



MVC Turns data into Profits with Alterian

A subsidiary of Woolworth and a leading British retail supplier of CDs, DVDs, videos, and computer games, turned to Alterian for help extracting valuable information from its database of over 6 million customers.

Background

Formed in 1991, MVC has developed a strong UK retail operation with over 6 million customers. A subsidiary of Woolworths plc, MVC is a well established entertainment retailer, offering an extensive range of CDs, DVDs, videos and computer games to suit all tastes.

In addition to its 89 stores located throughout the UK, MVC's customers also have access to an even greater range of products via the MVC and Streets Online websites.

MVC is dedicated to offering the best customer service available. Its aim is to achieve 100% customer satisfaction and in doing so, make the entertainment shopping experience as quick, easy, reliable and as pleasurable as possible.

The Problem

MVC's high street stores operate a customer loyalty scheme that entitles members to a price reduction on every item purchased. As this scheme is free to join, all a customer has to do to qualify is to register their name and address details. They are then provided with a membership card which when presented in-store, enables them to shop at discounted rates.

Operating in this way means MVC is the only music retailer in the UK to capture the name and address details of almost every customer, as well as the details of each transaction. However, MVC was restricted in the way this information could be used to develop tightly defined customer segments.

MVC required a more effective way of managing duplicate memberships that occurred on a regular basis. For example, if a customer walked into a store but had forgotten his membership card, all he needed to do to claim his discount was to register his details again and take out a new membership.

Secondly, even though MVC were collecting customer information such as the types of products bought, frequency of purchase and whether purchased in-store or on-line, the company was restricted by its existing technology to use this information to segment and appropriately target their customer base.

"We were sitting on a goldmine of information," said Systems Director, Andrew Harber. "The information we held on our customers was unique, and yet we were unable to unleash the full value of the information for our own benefit. Our competitors would give their right arm to be able to access this information."

MVC had collected huge amounts of customer data over a 4 year period but their analysis process was time consuming, resource hungry and did not allow 'train of thought' analysis.

Analysts would take days or more to extract relevant information from the marketing database. Consequently, a large amount of valuable data collected was not used commercially as it was so difficult to extract.

The Solution

MVC needed a system that would enable the company to convert their customer database into actionable information that they could then use to their own competitive advantage.

Once MVC had assessed Alterian software and provided source data from operational systems, Alterian partner eWare Interactive was able to build a prototype system within only 5 working days. This prototype even included lifestyle and demographic data.

"The Alterian solution enables us to improve the effectiveness of our marketing campaigns through reduced waste from inaccurately targeted mailings. This has led to higher response rates, and allows us to deliver more value to our members. Equally important, the solution will help us achieve our objective of 100% customer satisfaction,"

Andrew Harber,
Systems Director,
MVC Entertainment Ltd.

About Alterian

Alterian solutions are pragmatic analytic tools for extracting customer insight from today's expanding data sets. Since 1997, Alterian has focused on building technology to address the needs of companies within markets that require quick decision-making capabilities based upon rapid analysis of detail-level data. Alterian offers its technology via a worldwide partner network.

Further information

For further information on Alterian, our partners and products, visit www.alterian.com

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eWare Interactive provided a user friendly, customised data analysis solution that was able to analyse MVC's entire database of over 6 million customers and more than 100 million transactions in seconds.

The system was designed to develop profiles for key customer segments with a view to increasing customer lifetime value through tailored marketing activity. Additionally, the provision of a single customer view gave MVC the ability to view a customers relationship with all aspects of the company, regardless of channel.

Immediately following the installation of the prototype system, MVC were able to segment their customer base to produce all of their marketing campaigns for the pre-Christmas period.

It took MVC just 4 weeks to plan and implement a wide range of highly targeted marketing campaigns aimed at customers likely to purchase certain product types, and whether they were most likely to purchase on-line or in-store. Previous analysis techniques simply could never have achieved the same degree of focused targeting.

"MVC has very specific data analysis needs which cannot be met by off the shelf packages", says David Eldridge, CEO of Alterian plc "This is a common issue as organisations grow and their marketing data becomes more complex. Alterian can offer the depth of analysis and speed demanded by todays organisations to help them remain competitive."

The Benefits

The Alterian based analysis solution was built specifically to cater for the analysis and marketing requirements of MVC. The system has enabled MVC to undertake complex queries and analysis of their vast marketing database, thereby turning their customer data into unique customer intelligence.

Harber says, "The system now enables MVC to fully understand our customers' purchasing behaviour and enables us to improve the effectiveness of our marketing campaigns through reduced wastage from inaccurately targeted mailings. This has a positive impact on higher response rates. Equally important this will help us achieve our objective of 100% customer satisfaction."

Further cost savings will be achieved through the system being able to automatically remove duplicate customer information, thereby ensuring customers are not mailed more than once in the same campaign.

Having realised these benefits in such a short space of time, Alterian partner eWare Interactive and MVC have already identified how the system can be enhanced to deliver further benefits to MVC in the future.

These include high speed executive reporting relaying strategic information on issues such as profitable customer acquisition, retention and cross-sell/up sell opportunities. This will enable management to make informed decisions faster than before.

