

A photograph of two men in polo shirts, one holding a spiral notebook and pointing at it, both smiling. The image is overlaid with a dark blue tint.

# CASE STUDY: **CUSTOMER LOYALTY PROGRAM**



## CLIENT BACKGROUND

**This major sporting goods retailer has over \$1B with over 470 stores in 45 states.** However, recent competition had been eating into their margins. It became clear that a better understanding of their customers' behavior was necessary to effectively navigate the turbulent waters of retail.

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## BUSINESS FOCUS

The company decided it was time for a comprehensive program, centered on the customer, which would include a customer loyalty program, targeted marketing initiatives, and customer analytics. Spurred by competitive pressure, this retailer set the following goals for their customer loyalty program:

- ① **Increase** the number of customers that return to shop within two weeks
- ② **Enable** the ability to track key customer behavior metrics and correlate them to specific marketing campaigns
- ③ **Reduce** cost and increase response rate with more intelligently targeted marketing campaigns

## CLIENT CHALLENGE

To make the program effective and achieve the established goals, the client needed to implement a robust data integration and analytics solution. The project was approved with an anticipated ROI of 361% in the next year.

## THE DATASOURCE SOLUTION

As a long-term strategic partner, Datasource had previously helped this customer establish a reliable and extensible Data Architecture. This foundation enabled our team to hit the ground

running and work cross-functionally with internal technical and business teams, integrating seamlessly within the customer's Agile development environment.

# RELEASES

Datasource quickly established a team of two data architects and four ETL developers to collaborate directly with the client. The project was broken up into two project releases. These releases were staggered so that activity could occur in parallel to reduce the overall project timeline.



## RELEASE 1

Customer loyalty data integration

The first release involved integrating information across internal and external source systems, including iSeries (POS system), Agilone, FirstEdge, Loyalty Labs, and RevTrax. XML was the default communication method used to exchange information between these systems. The team established connections into each system and a consistent set of data standards by which the data could be transformed.



## RELEASE 2

Customer data model implementation

The second release, which was staggered slightly after the first, focused on providing an architected target environment that would support customer loyalty analytics as well as feed the campaign management application for targeted marketing. The Teradata Retail Logical Data Model was used as a starting point and was tailored to the specific needs of the customer. The team created ETL processes to batch load the data model, and data structures and their corresponding ETL processes to feed the campaign management application (Aprimo).

The technology stack for the project included iSeries (Point of Sale), Oracle (transactional database), Teradata (dimensional database), Informatica (ETL), Protegrity (Data Security), Teradata Retail Logical Data Model, MicroStrategy (reporting and analytics), and Teradata Aprimo (campaign management).

## RESULTS

By seamlessly integrating into the project team, Datasource was able to collaborate with the customer and other vendors to successfully drive the overall project to completion. The project was a huge success and empowered the customer to integrate customer information across a range of source systems and provide a means for customer-centric analytics. This was a precursor to:

- ① **Launch** the customer's first loyalty program
- ② **Save** marketing funds by running and tracking targeted and informed direct marketing campaigns to encourage return customers
- ③ **Capture** and track key campaign activity details that were previously lost

This customer now has a Customer Loyalty Program based on a data architecture that is supportable, flexible and scalable.

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## PARTNER WITH US

Contact us to learn more about how our data integration solutions can provide your organization with access to improved information, enabling leaders to make well-informed decisions and achieve more efficient operations.