



Case Study

How e.l.f. Beauty Uses ActionIQ to Enhance Customer Experience and Drive Brand Loyalty

Summary

- e.l.f. Beauty wanted to deliver personalized customer experiences to help build brand loyalty
- It selected ActionIQ to eliminate siloed, fragmented data and enable business users to extract valuable insights as well as orchestrate cross-channel experiences
- Partnering with ActionIQ, e.l.f. developed tailored customer journeys and predictive models to target new audiences

BACKGROUND

[e.l.f. Beauty](#) – short for eyes, lips face – is a California-based cosmetics company specializing in clean, cruelty-free makeup. The brand’s affordable, high-quality products have won it a passionate following, especially among younger, digitally native consumers.

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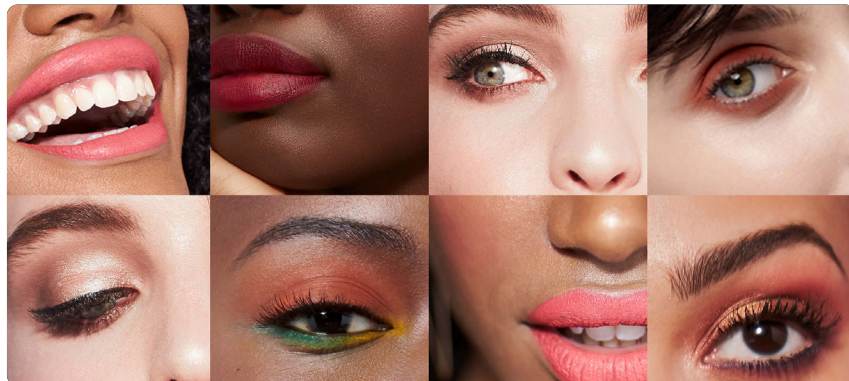


BRIGITTE BARRON
DIRECTOR OF GLOBAL CRM & CUSTOMER GROWTH
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CHALLENGE

e.l.f. wanted to turn its brand fans into loyal customers via the [e.l.f. Beauty Squad](#) – its loyalty program. This became even more important in the wake of the COVID-19 pandemic, when spending on beauty products began to decline and [experts forecasted falling revenue](#).

Additionally, with brick-and-mortar stores closed to the public during the pandemic, e.l.f. saw a 60% increase in new customers shopping on its website. With this massive surge in e-commerce activity, the brand wanted to make sure it was equipped to deliver personalized customer experiences at scale to its digital shoppers.



“Data is at the center of this,” said Ekta Chopra, Chief Digital Officer at e.l.f. Beauty. “Because that’s where you’re learning about your consumer – you’re learning about their behaviors and then applying those changes to the broader ecosystem.”

Unfortunately, the brand’s customer data was siloed, fragmented and difficult to access, preventing e.l.f. from activating it the way it wanted to.

“We had a ton of consumer data ... and we just had our data in a lot of different systems and reported in a lot of places,” said Brigitte Barron, Director of Global CRM & Customer Growth at e.l.f. Beauty. “To really get to that next level, we had to bring all that data together in one system to unlock more opportunities and more insights.”

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SOLUTION

e.l.f. began searching for a customer data platform (CDP) to help it overcome its enterprise data challenges. Without unified, complete customer records, the brand knew it would not be able to effectively leverage all the data at its fingertips.

“All this information was here, but it was not stitched with a single consumer ID,” Chopra said. “That’s when we set out to get a customer data platform, and we selected ActionIQ.”

Not only did the brand’s CDP need to possess powerful technical capabilities in order to create a comprehensive and accurate profile for every customer, it also had to have a user-friendly interface that would enable the brand’s business users to easily access customer insights and orchestrate experiences across digital channels.

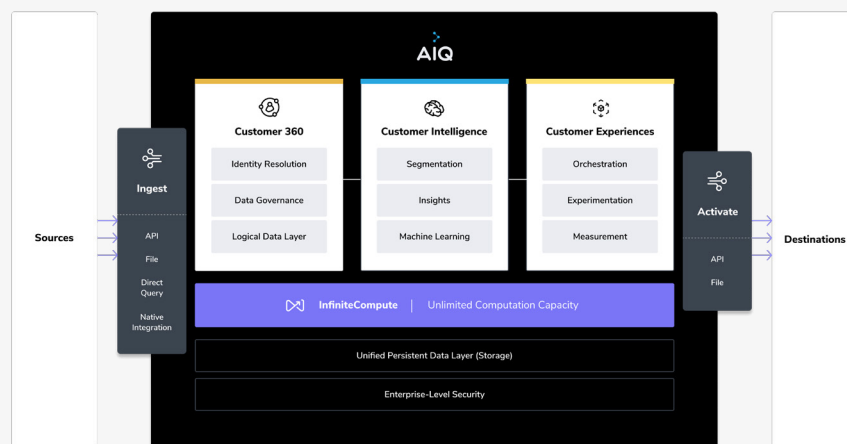
“This was a big factor that influenced us while we were evaluating different technology,” Barron said. “We wanted to strike the right balance and not sacrifice anything from a data management or an identity resolution perspective to have this business user-friendly tool and vice versa.”

Thanks to InfiniteCompute — ActionIQ’s proprietary data infrastructure — e.i.f. had access to unlimited computation power, allowing the brand to focus on creating exceptional customer experiences instead of worrying about technical limitations. And with a no-code interface that allows business users to define and analyze customer segments in minutes, as well as an intuitive customer journey builder that supports cross-channel orchestration, ActionIQ empowered the entire organization — not just IT professionals and data analysts.



e.i.f. Beauty has enabled a personalized new-customer experience leveraging ActionIQ to harness AWS S3’s scalable storage capabilities to meet the challenges of a growing customer base.

THE ACTIONIQ PLATFORM



3.5PB

Data Processed per Year

546K

Insights Generated per Year

3.3T

Personalized Activations per Year

STRATEGY

Creating personalized customer journeys was a top priority for e.l.f. – as was consistently optimizing them based on performance.

“Consumer journeys and your go-to-market strategy are no longer long-term strategies,” Chopra said. “They’re actually something where you have to quickly leverage the data and pivot as quickly as possible.”

ActionIQ customers are not only able to trigger real-time customer experiences based on both streaming data sources and customers’ full historical profiles, they can also orchestrate multi-step customer journeys across all their channels, optimizing for each channel in real time, while monitoring performance, testing different variations, leveraging control groups and reporting on performance.

“A huge value driver ... is just the ability to create these multi-channel customer journeys,” Barron said. “I think traditionally in the past a lot of CRM campaigns lived in a silo through email or another channel.”

BENEFITS OF THINKING IN CONNECTED JOURNEYS

UP TO

50%

decrease in acquisition costs

UP TO

30%

increase in repurchase rate

UP TO

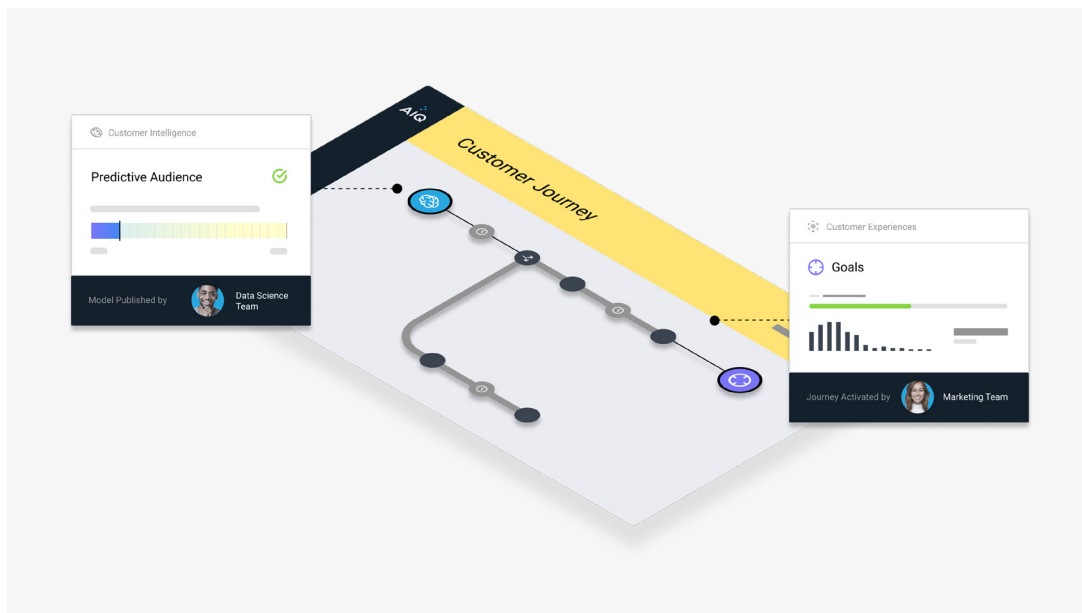
25%

increase in CLTV

Creating connected journeys has helped ActionIQ customers [reduce acquisition costs by as much as 50%](#) while increasing customer lifetime value and repurchase rates by up to 25% and 30%, respectively. Even more importantly, they enable brands to delight their customers by ensuring they can engage with them on their channel of choice.

“There is not one way the consumer wants to be connected, so having a consumer journey that recognizes preferences is better than just judging a channel in a silo,” Chopra said.

In addition to catering to current customers, e.l.f is using ActionIQ to identify and engage prospective shoppers.



“We’re really relying heavily on the ability to create our own predictive models that we use to identify new target audiences and predict these customer behaviors, like when someone’s due to re-purchase, or if they’re highly discount-sensitive or likely to buy a certain product category,” Barron said.

Powered by machine learning, ActionIQ’s library of native models enable e.l.f. to quickly extract valuable insights from its customer base, such as ideal send times for communications and customers’ likelihood to churn. Meanwhile, lookalike modeling enables the brand to analyze the characteristics and behaviors of its current customers to identify similar attributes among prospective shoppers, helping it zero in on consumers who are likely to become high-value customers. The brand is also able to host and operationalize its own models built off-platform within ActionIQ.

“I think a huge benefit for me as a business user has been the flexibility and the user-friendly capabilities of the tool that’ve allowed me to not rely so much on data analysts or our IT team,” Barron said. “I quickly have been able to dive into things like, ‘what products are driving new customer acquisition versus our retained customer purchases? Are they new launches versus our core products?’ And we can really break down the different factors that high-value customers have in common more easily than we could before.”

“What’s fueling the growth is data, which is the currency of the digital ecosystem.”



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RESULTS

Despite sudden shifts in consumer spending and major changes in shopping behavior, e.l.f. achieved great success throughout the pandemic and continues to lead its industry, becoming the only top five U.S. color cosmetics brand to achieve growth and gain share in fiscal year 2021.

Thanks to growth in e-commerce, as of March 31, 2021, the brand reported a 12% year-over-year increase in net sales, reaching \$318.1 million.

“What’s fueling the growth is data, which is the currency of the digital ecosystem,” Chopra said. “Without data, you really cannot continue to grow.”

The brand's loyalty program — e.l.f. Beauty Squad — also saw significant growth over the past year. It reached [more than 2 million members](#) in November 2020, a 40% year-over-year increase, and is responsible for 70% of online sales. The brand itself ended Q4 2020 with a [13% increase in sales](#) worth \$74.7 million.

“The CDP for us has unlocked a ton of new opportunities already. And I think we’re just getting started — we have a lot of runway ahead of us.”



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Contact ActionIQ for a consultation with one of our expert team members and discover how our industry-leading CDP can help you create exceptional customer experiences across all brand touchpoints.



About ActionIQ

ActionIQ empowers the world's leading brands to win in today's experience economy by building deeper, more valuable relationships with their customers. Our real-time orchestration and intelligence hub, powered by the fastest and most scalable customer data platform, enables marketers to quickly turn disconnected customer data into personalized experiences, orchestrated across all channels in real-time. The New York Times, Pandora, Gap Inc., WW, and more, trust ActionIQ to differentiate their brands, drive lasting customer loyalty, and significantly improve business performance – achieving up to a 20% increase in revenue in just a few months.

ActionIQ is an Amazon ISV Accelerate Partner and is available within the AWS Marketplace. To learn more, visit actioniq.com