

LIFECYCLE AND VALUE-BASED MARKETING

MERKLE

Global Cruise Company Case Study



The Challenge

A large cruise company communicated to all its guests with similar messages and frequency, despite customers having different purchase lifecycles and varying ranges of lifetime value (LTV).



The Solution

Using several models, customers were segmented into five stages by purchase cycle and brand engagement across channels:



Booking Model

Identify individuals most likely to book in the near future



Sailing Model

Identify individuals most likely to sail in the near future



Business Rules

Rules that define pre-arrival and post-cruise



Customers were modeled and scored into various value segments based on their total predicted value to the Company over the next 2-3 years. This allowed the Company to determine how best to allocate its finite marketing dollars.

Value Tier	General Description	Summary Statistics
★★★★★	Best of the Best: <i>Our very top customers</i>	About 5% of customers but more than 7X higher value than average
★★★★	The Next Best: <i>Still high value</i>	About 10% of customers, about 2-3X higher value than average
★★★	The Core: <i>The average customer</i>	About 25% of customers that are roughly average value
★★	The Under Performer: <i>Slightly below average</i>	About 25%-35% of customers that are about half the average value
★	The Wannabe: <i>Likely losing money</i>	About 25%-35% of customers that are worth a quarter of the average

Using the guest's current stage and product preferences, messages were customized to move recipients through the purchase funnel. Relevant contact strategies were developed to tailor frequency and messaging that aligned with the segment's life cycle, predicted value, and known interests.

Planning



High-Value Inspiration



The Results

Reduced purchase cycle duration for all segments by an average of



Reduced customers moving into "Past Booking" stage by



Some segments saw a reduction as high as 24%.



Reactivated 5% of the lapsed guests.



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