



# Bridging data silos with contextualized customer insight

## How Canadian Tire uses look-alike modeling to fine-tune marketing messages and partners with customers to test drive products at scale

The Canadian Tire Corporation is Canada's largest retailer with 1700 stores and \$12.6 billion in annual revenue. Changing customer expectations and heightened competition challenged their leadership to reinforce its position as a top retailer. They needed direct access to their customers to customize marketing messages, test products and ensure an exceptional customer experience.



Increased confidence of predictive models for marketing

**5000+** products tested in one year

**70%** of sales growth attributed to "tested" products

**\$1.8M** in research savings per year

***The Canadian Tire Customer Panel allows us to increase consumer confidence about the products we sell, create more brand ambassadors, and improve accuracy in personalizing our message to our customers.*** ”



**Cedric Painvin**  
*Associate Vice President of Consumer Research  
Canadian Tire Corporation*

On their journey to be more customer-centric, Cedric Painvin, Associate Vice President of Consumer Research, and the insights team at Canadian Tire launched the first phase of their insight community in 2014 with 15,000 members. Today, after bringing many successes to the business, they have Vision Critical's largest retail community globally, with close to 200,000 members.

Cedric and the insight team provides stakeholders with agile insight at scale, digging deep into profiling niche audiences and bridging data silos with contextualized customer insight. Empowered with customer-centricity, Canadian Tire makes more informed decisions on marketing messages and targeting, product innovation and future partnerships.

## **Challenge**

Canadian Tire knows that in the era of digitization and big data, their customers expect them to know who they are as individuals and to tailor messages to them accordingly. Customizing and personalizing the message requires data scientists and predictive behavioral modeling to make the best guess about who the people are and what will resonate with them.

Sometimes you get the message right, and unfortunately, sometimes you get it wrong, delivering irrelevant messages to the wrong audience. But every 'wrong' execution provides a chance to learn and improve. To get closer to being right and to positively influence customer experience and revenue, Canadian Tire needed additional context to layer on top of the behavioral data they have from their loyalty program comprised of millions of Canadians.

The retailer also wanted to work with their customers to directly test and review products. Knowing that people are much more likely to buy something if it receives strong peer reviews, and knowing that they'd be able to get great ideas for product innovation based on tester feedback, Canadian Tire has also been tapping into their customers for direct 1:1 feedback through their "TESTED for Life in Canada" program.

## **Company Overview**

*Over the past century, Canadian Tire evolved from a small automotive business into Canada's largest retailer, with 1,700 stores and \$12.6 billion in annual revenue. With world-class owned brands and market-leading merchandising strategies, they are continually innovating with the purpose to excite and serve Canadian customers from coast-to-coast.*

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***The survey data from the CTCP was a key enabler and we wouldn't have been able to even begin this work of training predictive models without it.*** ”

**Owen Yun**  
*Manager of Data Science  
Canadian Tire Corporation*

## Solution

Canadian Tire launched the first edition of their insight community in 2014 with 15,000 members. In 2016, after already achieving many wins, the Canadian Tire Customer Panel (CTCP) was identified as a key strategic initiative to drive the customer-centric goals of Canadian Tire. It was also a key step in providing a 360-degree view of the customer while in-housing the skills and expertise that would allow Canadian Tire to thrive.

Today, the CTCP has grown to nearly 200,000 members and is a key component to bridging data silos in order to create unified customer profiles that are deep and granular enough to inform the level of personalization that customers demand. Decision-makers leverage this knowledge across the enterprise.

Canadian Tire's insight community has streamlined workflows so that multiple stakeholders can access deeper insight. By utilizing existing community data alongside data from other systems, Canadian Tire can use predictive modeling to further understand their customers in ways not previously possible. Since many of their community members also belong to their loyalty programs, they're able to cross-reference known data to confirm and strengthen those models.

By further integrating their loyalty program and transactional databases with community profiles, Canadian Tire is able to apply look-alike modeling, achieving greater accuracy in targeting marketing messages than if they had simply used their existing sales data. The integration of multiple databases with their insight community ensures greater accuracy and relevance for targeted offers and a more personalized experience for their customers.

The TESTED for Life in Canada program also has a huge impact on product innovation and marketing efforts. Loyalty program members in the community are invited to test and review products publicly. This leads to product innovation, social proof and grass-roots word-of-mouth marketing.

## Outcome

The CTCP provides Canadian Tire with a direct line of communication to almost 200,000 engaged customers who want to share their opinions and see the business succeed. It has enabled Cedric and the insights team to future-proof their roles in the company and help the business be more customer-centric.

## Takeaways

**Integrate existing, siloed data with an insight community to add context and refine predictive models.**

**Agile insight at scale to drive product innovation and grass-roots marketing.**

**Build strong brand ambassadors and increase quality perception.**

## Biggest Impacts

**1** Better targeting of marketing offers using look-alike modeling to bridge data silos

**2** Product innovation from TESTED for Life in Canada reviews, such as clip-on Christmas lights, exceeds sales expectations

**3** TESTED 5000+ products in 2017

**4** Nearly 40,000 reviews added in 2017 to enhance shopper journey

**5** 70% of sales growth in 2017 attributed to TESTED-approved products

**6** Agile, scalable feedback yielded roughly \$1.8M in research savings or 8x ROI

**7** Within two years, customers' negative quality perception decreased by 25%

**8** Elevated role of insight, enabling more customer-centric decisions