Quotient

Increasing Sales by 230 Percent with Greater Customer Intelligence from Cloudera Enterprise

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— Rumman Chowdhury, Analytics Scientist, Quotient

Overview

Quotient Technology (formerly Coupons.com) is a leading digital promotion and media platform, distributing digital coupons, coupon codes, and card-linked offers. The company serves clients that include hundreds of consumer packaged goods (CPG) companies and top retailers.

Using a Cloudera data discovery and analytics platform, Quotient can target promotions based on shoppers' purchase behavior. This work helps retailers and CPG companies increase consumer engagement and loyalty, better tailor outreach to consumer needs, and reduce coupon distribution costs.

Impact

More accurate targeting using the Cloudera platform has helped Quotient clients increase sales. In fact, Quotient found that the number of shoppers purchasing products increased by 230 percent when targeted, compared to a control group that did not receive the targeted offer.

During the campaign period, 71 percent of the total brand revenue was incremental, due to the targeted offer, with 70 percent of the buyers new to the brand. The average basket value among targeted shoppers was 61 percent larger than the average basket value for comparable purchasers.

After only three pilot tests, clients asked for more targeted offers. "Across our initial targeted offers, we saw an increase of 230 percent more product purchases by consumers," said Rumman Chowdhury, analytics scientist, Quotient. "As a result, demand for targeted offers by clients tripled. The opportunity for our clients, their shoppers, our retail partners, and our business, is endless."

Business Drivers

Stitching together data from its website and retailer point-of-sale (POS) systems is critical for Quotient to understand consumer behavior and precisely target offers.

"Imagine getting every transaction at every register at every grocery store in the country; that's the volume of data we work with," said Chowdhury. "We also collect data from the millions of users who browse our website—including what coupons they hovered over, clicked on, and activated."

One of the challenges Quotient data scientists faced in building behavioral targeting and personalization solutions was a siloed legacy environment.

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Key Highlights

Industry
- Digital marketing

Location
- Headquarters: Mountain View, California, USA

Business Application Supported
- Behavioral targeting
- Personalization
- Business intelligence

Impact
- 230% increase in number of shoppers purchasing products
- 61% increase in basket value among targeted shoppers
- 3X increase in demand for targeted offers in one month

Data Sources
- Clickstream
- Structured data from lookups
- Server logs
- Transactional databases (e.g., POS systems)

Technologies in Use
- Apache Hadoop Platform: Cloudera Enterprise, Data Hub Edition
- Apache Hadoop Components: Apache Impala (incubating), Hue
- BI & Analytics Tools: MicroStrategy, Platfora

"In a pre-Apache Hadoop world, we pulled data from separate sources and then used something like R to pull it all together," said Chowdhury. "The process was slow and we were limited in the amount of data we could handle, which limited our analytic capabilities."

Solution

The Cloudera data discovery and analytics platform provides a scalable, high-performance, and flexible environment that enables Quotient to build sophisticated behavioral targeting and personalization solutions.

Apache Impala (incubating) normalizes the data into an organized model for analysis, applying a multitude of complex business rules in the process. Business users and data experts can easily access, analyze, and visualize the data using a variety of user-friendly tools, including Hue, MicroStrategy, and Platfora.

"The Cloudera platform enables us to move faster and be more nimble," said Chowdhury. "Queries that before ran overnight are now completed in three seconds."

Sending the Right Offer at the Right Time

With the new platform, Quotient can reconstruct what's in shoppers' baskets to identify potential consumers for a brand. For one CPG client, Quotient identified the contents in the average yogurt-buyer's cart, and then targeted coupons for shoppers with a similar purchase behavior, but who had not purchased yogurt.

Additionally, the company can pinpoint when it is best to send an offer based on each consumer's needs.

"We can see what a consumer who activated a coupon, but didn't redeem it, actually did," said Chowdhury. "Did they purchase a competitor's product, or simply the wrong size for the coupon? We can also see that it's been six weeks since they bought, for example, laundry detergent, and try them again with a better coupon so they'll buy a particular brand."

Optimizing Coupon Planning with New Data Models

CPG companies and retailers must determine upfront the number of coupons to release in the market. Releasing too many can result in overspending on coupons and too few can result in lost sales.

Using the Cloudera platform, Quotient data scientists are developing a coupon velocity model that helps clients optimize the number of coupons for any offer.

"We can predict how many people are likely to activate or redeem an offer and buy a product," said Chowdhury.

Why Cloudera

As the Quotient data science team evaluated solutions, it selected Cloudera for its ability to deliver a cost-effective platform capable of storing and transforming massive volumes of data with ease and able to support a diverse set of users and business opportunities.

"We're able to answer questions that we couldn't answer with our old environment, or if we could answer them, it was a lot more painful," said Chowdhury. "Today, it's seamless and faster with the Cloudera platform."

About Cloudera

Cloudera delivers the modern platform for data management and analytics. We provide the world's fastest, easiest, and most secure Apache Hadoop platform.

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