

PATAGONIA: A CLEAREDGE CASE STUDY

VISUALIZE

Challenge: Finding the Opportunity Trail in a Multi-Channel Wilderness

As one of the most visible brands in outdoor gear and clothing, Patagonia wanted to turn the tables and gain better visibility of its own customers—both within and across channels. As the volume and complexity of its marketing data increased, the company found its existing custom database didn't offer the flexibility it needed to fully understand customer dynamics across channels.

Without a complete picture of customer activity, Patagonia couldn't accurately gauge opportunities in new channels and with new programs — such as search and affiliate — making it difficult to know where to focus effort and resources for maximum impact.



Solution: A Panoramic View of Customers, Channels, and Opportunity

ClearEDGESM now gives Patagonia visibility to track customer activity across marketing and purchase channels for a more meaningful and complete understanding of customer buying behavior. With ClearEDGE, Patagonia's customer data also undergoes weekly updates and regular hygiene to ensure its integrity. The company can now track each customer's repeat purchase rate, preferred channels, and lifetime value (LTV) to sharpen its contact strategies and get the most from its marketing programs.

"With the customer insight that ClearEDGE provides, we can fine tune our efforts across channels for a better return on our marketing dollar while growing the value of our customer base."

Morlee Griswold, Director of Direct Mail, Patagonia

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CREATE A WORLD OF POSSIBILITIES WITH CLEAREDGE.

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In addition to a dramatically improved view of individual customer activity, Patagonia also uses ClearEDGE to understand the broader dynamics among their multiple channels. The company can now see which purchase channels—website, retail, or call center—and which programs—catalog, advertising, email, in-store, and online search and affiliate—are meeting their performance objectives, and where to allocate marketing dollars.

Through ClearEDGE, Patagonia found that search and affiliate programs accounted for a significant volume of new customers and repeat buying from existing customers. For example, new customers generated 50% of search and affiliate orders, while the remaining 50% represented additional share of wallet from the existing buyer base.

Even more specifically, Patagonia found that new customers were more likely to come from search engines than affiliate programs. The majority of search customers are a result of looking for Patagonia's brand name directly, while affiliate programs appear better suited to increasing share of wallet from existing customers.

Finally, ClearEDGE helped Patagonia identify four distinct types of customers, characterized by varying degrees of loyalty and potential. The company then developed a contact strategy that increased the average number of mail pieces a customer could be mailed profitably, while maintaining circulation.

The Results: Better Visibility, Better Decisions

Overall, ClearEDGE provides Patagonia with a complete picture of each customer and their activity across channels to better position the company to maximize revenue from its existing customer base and identify new customer opportunities.

Also, by tracking search and affiliate program performance with ClearEDGE, Patagonia can continue to monitor programs, reevaluate its partnerships, and make adjustments to improve performance—a strategic initiative the company's legacy database couldn't accommodate.

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