

Business Valuation

Accelerating Performance by Calculating Results™

BASEBALL EXPRESS: CUSTOMER INTELLIGENCE ALLOWS FOCUS ON HIGH VALUE CUSTOMERS

Baseball Express

Small enterprise (SME) multi-channel retailer with 150 employees sells sports-related merchandise.

Coremetrics

www.coremetrics.com provides Baseball Express with detailed analytics and reporting for online customer behaviors, interactions and transactions

Business Challenge

Need to understand online customer behaviors and to address high shopping cart abandonment rates.

Strategy & Scope

Leverage an online analytics tool to determine which marketing efforts were profitable and why.

Valuation

- ✓ 23% annual increase in shopping cart completion rates
- ✓ 10% annual increase in online revenues
- ✓ 35% annual increase all revenues

Customer Intelligence Business Valuation

Business Challenge:

Baseball Express is a multi-channel retailer of sport-related merchandise sold through traditional catalogue, phone, and online channels. With approximately 50% of sales generated from catalogues, 9% from a retail store, and 41% from a website presence, this retailer wanted better visibility and accountability for its online marketing investment. Additionally, it needed to understand why such large numbers of online shoppers failed to complete their purchases. Rather than continue to invest heavily in online marketing, Baseball Express decided to invest in better understanding its customers' behaviors.

Strategy

The company's strategy was not simply to track and report on online customer behavior—it needed actionable insight in the form of customer intelligence in order to change how it interacted with online shoppers. This required an analytical engine capable of tracking, storing and reporting on all online customer interactions by select criteria—product category, price, shopper profile, segment, checkout process and funnel analysis—to address lost revenues resulting from high shopping cart abandonment rates.

Transformation

Selecting a technology provider: Baseball Express evaluated four web analytics vendors before selecting Coremetrics based on the following criteria:

- ✓ Customer service and support
- ✓ Best practices framework and Lifetime Individual Visitor Experience [LIVE] Profiles feature
- ✓ Level of granularity in report and segmentation capabilities
- ✓ Price and deployment timeframe

Technology deployment: Coremetrics' web analytics tool was implemented within one month. As part of the implementation, Coremetrics trained the Baseball Express internet team on how to create both tagging and category structures for the capture of specific customer behaviors. After the internal internet team set up the tagging infrastructure, Coremetrics reviewed the files for accuracy prior to going live.

Baseball Express

Within two months, Baseball Express captured enough data to take action on behavioral trends detailed in weekly reports. Coremetrics reviewed the initial reports and provided best practice processes that initially enabled Baseball Express to streamline its online registration forms.

Current Operating Environment:

Baseball Express is now able to optimize its online marketing investments as a result of greater visibility and understanding of which campaigns, products, customer segments, and merchandising decisions drive the highest returns. Moreover, the company is now able to track and identify their repeat customers as well as to understand which are most profitable based on 'LIVE Profiles'. Currently, Baseball Express uses 5 standard customer data analysis reports weekly, and runs additional reports monthly to track top-performing products. This information is used for merchandising, inventory planning, outbound campaign, as well as funnel-analysis process to track cart completion rates.

Ongoing improvements to the website are based primarily on analysis of customer behavior as reported through Coremetrics.

Lessons Learned:

Customer frustration was a significant barrier to growing the online sales channel. Understanding and responding to customers are key to retention, satisfaction, and ultimately, revenue growth. Learning that the high rates of shopping-cart abandonment were the direct result of a laborious registration process was significant and easy to resolve by simplifying the online forms.

"We learned that customer frustration, reflected by the high rate of abandonment during the checkout process, could be easily alleviated by simplifying the registration form."

*~Richard Calentine,
Internet Analyst
Baseball Express*

Results

Baseball Express has learned that analysis of online customer behaviors provides actionable intelligence that drives continuous customer experience improvements.

To date, tangible performance improvements include:

- ✓ 23% annual increase in shopping cart completion rates
- ✓ 10% annual increase in online revenues
- ✓ 35% annual increase all revenues

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Hypatia delivers high impact market intelligence, industry benchmarking, best practices, technology vendor selection, ROI assessment, and consulting services that reduce cycle-time and influence customer management, product strategy and channel development goals. Since 2001, clients have relied on our industry insight, expertise and independent research for guidance in assessing various technology, solution and service options. Like our namesake, Hypatia, we are committed to *Calculating Results*TM for our clients.

Hypatia of Alexandria (c.370-415 AD), invented several scientific devices--the astrolabe, planesphere, and hydroscope (hydrometer). These instruments were used to calculate the distance between planets, the position of visible stars at any time of the year, and the gravity of liquids respectively. Hypatia was the first woman to make substantial contributions to the development of mathematics, astronomy & philosophy.

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