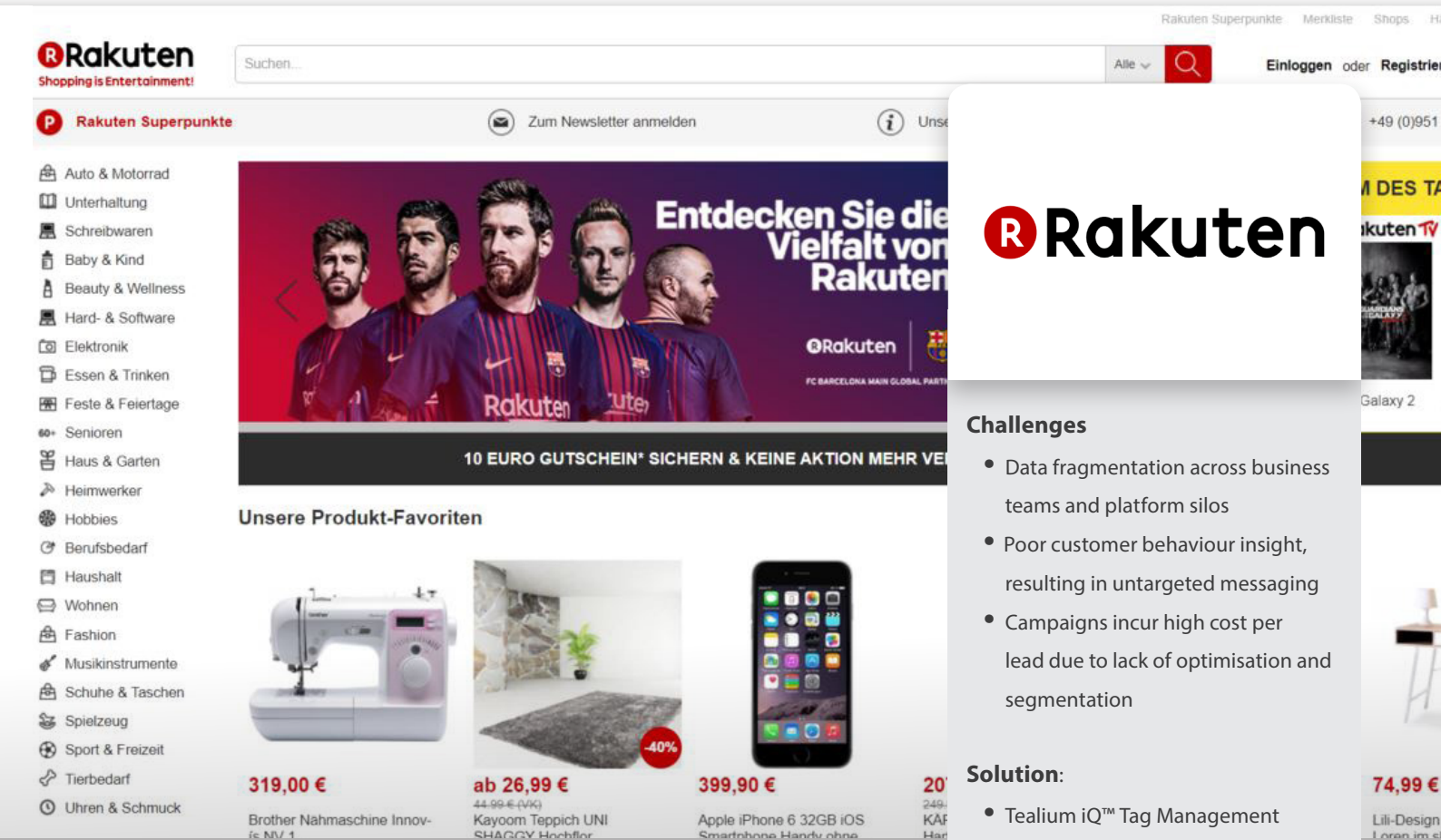


Leveraging Customer Insight to Optimise Targeting and Budget Allocation



Challenge:

Rakuten began as a global Ecommerce store; a digital hypermarket selling everything from electronics and clothes to dog food. Rakuten has grown through acquisition, expanding the business to include a magazine and television channel. Considering the vast product lines and customer requirements, Rakuten needed to target specific segments and individuals at scale to retain and expand their customer base.

Data fragmentation was a huge issue for the Rakuten team. Data silos stemming from disparate platforms and teams resulted in little understanding of visitor behaviour. Teams across the organisation functioned in isolation, managing data from specific channels or touchpoints. With data scattered across the organisation, building a complete and accurate view of each customer journey was not possible.



Challenges

- Data fragmentation across business teams and platform silos
- Poor customer behaviour insight, resulting in untargeted messaging
- Campaigns incur high cost per lead due to lack of optimisation and segmentation

Solution:

- Tealium iQ™ Tag Management Solution
- Tealium AudienceStream™ Customer Data Platform (CDP)

Results

- 20% increase in average repeat rate
- 10% further increase in customer loyalty repeat purchases
- Campaigns leverage dynamic segmentation



Without the ability to track unique visitor interactions across all channels and devices, customer insights were considered unreliable due to data gaps. Campaigns communicated the same messaging to all audiences, leading to inconsistent results due to poor insight. Budgets relied solely on the team's instinct alone, resulting in wastage rather than conversions.

Solution:

Rakuten chose to deploy Tealium's tag management and customer data platform across mobile and web. Rakuten recognised that Tealium's agnosticity would enable them to connect data silos together. Leveraging Tealium's platform to act on data in real-time across channels and devices, Rakuten began audience segmentation; targeting individuals in session based on engagement.

Results:

Within 90 days of installation, Rakuten deployed their first use case. The impact on business operations is significant. With the data connected, team's now work as part of one collaborative entity. Courtesy of the Tealium platform, audience segments enable Rakuten to understand and communicate relevant messaging to visitors and customers. This improvement is contributing to Rakuten's objective to be the market leader in delivering one-to-one, real-time, omni-channel experiences for customers.

Tealium's tag management system and customer data platform has provided Rakuten with more flexibility. Campaigns can now be adjusted with a single click. Tealium's intuitive user interface has enabled Rakuten to allow platform access to the wider team and deliver campaigns quicker. Team's can now build audiences and segments to ensure relevant messages are communicated from the outset. Campaign spend has reduced due to this data-driven, targeted approach. The ability to analyse customer insights has created a new revenue stream; Rakuten now sell targeted campaigns to suppliers, building audiences for specific product lines and brands.

Rakuten is also using customer insights to increase retention rates. Existing customer audiences have been targeted across multiple channels to increase return rates to the ecommerce store. Tealium AudienceStream™ has allowed Rakuten's marketing team to deploy customer-targeted adverts based on recent behaviour. Previously the team would run one or two broad, static adverts. Now, the team is managing over 1000 highly targeted, dynamic campaigns based on visitor engagement.

Since deploying Tealium, Rakuten has seen a 20% increase in average repeat purchase rate, in particular the 365-day repeat percentage (customer count divided by the total number of customers in each month). Additionally, Rakuten has identified a further 10% increase in repeat purchase from customers registered with the company's loyalty scheme. This result is significant as this audience is particularly valuable to Rakuten.

"Loyalty is key for a business like Rakuten. Our work revolves around the customer and understanding their needs. Identifying the key insights are pivotal for us to effectively segment and target our audiences.

Tealium's solution has enabled us to find these insights and build targeted audiences. Each audience now receives a more personalised customer experience. Improved campaign performance has also led to a marked increase in revenue streams. The results we've seen since using Tealium have secured data a central role in Rakuten moving forwards." says Sebastiaan Rasterhoff, Performance Marketing Manager, Rakuten

The marketing team at Rakuten has developed a greater appreciation for data and its use in daily business. The insights that unified data generates has positively impacted business operations. Since the launch of Tealium's CDP, Rakuten have seen increased cross-team cooperation and transparency of activity. This collaborative approach has ensured that data is more readily accessible across the organisation.

In addition to improved access to data, Tealium has enabled Rakuten to monetise their data: Leveraging their own data to improve campaign results, optimise budget spend and create new revenue streams. Rakuten continues to deploy new use cases and plans to utilise more of the available functions within Tealium AudienceStream™.

Rakuten plan to launch Dynamic Segmentation, a project that involves the connection of AudienceStream™ to Google AdWords and Criteo. This will enable Rakuten to dynamically allocate customers to audiences based on segments that utilise the following criteria:

- Lifetime orders
- Average order value
- Page views
- Visit duration

Rakuten plans to significantly improve budget efficiency for the marketing team by excluding the lowest or least promising segments. Maximum bids for paid media will also be increased for the better performing segments, with the aim of further increasing conversions to lower cost per lead. In other words, the budget will be directed to the most engaged visitors.

About Rakuten

Founded in 1997 with only 5 employees, Rakuten is now one of the most innovative companies in the world. Offering a range of e-commerce services that include video-on-demand, advertising, marketing services, e-reading, fintech and more. With over 13,000 employees covering 60 countries the team work daily to make their vision of the Internet of tomorrow a reality.

Rakuten Germany began in 2011 with the takeover of the Bamberger Marktplatz Tradoria.

In 2012 the business was renamed, Rakuten.de Shopping. Currently employing over 150 people in Bamberg and Berlin, the team work with over 7,000 dealers are trading via Rakuten.de.

The Rakuten Group in Germany offers a wide range of services from online shopping, advertising, Video on demand, e-book and online marketing.

About Tealium

Tealium revolutionises today's digital businesses with a universal approach to managing the ever-increasing flows of customer data - spanning web, mobile, offline and IoT. With the power to unify customer data from a single source of truth, combined with a turnkey integration ecosystem supporting more than 1,000 vendors and technologies a true 'customer-at-the-centre' approach. Tealium's Universal Data Hub (UDH) enabling users to gain real-time, actionable insights and create richer, more personalised digital experiences. More than 700 global businesses worldwide trust Tealium to power their data strategies and data governance practices. For more information, visit www.tealium.com.



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