Manzana Predictive Marketing

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Retail challenge: Stock turn or Customer switch

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Challenges

To stay in business, retailers today need to be on the edge with stock and sales performance

- Optimize inventory and supply chain, drive stock turn rates better versus sector's average
- BUT keep wide variety and availability of goods on shelves to satisfy consumers and prevent switches

- The in-store experience is an important differentiator, because over 90% of sales still take place in physical stores[1]
- 92% of customers switch to other supplier if not satisfied with services or quality[2]
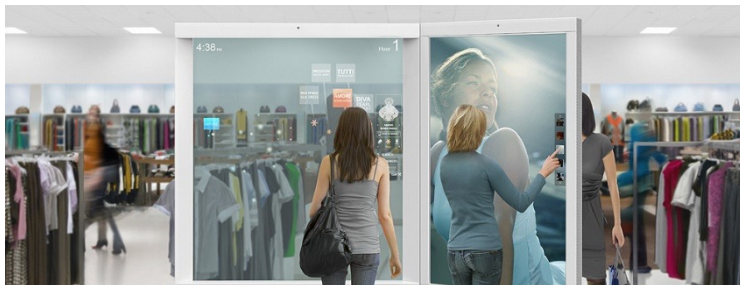
Ideal Solution

Legacy retail solutions can be improved with the modern tools and services which

- Prevent churn of customers – provide them offers they valued and responded most

- Help to clear slowing products - offer it to the most prospective buyers

- 77% of consumers have chosen, recommended, or paid more for a brand that provides a personalized service or experience[3]
- Engaged customers, or fans, spend 60% more per transaction and deliver 3x the value to a brand in 1 year

Desired Outcomes

Manzana Predictive Marketing

- Fully automate big data processing, analysis and enablement of marketing campaigns
- Build on industry-proven data knowledge methodologies
- Drive continuous in-house expertise growth

Manzana Group, retail expert and developer of leading Manzana Loyalty solution, created brand new solution for programmatic scoring of consumers and goods.

Recent model we build for an drogerie retail, resulted with +100% response rate on 12 campaigns and 30K personalized delivered offers.

Manzana Predictive Marketing in details

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Predictive Marketing: the Zen for your customers and goods

perform Segmentation

- Data processing - import, cleanup, calculation, aggregation, verification for Customers X Products
- Data enrichment with negative assumptions for segmentation
- Segmentation with matrix factorization – with 200-300 microsegments for future scoring as output

train the Scoring Model

- Scoring Model training based on Segmentation and historical data to ensure segment objectives are met
- Automation of creation and selection of objectives for segments
- Tuning of Scoring model and its post processing (scoring output on criteria ranges)

execute & analyze Offers

- Integration with Dynamics 365 and Manzana Loyalty, variety of other retail and loyalty processing system
- Flexible offers: participant-level personalization on product, category, brand, expiration and quantity
- Direct \ indirect communication: print on counter receipt, mobile app, online, email

with Microsoft Cloud

- Azure Machine Learning studio for quick modeling and experimenting in testing mode
- Vowpal Wabbit by Microsoft Research - for big data processing in production mode
- Azure Storage: BLOB for deployment of Scoring environment
- Azure Batch: deployment of clustered environment and parallel computing

"Manzana Predictive Marketing boosts response rate for marketing campaigns for more than 100%. At high volume business, properly scored targeting is able to return all investments just with the first campaign executed" – Yury Vronsky, partner, Manzana Group

Manzana Predictive Marketing: better on Microsoft Cloud
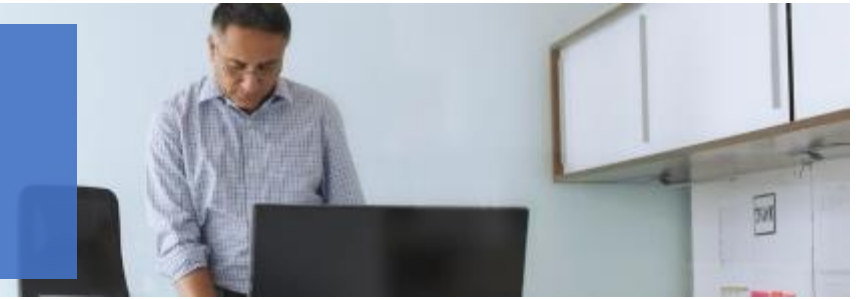
Manzana Predictive Marketing is great tool to boost your marketing campaigns performance with data you already own. Microsoft Cloud enables all up-to-date data science innovations and Manzana help you to deploy solution and consume at most relevant configuration.

Solution Alignment

Data processing with Azure IaaS

Manzana Predictive Marketing is built for Microsoft Azure. You can scale with infrastructure you need to compute your campaigns; same time you can shutdown environment and pay only for the storage (**Azure SQL**, **Azure Storage**) in low season periods.

Key factors to consider: corporate IT landscape and maturity, project constraints, growth aspirations

Machine Learning with Azure services

Azure Machine Learning Studio is optimal interface for conceptual model testing, verification of segment objectives setup and selection

Microsoft Research's **Vowpal Wabbit** library is used for big data processing within segmentation and scoring in production mode (can be deployed in Microsoft Cloud)

Extended with SaaS offering

Manzana Predictive Marketing can be easily integrated with other software and applications, provided by Microsoft or Microsoft ISVs in a service mode

Example is built-in integration to **Manzana Online**, SMB-focused Manzana Loyalty in SaaS mode

SEM+YA issued first 30 000 personalized offers and got +100% response rate for 12 micro campaigns

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SEM+YA operates in drogerie retail format in 2 regions in 29 cities and towns. It offers more than 10 000 goods for its customers in different categories: beauty and cosmetics, child care, household goods.

Retail chain use Manzana Loyalty with 350 000 loyalty program members; each 3 minutes new participant registers into program.

Company want to use valuable information they gathered with loyalty program, to increase its customer engagement and enforce marketing campaigns with additional personalized communications to loyalty program participants.

Win Results

Manzana Predictive Marketing enables Segmentation

300 microsegments helped to identify datasets with similar communication \ objective attributes. It helps with proper scoring for prioritized objectives.

Manzana Predictive Marketing refines Marketing

SEM+YA now enabled to track different communication \ media channel within each campaign and offer executed; so business optimize its marketing mix and COGS. Response rate grows +100% even on initial scoring model

Manzana Predictive Marketing drives ongoing Digital transformation and new communication channels - mobile experience, Telegram channel and bot, advanced analytics