



## Southern States Cooperative Uses Alteryx to Improve Direct Mail Response Rates and Gross Margins

### CHALLENGE

Southern States Cooperative wanted to better target, produce, and generate maximum revenue from its many direct mail efforts.

### SOLUTION

Southern States Cooperative uses predictive analytics within Alteryx to improve the performance of its direct mail efforts and deploys dozens of analytics applications throughout the company to help make better business decisions.

### RESULTS

- **Deeper Insights:** Reduced direct mail costs while increasing response rates and revenue through better identification of target customers
- **Hours vs. Weeks:** Sped up time-to-insight from weeks to mere hours and increased volume of insights gathered
- **Intuitive Workflow:** Conducted all analysis in a single workflow, including data extraction, cleansing, exploration, and modeling

### Introduction

Southern States Cooperative, founded in 1923, is one of the largest farmer-owned cooperatives in the United States. Owned by more than 300,000 farmer-members, it purchases, manufactures, and processes feed, seed, fertilizer, farm supplies, and fuel. Thanks to strong customer loyalty and very high brand recognition among agricultural professionals, Southern States Cooperative serves more than 1,200 retail locations in 23 states and sells products to farmers and rural American customers.

“The key to our success is pretty simple,” explains Greg Bucko, Manager of Customer Insights at Southern States Cooperative. “It’s service, high-quality products, and knowledgeable employees.”

### Situation

In order to maintain and extend its success, Southern States Cooperative recognized that it needed to continually optimize its marketing efforts, especially its very high-value direct marketing activities. However, the company faced some significant challenges to this goal. Not only did Southern States Cooperative lack a way to bring together customer and marketing data from multiple sources across the company for analysis, but also it had no consistent or sophisticated tools to drive marketing analytics, instead relying on generic productivity tools, such as Microsoft Excel.

Recalls Greg Bucko, “We knew we needed to improve the revenue generated by our many direct mailings, but we had tremendous difficulty identifying, locating, and accessing the most relevant data. Because of this, employees often made requests to specialized data analysts to get information, slowing down our critical business processes.”

This lack of access to the most relevant data also meant that the direct mailings were not targeted effectively, needlessly wasting precious budget. Says Bucko, “We were only using a general ‘rule of thumb’ in determining to whom we mailed catalogs or promotions, rather than making informed decisions based on real data and analysis. To reduce mailing costs and increase response rates, we needed to identify the right customers for targeted mailings.”



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—Greg Bucko, Manager of Customer Insights at Southern States Cooperative

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## Solution

In 2011, after reviewing several competing solutions, Southern States Cooperative chose *Alteryx Analytics* to improve the company’s access to critical customer and marketing data and rapidly build the analytics required to drive further improvements in its marketing success.

One of the key selection criteria, says Bucko, was the Alteryx solution’s unique ability to drive sophisticated analytics that include spatial capabilities. “The spatial functionality within Alteryx is very important to us as retailers,” notes Bucko. “Alteryx has a very strong presence in the retail space with a rich history helping clients perform customer analytics, location optimization, inventory optimization, and more. That experience was one of the most important reasons why Southern States Cooperative chose Alteryx as a partner.”

Bucko has also been impressed by how easily Alteryx enables even those without a strong technical background to unlock business and technical data to improve their decision-making. “You don’t have to know how to write a line of code to use it,” he says. “You don’t have to be a database expert. I’ve used many of the major business intelligence solutions on the market, all of the top brands, and I have found that Alteryx is the most user-friendly from a data access and analysis perspective.”

Using Alteryx, Southern States Cooperative now has dozens of analytics applications to make better business decisions across the company. Says Bucko, “We use Alteryx in a number of different groups beyond marketing. Finance, our retail group, buyers, and people I haven’t even met are using analytics applications that have been developed in Alteryx by our business analytics team. This significantly improves on the systems they’ve been using for years. I’ve heard nothing but positive feedback on how much more quickly and dynamically people can do their jobs than they could previously.”

To optimize its marketing efforts, Southern States Cooperative relies heavily on the predictive analytics tools within Alteryx. “Previously,

to do statistical analysis or predictive modeling, I would have to export the data into another software solution,” adds Bucko. “With Alteryx, I am able to keep all of the analysis as part of the same workflow. In fact, I can do all of my data extraction, cleansing, exploration, and modeling in one module—seamlessly.”

## Results

Using Alteryx, Southern States Cooperative employees can now perform data analytics and make better business decisions. “Alteryx has sped up the time between asking a business question and finding the answer,” Bucko explains. “We have been able to answer marketing questions more quickly and more efficiently, and we have also been able to increase the volume of insights we have gathered. With Alteryx, we can make connections we were not able to make before.”

Southern States Cooperative has been able to significantly reduce the cost of its mailings while increasing both response rate and revenue, thanks to Alteryx. The company implemented Alteryx in 2011, and the subsequent analysis of its 2010 catalog showed that Southern States Cooperative could have reduced the number of catalogs mailed by 63 percent, while simultaneously improving the response rate by 34 percent, resulting in an incremental gross margin (less mailing cost) of \$193,604, a 24 percent increase. When the 2011 catalog was included, the total gross margin increased to \$206,812.

Bucko now has access to better information about the performance and placement of the company’s retail stores, including proximity to competitors and the concentration of certain types of customers around potential store locations.

More than any single result, though, Bucko says that Alteryx helps Southern States Cooperative get closer to its customers. “My number one responsibility is to make sure we understand our customers’ wants and needs,” he concludes. “I use Alteryx every single day to do just that.”