Kids Planet

What if you could convert every sales lead before the competition gets there first?

Kids Planet, retail distributor of baby gear in Canada, uses business intelligence, data warehousing and predictive analytics to target leads and channels with a high likelihood of success and nearly doubles sales performance in social networking and online channels.

The Opportunity

More sales lead information is always better, unless that information just sits in a database or spreadsheet.

By setting parameters and identifying hot leads and target markets, a sales team can literally see its conversion rate jump in a matter of months. It's an investment, but one that can pay of big in the end.

Kids Planet a distribution company in Canada, wanted to know which leads are most likely to pan out, and which ones that do pan out will yield the most revenue. First, it needed to collect data, consolidate it and invest in predictive analytics technology.

What Makes it Smarter

What's the only thing worse than losing a sale to a competitor? Losing it and knowing that you had the sales opportunity first but never followed up on it. Kids Planet, a retail distributor in Toronto, watched one too many sales leads end up as sales for another company and decided to gain a competitive edge. Using a centralized data warehouse equipped with predictive analytics capabilities, the company gained the ability to assign scores to leads indicating which were most likely to result in a conversion, target those leads with special campaigns and offers, and match leads to the most appropriate sales staff. In doing so, it increased its overall conversion rate by 15 percent in only two months. By targeting special offers to leads culled from online shopping networks and social networking sites, the company increased sales in those channels by 45 percent. A little information does indeed go a long way.

Real Business Results

- Resulted in a 15 percent higher sales lead conversion rate within the first two months of deployment with more targeted marketing efforts

- Reduced the amount of labor needed to generate sales reports by 80 percent because of automation and faster analytics performance

- Identified which sales lead channels would result in the most lead-to-sales conversion success, resulting in 45 percent higher returns in those channels

- Enabled the sales team to have better insight into successful tactics with different leads and across the sales cycle

Solution Components

- IBM® InfoSphere® Warehouse
- IBM DB2® for Linux, UNIX and Windows v9.7
- IBM Cognos® 10
- IBM Premier Business Partner – Lead Light Technologies

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"Predictive analytics helped us take information we already had on sales leads and turn it into valuable insight on who to call on first, how to approach them, and what products they were most likely to buy. It has changed our whole sales approach. "

— Joy

Business Needs

Kids Planet, a Canadian retailer and wholesale distributor of baby furniture, clothing and gear, collected numerous sales leads from trade shows, marketing lists and email queries on its retail website. A series of emails, conversations and phone calls yielded a lot of customer information that the company could store in its CRM application. However, once Kids Planet had data from sales leads, it had difficulty analyzing the information for insight into the best times to approach customers. For example, if a store was part of a chain, when did it replenish its stock? Or if a store catered to a specific demographic, such as parents of twins, or if customers bought high-end gear or looked for bargains? On a personal level, Kids Planet may talk to parents-to-be and know a specific due date. Gaining this type of information is instrumental in breaking down sales leads into marketing segments to approach customers at opportune sales windows.

However, by manually collecting a large amount of data and analyzing leads, the company had a hard time giving its sales team a visual handle on sales opportunities and when they might arise. Kids Planet needed a more proactive approach to gaining visibility into its sales leads, prospects and potential opportunities in the sales pipeline, as well as the history of contact with sales leads across the sales cycle. The company also hoped to gain insight into which channels would be most worthwhile to pursue or further explore, such as online distribution or social networking. In short, Kids Planet needed a more robust data collection and analytics solution to help it sharpen its sales effectiveness.

Solution Implementation

With the help of IBM® Business Partner Lead Light Technology, Kids Planet implemented a data warehousing, analytics and reporting solution based on IBM Information Management and IBM Business Analytics software. The company created a centralized data warehouse using IBM InfoSphere® Warehouse software with a database engine run by IBM Enterprise Server v9.7 and IBM DB2 Universal Database for Linux, Unix and Windows software.

The solution automatically consolidates sales lead data from the its CRM application, spreadsheets, unstructured data sources and retail web site. The solution takes this information, and with the help of cube-creation capability within the data warehousing solution, creates predictive models according to parameters set by company stakeholders. These stakeholders can change parameters on information, including store sizes, demographics, special instructions and specific requirements, lead origination and preferred sales channels. Based on these parameters, the solution scores different sales opportunities, with a higher score meaning a greater chance of conversion.

Predictive and What-if Analysis

With this predictive modeling, Kids Planet can segment the leads into targeted groups, such as potential customers who buy online or those who use social networking heavily, and identify the best opportunities and channels with which to approach leads and convert them in to sales.

The solution also performs predictive modeling and what-if scenarios to determine which leads ultimately will result in the most revenue if pursued, which are best for near-term success, and which are best approached over a long term.

IBM Cognos® 10 Business Intelligence Query and Reporting Studio software makes it possible for the Kids Planet sales team to easily query and view the results of this analysis in near-real time. Highly visual reports clearly show effective lead channels, the top leads to pursue in terms of likely success or revenue, good prospects in the near term, and how to best nurture those leads and converted sales in the long run. Interactive dashboards enable the sales teams to compare leads across the business, change the information being viewed on an ad hoc basis, or drill down into specific prospects for more detailed information and root-cause analysis..

Benefits

Since implementing the IBM data warehousing, analytics and reporting solution, Kids Planet has seen a marked improvement in its sales figures. The solution enables the sales force to clearly look at sales leads, where they originated and other information to determine which sales channels will yield the highest success, The sales team can now develop highly targeted campaigns based on discounting certain items or the demographic makeup of certain customer bases. This channel concentration, combined with targeted offers, resulted in a 15 percent increase in sales conversion rates within the first two months after implementation.

Further, by automating data collection, consolidation and standardization and by dramatically increasing query, analytics and reporting performance from days or hours to minutes, Kids Planet reduced the amount of labor needed to generate sales reports by 80 percent. In addition to reducing costs, this labor reduction also allows the sales staff to spend more time identifying and pursuing leads than on entering data into the system.

The sales staff now has better insight into the demographics of Kids Planet sales leads as well as the different sales channels and their relative success in sales conversion rates. For example, by being able to successfully identify and target leads coming from social networking sites and from frequent online shoppers, the company increased its lead-to-sales conversion rates in those channels by 45 percent. The new information also helps Kids Planet assign sales leads to the associates most likely to close the deal, such as sales team members most versed in certain demographic segments or geographic locations. Kids Planet also has a better way to gauge sales cycle duration, deal size and work required on each project, helping it to better allocate sales resources throughout the year.

With better target marketing and more accurate projections of sales revenue and lead conversion, Kids Planet not only can find the leads first but also ensure that it's the first in line to seize the opportunities and turn those leads into satisfied customers.

Instrumented

The new information and analytics solution automatically pulls data from various sources across Kids Planet, including the CRM application, spreadsheets and more unstructured sales lead information and aggregates the data into a centralized data warehouse.

Interconnected

Sales associates and other stakeholders can pull analytics results into detailed, easy-to-read reports in near-real time or use interactive dashboards to gain an always-current view of sales prospects across the business. Users can also drill down into report and dashboard detail to gain specific information on targeted groups or individual prospects.

Interconnected

With the ability to generate predictive models using data cubes, Kids Planet can more accurately predict potential revenue from sales and identify prospects that could result in the most revenue in the near term and down the road.

This enables the company to focus on those prospects at the most opportune times. By setting parameters and adjusting them, the company can assign scores to sales leads to indicate the highest likelihood for conversion.

It also can also determine which sales associates would be most successful with which leads, based on sales style, location, areas of expertise and other factors.

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