Bookbinder, Inc. - Cookbook Promo. Campaign

Using RFM Customer Coding - these figures represent the success of the promotional campaign

Count of Acct . RFM	Purchase 0	1	Grand Total	% of Database	Response Rate	Discounted Response Rate	Number in Full Roll Out	Full File Response	Number in Profitable Cells	RFM Rollout Response
555	247	10	257	5.14%	3.89%	3.31%	2570	85	0	0
554	73	2	75	1.50%	2.67%	2.27%	750	17	0	0
553	15		15	0.30%	0.00%	0.00%	150	0	0	0
545	55		55	1.10%	0.00%	0.00%	550	0	0	0
544	90	9	99	1.98%	9.09%	7.73%	990	76.5	0	0
543	51	3	54	1.08%	5.56%	4.72%	540	25.5	0	0
542	28	2	30	0.60%	6.67%	5.67%	300	17	0	0
535	10		10	0.20%	0.00%	0.00%	100	0	0	0
534	42		42	0.84%	0.00%	0.00%	420	0	0	0
533	58		58	1.16%	0.00%	0.00%	580	0	0	0
532	56		56	1.12%	0.00%	0.00%	560	0	0	0
531	16	1	17	0.34%	5.88%	5.00%	170	8.5	0	0
525	2	1	3	0.06%	33.33%	28.33%	30	8.5	30	8.5
524	22		22	0.44%	0.00%	0.00%	220	0	0	0
523	31	1	32	0.64%	3.13%	2.66%	320	8.5	0	0
522	72	1	73	1.46%	1.37%	1.16%	730	8.5	0	0
521	101	1	102	2.04%	0.98%	0.83%	1020	8.5	0	0
455	162	11	173	3.46%	6.36%	5.40%	1730	93.5	0	0
454	64	2	66	1.32%	3.03%	2.58%	660	17	0	0
453	6		6	0.12%	0.00%	0.00%	60	0	0	0
452	1		1	0.02%	0.00%	0.00%	10	0	0	0
445	52	2	54	1.08%	3.70%	3.15%	540	17	0	0
444	77	3	80	1.60%	3.75%	3.19%	800	25.5	0	0
443	51	4	55	1.10%	7.27%	6.18%	550	34	0	0
442	15		15	0.30%	0.00%	0.00%	150	0	0	0
441	5		5	0.10%	0.00%	0.00%	50	0	0	0
435	7		7	0.14%	0.00%	0.00%	70	0	0	0
434	50		50	1.00%	0.00%	0.00%	500	0	0	0
433	66	3	69	1.38%	4.35%	3.70%	690	25.5	0	0
432	62	5	67	1.34%	7.46%	6.34%	670	42.5	0	0

431	40		40	0.80%	0.00%	0.00%	400	0	0	0
425		1	1	0.02%	100.00%	85.00%	10	8.5	10	8.5
424	9		9	0.18%	0.00%	0.00%	90	0	0	0
423	16		16	0.32%	0.00%	0.00%	160	0	0	0
422	27	1	28	0.56%	3.57%	3.04%	280	8.5	0	0
421	46	1	47	0.94%	2.13%	1.81%	470	8.5	0	0
415	7		7	0.14%	0.00%	0.00%	70	0	0	0
414	16		16	0.32%	0.00%	0.00%	160	0	0	0
413	24	1	25	0.50%	4.00%	3.40%	250	8.5	0	0
412	52	1	53	1.06%	1.89%	1.60%	530	8.5	0	0
411	108	2	110	2.20%	1.82%	1.55%	1100	17	0	0
355	120	6	126	2.52%	4.76%	4.05%	1260	51	0	0
354	42		42	0.84%	0.00%	0.00%	420	0	0	0
353	7	1	8	0.16%	12.50%	10.63%	80	8.5	80	8.5
345	44	1	45	0.90%	2.22%	1.89%	450	8.5	0	0
344	82	4	86	1.72%	4.65%	3.95%	860	34	0	0
343	45		45	0.90%	0.00%	0.00%	450	0	0	0
342	24		24	0.48%	0.00%	0.00%	240	0	0	0
341	1		1	0.02%	0.00%	0.00%	10	0	0	0
335	10		10	0.20%	0.00%	0.00%	100	0	0	0
334	31		31	0.62%	0.00%	0.00%	310	0	0	0
333	45		45	0.90%	0.00%	0.00%	450	0	0	0
332	42	2	44	0.88%	4.55%	3.86%	440	17	0	0
331	10		10	0.20%	0.00%	0.00%	100	0	0	0
325	6		6	0.12%	0.00%	0.00%	60	0	0	0
324	21		21	0.42%	0.00%	0.00%	210	0	0	0
323	38	2	40	0.80%	5.00%	4.25%	400	17	0	0
322	57	1	58	1.16%	1.72%	1.47%	580	8.5	0	0
321	50		50	1.00%	0.00%	0.00%	500	0	0	0
315	1		1	0.02%	0.00%	0.00%	10	0	0	0
314	18		18	0.36%	0.00%	0.00%	180	0	0	0
313	60		60	1.20%	0.00%	0.00%	600	0	0	0
312	81	3	84	1.68%	3.57%	3.04%	840	25.5	0	0
311	143	2	145	2.90%	1.38%	1.17%	1450	17	0	0
255	79	2	81	1.62%	2.47%	2.10%	810	17	0	0
254	37		37	0.74%	0.00%	0.00%	370	0	0	0
253	6	1	7	0.14%	14.29%	12.14%	70	8.5	70	8.5

245	26	1	27	0.54%	3.70%	3.15%	270	8.5	0	0
244	62		62	1.24%	0.00%	0.00%	620	0	0	0
243	41	1	42	0.84%	2.38%	2.02%	420	8.5	0	0
242	18		18	0.36%	0.00%	0.00%	180	0	0	0
241	3	1	4	0.08%	25.00%	21.25%	40	8.5	40	8.5
235	17		17	0.34%	0.00%	0.00%	170	0	0	0
234	44		44	0.88%	0.00%	0.00%	440	0	0	0
233	78	2	80	1.60%	2.50%	2.13%	800	17	0	0
232	72	1	73	1.46%	1.37%	1.16%	730	8.5	0	0
231	30	2	32	0.64%	6.25%	5.31%	320	17	0	0
225	1		1	0.02%	0.00%	0.00%	10	0	0	0
224	10		10	0.20%	0.00%	0.00%	100	0	0	0
223	40		40	0.80%	0.00%	0.00%	400	0	0	0
222	47		47	0.94%	0.00%	0.00%	470	0	0	0
221	92	3	95	1.90%	3.16%	2.68%	950	25.5	0	0
215	2		2	0.04%	0.00%	0.00%	20	0	0	0
214	6		6	0.12%	0.00%	0.00%	60	0	0	0
213	42		42	0.84%	0.00%	0.00%	420	0	0	0
212	98	1	99	1.98%	1.01%	0.86%	990	8.5	0	0
211	133	1	134	2.68%	0.75%	0.63%	1340	8.5	0	0
155	70	1	71	1.42%	1.41%	1.20%	710	8.5	0	0
154	24	1	25	0.50%	4.00%	3.40%	250	8.5	0	0
153	7		7	0.14%	0.00%	0.00%	70	0	0	0
152	2	1	3	0.06%	33.33%	28.33%	30	8.5	30	8.5
145	29		29	0.58%	0.00%	0.00%	290	0	0	0
144	74	2	76	1.52%	2.63%	2.24%	760	17	0	0
143	64	1	65	1.30%	1.54%	1.31%	650	8.5	0	0
142	26	1	27	0.54%	3.70%	3.15%	270	8.5	0	0
141	2		2	0.04%	0.00%	0.00%	20	0	0	0
135	11		11	0.22%	0.00%	0.00%	110	0	0	0
134	39		39	0.78%	0.00%	0.00%	390	0	0	0
133	80	1	81	1.62%	1.23%	1.05%	810	8.5	0	0
132	48	1	49	0.98%	2.04%	1.73%	490	8.5	0	0
131	17	1	18	0.36%	5.56%	4.72%	180	8.5	0	0
125	3		3	0.06%	0.00%	0.00%	30	0	0	0
124	26	1	27	0.54%	3.70%	3.15%	270	8.5	0	0
123	64		64	1.28%	0.00%	0.00%	640	0	0	0

122	98		98	1.96%	0.00%	0.00%	980	0	0	0
121	105	2	107	2.14%	1.87%	1.59%	1070	17	0	0
115	3		3	0.06%	0.00%	0.00%	30	0	0	0
114	17		17	0.34%	0.00%	0.00%	170	0	0	0
113	43	1	44	0.88%	2.27%	1.93%	440	8.5	0	0
112	53		53	1.06%	0.00%	0.00%	530	0	0	0
111	81		81	1.62%	0.00%	0.00%	810	0	0	0
Grand Total	4880	120	5000	100.00%	2.40%	2.04%	50000	1020	260	5.304

The "Cookbook Special" promotional deal was launched on March 1, 2003 to target families and middle-aged customers - that like to cook, or would like to cook more. The figures listed above represent the direct marketing promotion success (response), and weakness - according to segments of similar customers - and if they were effectively targeted.

Customers have been grouped in distinct RFM segments - establishing categories to determine who are the most recent buyers (recency), who are the most frequent buyers (frequency), and who are the biggest spenders (monetary), and the combination of all three. The three categories have been segmented into quintiles (1-5), much like a rating system, with 1 representing the least desirable customers and 5 representing the most desirable.

Using these codes, I've determined several things about the customers in the database;
 - the percentage of the database that each RFM segment comprises
 - the response rate (the % of customers in our test market who actually purchased the cookbook)
 - the discounted response rate (a more conservative approach)
 - the number of roll out (how many customers are in each RFM group - % of database)
 - the full file response (the # of customers that would buy the book if we were to offer the deal to all customers)
 - the breakeven response rate (the total cost for the promotion divided by the net revenue per item)
 - the number in profitable cells (those customers who are most profitable)
 - the RFM rollout response (the number of responders targeted above the breakeven point)
 - the overall profitability of the marketing promotion