

# **Statflo Success Story**

How Arima increased Statflo's customer targeting accuracy and ultimate sales by 16%



- Founded in 2012
- Employs over 80 professionals
- Serves over 150
   premier
   enterprise-grade
   customers
- Manages 3
   million plus
   monthly
   customer
   interactions

Statflo is a leading Canadian startup that specializes in developing compliant one-to-one business text messaging technology, enabling businesses to have meaningful, two-way conversations with their customers.

With no Personal Identifiable Information (PII) required from Statflo, Arima is able to consolidate both parties' relevant data and allows Statflo to drastically improve the performance of their customer propensity models, which ultimately increases the sales by 16%.

# Improved customer segmentation and model accuracy to achieve hypertargeting and drive texting campaign ROI



To deliver an effective texting campaign, Statflo works with Arima to segment and understand the targeted audience at the most granular level.

# The Background

Statflo wants to cross sell tablets to existing customers without conflicting the main goal of plan renewal. With limited opportunities to contact customers, it's critical to identify those and only those who have high potentials of making purchases.

## The Challenge

Statflo is committed to develop a ML model discovering those high potential targets who should be included in texting campaigns for the cross-selling of a consumer electronic product. With limited first-party data, however, Statflo requires a strong and credible third-party database to make the model more accurate and explainable for better campaign performance.

# The Approach

- Arima joins client's 1st party data, the customer wireless usage, with <u>Arima's Synthetic Society</u> database.
- From a list of 4,000+ consumer attributes, Arima brings a list of 20 variables with the highest correlation to tablet purchases, including income, number of kids, housing type (rent/own, condo/house) and buyer psychology, to help Statflo understand customers' motivation, attitudes and behaviours leading to purchases.
- Statflo develops ML models with rich and valuable insights into the audiences and crafts the campaign accordingly with confidence.
- Statflo doesn't need to release customer informations to Arima. With no Personal Identifiable Information (PII) needed, this approach is 100% privacy compliant.

#### **About Arima:**

"Arima's Synthetic Society database provides us with credible and impactful data signals and continually helps us to increase model accuracy so that we can give our clients better predictive guidance driving strong business results."



Data Science & Business Systems Lead

# Results

Sales Boost: 16%

F1 Score Increase: 2-6x

Privacy Compliant: 100%

### The Success

#### Wearables XGBoost

	Before	After
Accuracy	97.20%	99.90%
Precision	20.50%	70.20%
Recall	60.80%	69.60%
F1 score	30.60%	70.00%

#### **Tablet XGBoost**

	Before	After
Accuracy	92.60%	98.80%
Precision	6.60%	74.50%
Recall	39.30%	65.50%
F1 score	11.30%	67.70%

\*Precision Improvement ensures that text isn't sent to customer who shouldn't be cross sold.

\*Recall Improvement adds more high probability customers to cross sell.

- Adding <u>Arima Synthetic Society</u> data significantly improved Statflo's model performance and resulted in **16%** sales increase for their client.
- Arima also helped Statflo to make the model more explainable and to understand the correlation between each variables and final sales. For example, we've learned that people with kids and/or living in houses have a higher chance of buying tablets.
- With no PII required, Statflo don't need to worry about violating privacy policies while being able to seamlessly integrate useful data points from Arima.

#### **About Arima:**