Biography And Information: Kevin Hillstrom, President of MineThatData

I am a veteran of more than twenty years in the Database Marketing industry, having held positions of increasing experience at many of the largest retail brands in history.

- From 2001 – March 2007, I was Vice President of Database Marketing at Nordstrom, responsible for as many as twenty-four individuals who explained customer behavior across all channels, while executing all e-mail and catalog marketing campaigns. The most noteworthy accomplishment of my time at Nordstrom was the quantification of a significant change in strategy. My team and I were able to prove that the direct-to-consumer channel would not be dramatically harmed, in spite of a $36,000,000 removal of catalog advertising. The math we used (which grew into the "Multichannel Forensics" framework I now share with companies) was accurate, as direct-to-consumer sales actually increased in the year after the elimination of $36,000,000 of catalog.

- From 1995 – 2000, I worked at Eddie Bauer. My last job was Director of Circulation and Database Marketing, helping Eddie Bauer achieve the most profitable direct-to-consumer year in history, in 1999.

- From 1990 – 1995, I worked at Lands' End. My last job at Lands' End was Manager of Analytical Services.

In 2007, I started my own consulting practice, called "MineThatData". Using a technique called "Multichannel Forensics", I help CEOs understand the relationship between customers, advertising, products, brands, and channels. In the past two years, I've helped more than three dozen unique brands understand customer behavior, using actual purchase transactions sourced from the customer database.

A typical Multichannel Forensics project consists of three parts.

1. An understanding of the customer retention habits of the customer base, by product, brand or channel. Combined with historical customer acquisition activities by advertising channel and information about various discounts/promotions, I create a five year sales forecast that illustrates how the brand is likely to evolve, based on how customers acquired from different sources evolve over time.

2. I quantify relationships between customers and merchandise. What does a customer who purchases LCD televisions purchase next? Does the customer purchasing an iPod purchase from other merchandise divisions? Does the customer buying a low-cost DVD player ever buy anything else?

3. After learning about the ways that customers evolve, migrate, and change behavior over time, I help the CEO develop e-mail, direct mail, and online

marketing budgeting strategies to maximize long-term customer value while increasing profits over the short and long term.

Project results are actionable. The CEO will be able to understand the five year trajectory of his/her business, based on different investment strategies. Most projects result in a reallocation of advertising expense from less profitable advertising channels to advertising channels that deliver long-term benefits.

A typical Multichannel Forensics project takes about one month to complete.

What Kind Of Companies Benefit From Multichannel Forensics Projects?

About 50% of the businesses I work with are traditional catalog brands that are looking to cut back on catalog marketing expense. These brands want to reduce expense, but do not want to see a decrease in top-line sales.

About 30% of the businesses I work with are online pureplays, brands that are looking to understand customer behavior, brands that want to understand what the long-term sales trajectory of their business looks like.

About 20% of the businesses I work with are considered "multichannel retailers", businesses that have retail, e-commerce, and catalog channels. These businesses want to understand how direct channels interact with retail stores. These businesses usually want to understand the appropriate level of investment in direct marketing, online marketing, and traditional offline advertising that fuels retail sales growth.

Is A Multichannel Forensics Project Expensive?

A typical Multichannel Forensics project is not considered expensive, when compared with comparable projects executed by large management consulting firms or advertising agencies.

For a small business (10,000 twelve month customers), a complete project costs around $10,000.

For mid-sized businesses (250,000 twelve-month customers), a complete project costs around $20,000.

For large Fortune 500 companies with maybe five million twelve month buyers, a complete project costs around $45,000.

Projects are priced on the basis of a sliding scale, based on the number of twelve month buyers a brand has. Payment of half of the project fee is required up-front, half within

thirty days of the completion of a project. If an on-site visit is required, the fee for a site visit is $2,500 per day, plus applicable travel expenses.

Need Additional Information?

White papers and presentations are available on my blog, The MineThatData Blog, the most read Database Marketing forum in the world (http://minethatdata.blogspot.com), where close to 2,000 daily visitors and blog subscribers enjoy conversations about traditional marketing, database marketing, retailing, online marketing, and catalog marketing.

Website: http://minethatdata.com
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Multichannel Forensics Paper:
        http://minethatdata.com/MineThatData_Multichannel_Forensics.pdf

Kevin is also the author of three Database Marketing books.
- Hillstrom's Database Marketing (available at Amazon.com).
- Hillstrom's Multichannel Forensics (available at Amazon.com).
- Hillstrom's Multichannel Secrets (available at Lulu.com).