

Biography: Kevin Hillstrom, President of MineThatData

Kevin Hillstrom is a Database Marketing veteran with nearly twenty years experience at many of America's leading multichannel retailers. His current endeavor, "MineThatData", is a consulting practice focusing on the emerging field of "Multichannel Forensics". In today's multichannel retailing environment, CEOs, CMOs and Executives must understand the complex interaction between Customers, Advertising, Products, Brands and Channels. Kevin uses Multichannel Forensics to shape multichannel marketing and merchandising strategies, resulting in increased sales and increased profit across online, retail and catalog channels.

During Kevin's tenure at Nordstrom, Eddie Bauer and Lands' End, nearly \$52 billion in net sales and \$4 billion in earnings before taxes contributed to shareholder satisfaction.

Nordstrom: Vice President of Database Marketing, January 2001 – March 2007

During Kevin's tenure as Vice President of Database Marketing, Nordstrom transformed itself from a struggling department store to an \$8.5 billion dollar integrated multichannel retailer, generating 12.9% pre-tax profit during the fiscal year ending February 3, 2007. Market capitalization increased from \$2 billion to nearly \$14 billion during Kevin's tenure. Net sales totaled \$41 billion, earnings before taxes exceeded \$3.4 billion. Merchandising strategies, customer service, in-store environment, operational excellence, expense management and astute financial strategy, website innovation, multichannel marketing integration and a thorough understanding of complex customer behavior contributed to the dramatic increase in shareholder value.

From 2003 through 2007, Kevin's team of Database Marketing leaders (led by circulation experts Claire Karnofski and Michael Einfalt, E-Mail productivity and Social Media guru Jennifer Thornton, and Business Intelligence pioneer Jay Long) focused their expertise on helping transform Nordstrom from a silo-based marketing organization to an integrated marketing leader that drove sales at our Full-Line Store, Rack and Online channels through strategic use of multichannel advertising.

When management elected to discontinue existing catalog marketing strategies, Kevin's team accurately forecast the sales and profit impact of the strategy change across all channels. After discontinuing all catalog prospecting (including compiled list, rented list and exchanged list) activity, Kevin's team identified ways to market via e-mail, and a new housefile catalog advertising strategy. The new strategy allowed Nordstrom to continue rapid online growth that offset the loss in catalog revenue, and drove real increases in profit in spite of the reduction in catalog advertising, and elimination of a traditional catalog prospecting strategy.

A modest team of sixteen individuals utilized an integrated corporate customer database (a database that included purchase data across all channels), external customer data from NPD and Scarborough, customer surveys, integrated clickstream data (data that tied website visitation to in-store purchases), data mining techniques, and Unica's campaign management solution (Affinium) to drive more than \$30,000,000 of earnings before taxes during Kevin's tenure. Many of the techniques devised and implemented by Kevin's staff are among the most sophisticated in today's multichannel retail industry.

From 2001 through 2002, Kevin focused his efforts on assisting Nordstrom's online and catalog channels. This business unit, created in 1994, posted huge operating profit losses during the first seven years of the channel's existence. A group of executives were hired early in 2001 to turn around the fortunes of this channel. Kevin recruited a team of Database Marketing leaders that would help create circulation and e-mail strategies that complemented a dramatic turnaround, resulting in the channel posting its first-ever quarterly profit in 2001, and first-ever annual profit in 2002.

Avenue A: Sr. Database Marketing Consultant, March 2000 – December 2000

Avenue A is now aQuantive, a leading online advertising firm located in Seattle. Kevin's job was to build a consulting practice around customer insights. Utilizing proprietary online analytical techniques, Kevin helped Avenue A clients understand how frequently customers visited client websites, how often they returned to the website, and how often they purchased merchandise.

Eddie Bauer: Director of Circulation and Analytical Services, December 1995 – February 2000

During Kevin's tenure at Eddie Bauer, the venerable multichannel retailer generated more than \$5.4 billion in net sales, and more than \$280 million in earnings before taxes. As Director of Circulation and Analytical Services, Kevin was responsible for crafting a catalog contact strategy and circulation strategy responsible for driving an all-time record amount of earnings before taxes in the catalog/online channel in Fiscal 1999. By reducing promotional activity, aggressively acquiring customers in Home merchandise, strategically managing housefile circulation, and thoroughly explaining the interaction between catalog advertising and online/retail purchasing, Kevin's team built the framework for what is now commonly called "Multichannel Forensics". Catalogs that cannibalized sales (Mens) were eliminated. Catalogs that did not drive incremental profit were eliminated. Catalogs that drove increased sales in the telephone, online and retail channels were strategically maximized. Kevin was hired to build the Analytical Services division at Eddie Bauer, an analytics team responsible for understanding customer behavior in the catalog, online and retail channels. Management's decision to integrate catalog, online and retail purchase databases greatly enhanced Eddie Bauer's ability to understand customer behavior.

Lands' End: Manager of Analytical Services, November 1990 – November 1995

During Kevin's tenure at Lands' End, America's best-known apparel direct marketer achieved \$4.3 billion in net sales, and \$282 million in earnings before taxes. As Manager of Analytical Services, it was Kevin's job to drive incremental sales and profit by developing statistical models that selected the best available housefile customers for each catalog mailing. In addition, Kevin was responsible for the design and analysis of experiments that highlighted the incremental sales and profit driven by each business unit, and each individual catalog mailing. Kevin's team accurately measured the incremental contribution of additional catalog mailings, and demonstrated the point at which optimal sales and profit levels could be achieved.

Garst Seed Company: Statistical Analyst, July 1988 – October 1990

As Statistical Analyst, Kevin was responsible for the analysis of corn and sorghum hybrid development. By designing and analyzing experiments, Kevin was able to illustrate which hybrids had the best opportunity for commercial success.

Education: University of Wisconsin, Madison, May 1988.

Bachelor's Degree in Statistics.

Emphasis in Demographics