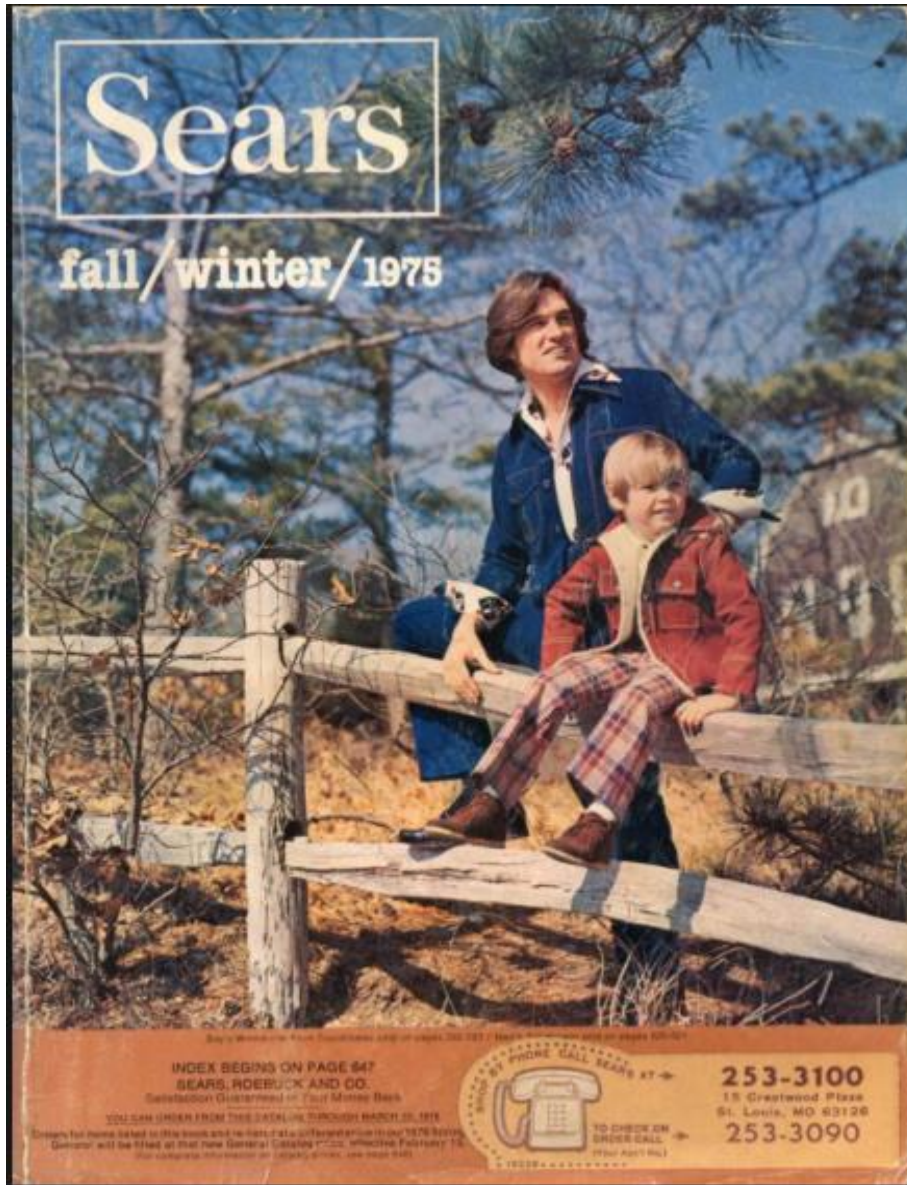
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1000 B.C. - Egypt

- Call to Action Sticker:
 - Local phone #
 - Local store address





- Call to Action Cover Wrap:
 - Local phone #
 - Local store address





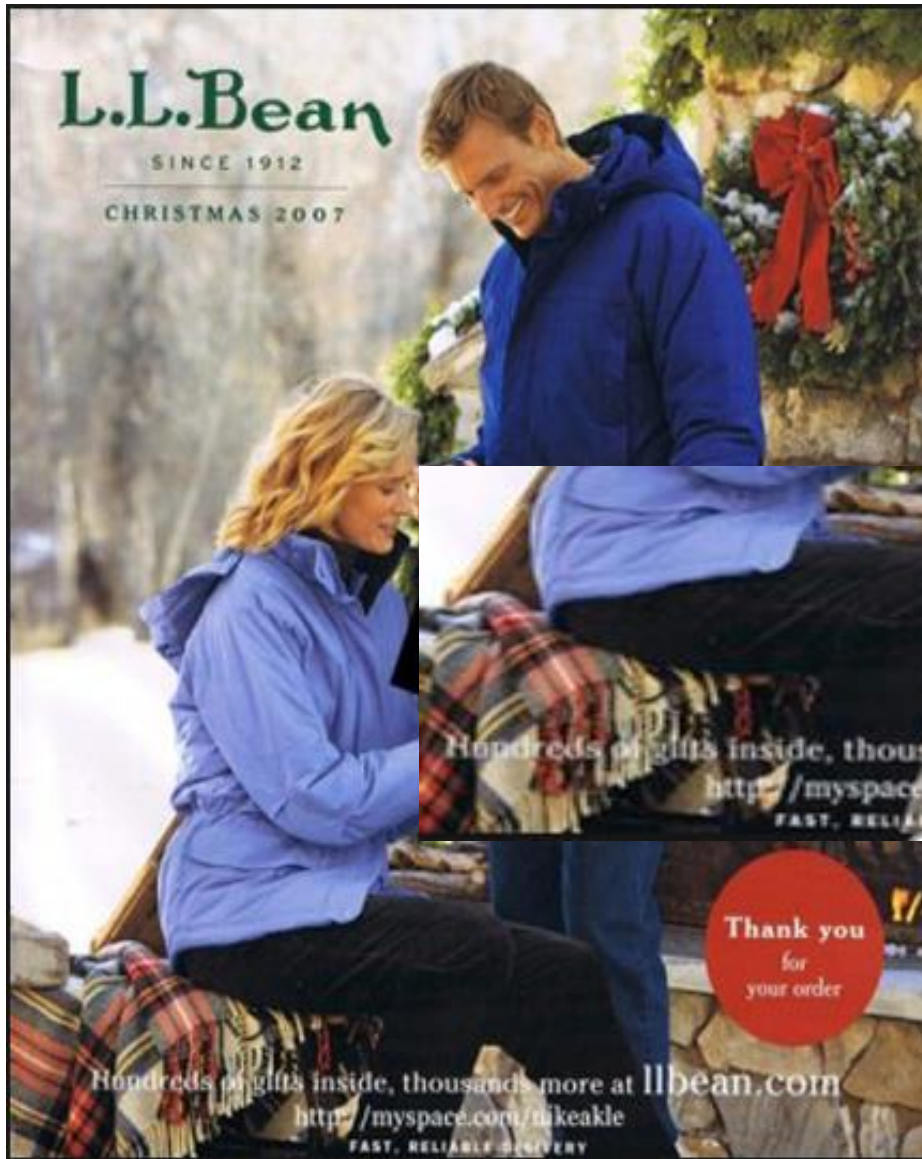
- Call to Action Cover Wrap (not good enough?):
 - Sticker over cover wrap
 - Local store address
 - Local phone # - 24 hours a day!





- Call to Action:
 - Drive to retail locations
 - Buy...or else!!!





- Call to Action:
 - URL on cover
 - Visit us on....MySpace!!!



- Modeled Customer File
- Best customer – 13 Catalogs!!
- 17 Pounds of Catalog



HP Indigo Digital Press



- Targeting customers on a 1:1 level increases response rates up to 50% or more (DMA)
- A 5% increase in retention can yield profit increases of 25%-95% (Small Business Trends)
- Can drive revenue growth of 10%-30% (McKinsey)
- 79% of consumers only likely to engage if offer is personalized to reflect previous interactions (Marketo)
- 88% of U.S. marketers reported measurable improvements due to personalization (Evergage)
- 90% of retailers say personalization is a top priority (McKinsey)
- Only 15% believe they are doing a good job at it (McKinsey)

Personalization value equation

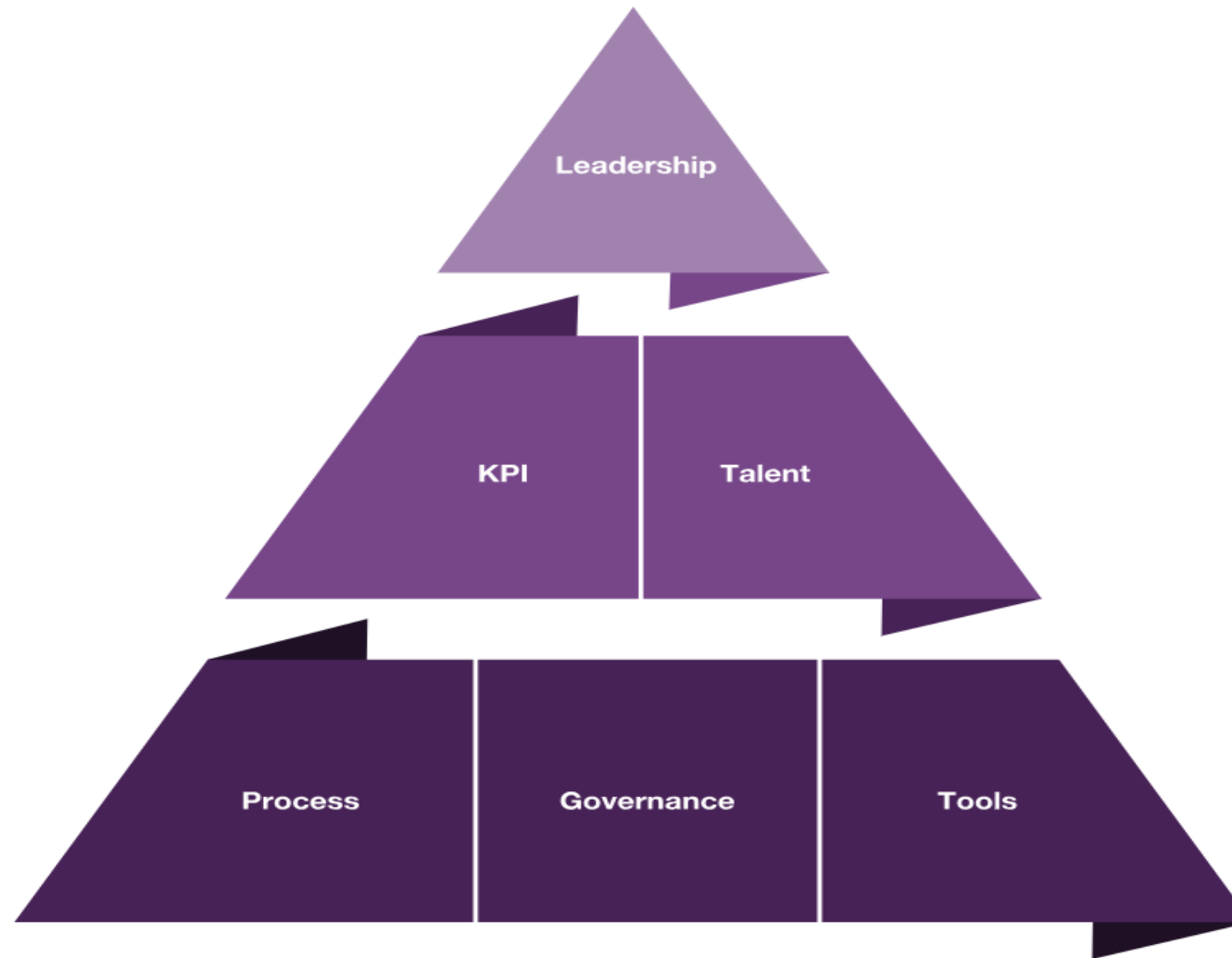
$$\text{Value}^* = \left[\frac{\text{Relevance} + \text{Timeliness}}{\text{Loss of privacy}} \right] \text{Trust}$$

* To the customer

- Customers see value as a function of relevance & timeliness relative to how much personal information has to be shared and how much personal effort it takes to get it.
- Trust in the brand will boost overall value, though that can grow or recede over time, depending on the customer's satisfaction with various interactions with the brand.

- The Customer Journey:
 - *the series of interactions with a brand from consideration, to purchase, to subsequent purchase*
- Keys to Effective Implementation – the 4 D's:
 - *Data foundation – ideally 360-degree view of customers*
 - *Decisioning/if-then scenarios – identify & act of signals along the customer journey*
 - *Data-driven design – crafting the right offers, messaging, & imaging*
 - *Distribution – timely delivery & measurement to feed future decision-making*

How effectively these elements interact is the real source of value to a brand



LOVESAC
Designed for Life® Furniture Co.

FLASH Sale

Get a **FREE** Cover with Every Sac or Sactionals Insert*

Offer valid February 15th, 2019 only.

Plus, 12 Months Interest-Free Financing†

On qualifying purchases made with your Lovesac Credit Card 2/15/19. Equal monthly payments required for 12 months.

Ivon,

Thanks for being part of the #LovesacFamily. As of 2/1/19, you have an available credit of **\$1,500** on your Lovesac™ credit card!

Don't miss out on your chance to add even more comfort to your home with this special offer!



LOVESAC
Designed for Life® Furniture Co.

St. Louis Galleria
1155 Saint Louis Galleria
Saint Louis, MO 63117

Flash Sale – 2/15

Lovesac.com • 888.636.1223

*****AUTO**ALL FOR AADC 630

IVON RASCON
38 N PENNSYLVANIA AVE
BELLEVILLE, IL 62220-3952



POSTMASTER, PLEASE DELIVER BETWEEN 2/6 AND 2/8

You have available credit of

\$1,500

* Subject to credit approval.

11/17/19 00:00:00
LSCC-019

- Must have private label credit card program
- Receive available credit from bank (Synchrony/Wells/etc)
- Return address is local store

Expected Results

- 35%-45% lift in response over rest of the mail campaign
- 10%-20%% increase in average sale

LOVESAC
Designed for Life® Furniture Co.

MISSED THE FLASH SALE?

Shop Our President's Day Event

Up to **30% off Sactionals™**

Plus, 48 Months Interest-Free Financing Available††

On qualifying purchases made with your Lovesac Credit Card 2/4/19 – 2/24/19. Equal monthly payments required for 48 months.

Find your nearest Showroom, or shop online at Lovesac.com

stash
— HOME —

A **FREE** GIFT
for you on your birthday



- Combined self-reported & data overlay
- Monthly mailing

Expected Results

- 75%-100% lift in response over hold-out group

«FIRST»

HAPPY BIRTHDAY WE HAVE A GIFT
WAITING FOR YOU AT STASH HOME.

BRING THIS CARD IN TO GET

\$100 OFF**

YOUR PURCHASE OF \$499 OR MORE.

MEMPHIS | 1195 Ridgeway Road | Memphis, TN 38119

TUPELO | 903 Commonwealth Blvd | Tupelo, MS 38804

OXFORD | 137 Courthouse Square | Oxford, MS 38655

KIRKWOOD | 10625 Manchester Rd | Kirkwood, MO 63122

www.stashhome.com

«RA_Address»
«RA_City», «RA_State» «RA_Zip»

«Opt. Endorsement Line» «Vis1» «Vis2»
«FIRST» «LAST» OR CURRENT RESIDENT
«ADDRESS_1» «ADDRESS_2»
«CITY», «ST» «ZIP»

«SEQUENCE» «DATE CODE» «SEQUENCE NUMBER»

**Cannot be combined with any other offer, discount, financing, or special order.
Excludes Clearance Items, Stash Steaks, Bernhard Am Candy Backdrop Young,
Visual Comfort Lighting, Lee Industries, Seely Hybrid, Seely & Foster, Tempuspedic,
and Optimum mattresses. Does not apply to previous purchases.
See store for details. Expires 12/31/2019.

stash
— HOME —
THANK YOU!

- 14-30 days after purchase/shipment
- Personalized based on product line

Expected Results

- 15%-20% lift in response over hold-out group

James,
WE HOPE YOU ARE ENJOYING YOUR
NEW FINDS FROM STASH HOME. WE
VALUE YOUR BUSINESS AND HOPE TO
SEE YOU AGAIN SOON.

BRING THIS CARD IN TO GET

\$100 OFF**

YOUR PURCHASE OF \$499 OR MORE.

MEMPHIS | 1195 Ridgeway Road | Memphis, TN 38119
TUPELO | 903 Commonwealth Blvd | Tupelo, MS 38804
OXFORD | 137 Courthouse Square | Oxford, MS 38655
KIRKWOOD | 10625 Manchester Rd | Kirkwood, MO 63122

www.stashhome.com   

**Cannot be combined with any other offer, discount, financing, or special order.
Exclude Clearance Items, Stash Deals, Bernhardt, Am Candy, Bradington-Young,
Visual Comfort Lighting, Lee Industries, Sealy Hybrid, Stearns & Foster, Tempurpedic,
and Optimum mattresses. Does not apply to previous purchases.
See store for details. Expires 6/30/19



stash
— HOME — 1195 Ridgeway Road
Memphis, TN 38119

stash
— HOME —

It's been a while
WE MISS YOU

- One year after purchase (Anniversary)
- No repeat purchase since first purchase
- Variable imaging based on product purchased

Expected Results

- 45%-55% lift in response over hold-out group

«FIRST»

WE ARE NEVER BORING OR
PREDICTABLE. COME CHECK OUT
ALL THE NEW TREASURES WE HAVE
AT STASH HOME!

BRING THIS CARD IN TO GET

\$100 OFF**

YOUR PURCHASE OF \$499 OR MORE.

MEMPHIS | 1195 Ridgeway Road | Memphis, TN 38119

TUPELO | 903 Commonwealth Blvd | Tupelo, MS 38804

OXFORD | 137 Courthouse Square | Oxford, MS 38655

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www.stashhome.com



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Excludes Clearance Items, Stash Seals, Semi-Ready, Arm Candy, Sedgwick-Norfolk,
Visual Comfort Lighting, Lee Industries, Sealy Hybrid, Stearns & Foster, Tempurpedic,
and Optimum mattresses. Does not apply to previous purchases.
See store for details. Expires 12/31/2019



stash
— HOME —

«RA_Address»
«RA_City», «RA_State» «RA_Zip»



«Opt. Endorsement Line» «Vis1» «Vis2»

«FIRST» «LAST» OR CURRENT RESIDENT

«ADDRESS_1» «ADDRESS_2»

«CITY», «ST» «ZIP»

«L540001» * «disc_code» — «Sequence Number»



- Daily trigger mailings based on web browse/cart abandon
- Model segments - mailed from top-down
- Customize creative & offer based on type of customer
- Variable promo codes
- Expected Results – 400%+ ROAS



Promotion or no promotion?

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- A/B test of promotion vs. no promotion
 - Free shipping vs. no offer
- Free Shipping works!
 - +36% incremental response rate
 - 3.69% RR vs. 2.71% w/ no promotion
 - +29% AOV (\$187 vs. \$145)
 - 921% ROAS for free shipping
 - 617% ROAS no promotion
 - 131% lift in response rate for free shipping
 - 80% lift in response rate no promotion
 - Prospects
 - Free shipping – 1.85% RR
 - No promotion – 1.3% RR
 - +42% AOV to free shipping segment

- Personalization will have a significant positive impact to your bottom line
- Establish business rules and internal rules around testing & decision-making
- Find the budget
- Commit fully; test indefinitely

Thank You!

**2019 CATALOG &
INTEGRATED
MARKETING SUMMIT**



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