NURTURING LOYALTY:
from Insight to Customer

ADRIAN HODES
NURTURING LOYALTY...3 steps

How do you take some unloved and dusty data - give it a clean and a polish - and turn it into a market-leading plan to engage some real humans with hopes, dreams and aspirations and thereby gain their loyalty?

1. How to do it: PROCESS

2. Real-life CASE STUDY

3. Practical POINTERS & PITFALLS....

Adrian Hodes
The start of our journey....

Who is in there?
The methodology...

THE BRAINS: DATA
1. UNDERSTAND
2. CLEAN
3. PICK

THE MAGIC: MARKETING
A. BRAND
B. PARTNERSHIPS
C. PR
D. MARKET
1. **UNDERSTAND** what you have
1. UNDERSTAND what you have

Value Share% Trend (Quarterly)

- **Market Share**
  - Q1 15 Calendar: 13.5%
  - Q2 15 Calendar: 12.8%
  - Q3 15 Calendar: 10.7%
  - Q4 15 Calendar: 11.1%
  - Q1 16 Calendar: 11.3%
  - Q2 16 Calendar: 11.3%

Top 20 categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Q1 15 Calendar</th>
<th>Q2 15 Calendar</th>
<th>Q3 15 Calendar</th>
<th>Q4 15 Calendar</th>
<th>Q1 16 Calendar</th>
<th>Q2 16 Calendar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laptop</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Desktop</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tablet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2B AOV</td>
<td>£XXX</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer AOV</td>
<td>£YYY</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

- **Maginus AOV**
  - B2B: £XXX
  - Consumer: £YYY

- **Shopped vs. Mailed**
  - Shopped: 95,314 (11%)
  - Mailed: 464,251 (52%)

- **Tablet and Desktop**
  - Tablet: 335,508 (37%)
  - Desktop: 464,251 (52%)

- **Categories**
  - Software
  - Consumer Services
  - Packaging & Supplies
  - Inks & Toners
  - PC Accessories
  - PC Peripherals
  - Keyboard & Mice
  - Large Screen Televisions
  - Small Storage
  - Desktop Computers
  - Apple Mac
  - Printers
  - Smart Cameras
  - Office Supplies
  - Office Equipment
  - Ink Cartridges & Toner
1. **UNDERSTAND** what you have

Insight indicates need to look after and engage our Existing Accounts through relevant and targeted propositions and marketing

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>88%</td>
<td>of our business customers are satisfied</td>
</tr>
<tr>
<td>93%</td>
<td>of NEW customers are satisfied</td>
</tr>
<tr>
<td>70%</td>
<td>of our business was driven through Existing Accounts in 2014</td>
</tr>
<tr>
<td>A business</td>
<td>customer spends twice as much as a consumer</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>No difference</td>
<td></td>
</tr>
<tr>
<td>Only 87%</td>
<td>of existing customers</td>
</tr>
<tr>
<td>50%</td>
<td>of our business is through Existing Accounts</td>
</tr>
<tr>
<td>60%</td>
<td>of business customers drift away from us over 36m</td>
</tr>
</tbody>
</table>

Customer Satisfaction and NPS

*Currys PC World BUSINESS*
1. UNDERSTAND what you have

<table>
<thead>
<tr>
<th>Segments</th>
<th>Volume</th>
<th>Average Spend</th>
<th>Assumptions for incremental growth</th>
<th>Incremental sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>New inactive &lt;6mths - not purchased</td>
<td></td>
<td>-</td>
<td>None</td>
<td>-</td>
</tr>
<tr>
<td>New purchased once - &lt;6 months 1x</td>
<td>4,000</td>
<td>3%</td>
<td>3% shop at average spend</td>
<td>2,000,000</td>
</tr>
<tr>
<td>purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New purchased twice&lt;6 months 2+ purchases</td>
<td>-</td>
<td>1,000</td>
<td>None</td>
<td>-</td>
</tr>
<tr>
<td>Active - Customer for 6m+. Purchased &lt;12m</td>
<td></td>
<td>1,000</td>
<td>2% shop at 0.5 average spend</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Inactive - Last purchased 12m - 24m</td>
<td></td>
<td>500</td>
<td>1% shop at average spend</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Lapsed - Last purchase 24-36mths</td>
<td>100</td>
<td>500</td>
<td>1% shop at average spend</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Non-shoppers - 6-36mths never shopped</td>
<td>50,000</td>
<td>-</td>
<td></td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

Loyalty KPIs
2. **CLEAN THE DATA**

- uncleased data
- closed business
- suppressed
- residentially-based businesses
- business universe matches
- trading but non matched
3. **PICK THE TARGET SEGMENTS**
A. BRAND

Before ...

... After!
C. **PR** - win the colleagues
C. **PR - win the colleagues**

We've invested in our contact database... so we can target and tailor our offer and message...

...nurture and cherish it!

Which sector they are in

How big they are

How old they are

Bee keepers, anchor makers and conjuring suppliers are amongst our customers
C. **PR - win the colleagues**

**GROWING LOYALTY FROM EXISTING ACCOUNTS**

**ACQUIRE**
- Customer has a need
- My laptop's old and slow
- I need a new TV for the house
- I'm out of the office

**ACQUIRE**
- Are they a business customer?
- Our business customers aren’t all suited and booted

**RETAIN**
- Profile our customers
  - Learn about their business
  - Capture email, phone numbers, number of employees at site, and business sector to target marketing
  - Reinforce benefits of being a business customer

**RETAIN**
- Building the relationship
  - Day 1: Touch from day one
  - Welcome email
  - Business Advisor call
  - Day 3:  
  - Day 7:  
  - Day 8:  

**DEVELOP**
- Building the relationship
  - Key customers = sales growth for your store
  - Know and understand our customer
  - Deliver expert knowledge
  - Data capture for better relationship management
  - Help grow their business
D. MARKET TO THE SEGMENTS
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## D. MARKET TO THE SEGMENTS

<table>
<thead>
<tr>
<th>Sentiment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>tbc</td>
</tr>
<tr>
<td>NPS</td>
<td>+7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CRM</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Rate</td>
<td>+45%</td>
</tr>
<tr>
<td>Click through</td>
<td>+180%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of segment</td>
<td>+21%</td>
</tr>
<tr>
<td>Market share</td>
<td>Tbc</td>
</tr>
<tr>
<td>Outbound calls</td>
<td>+1800</td>
</tr>
<tr>
<td>Average Spend</td>
<td>+18%</td>
</tr>
<tr>
<td>Visits / frequency</td>
<td>+30%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loyalty KPIs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New customers</td>
<td>+7%</td>
</tr>
<tr>
<td>“Existing” customers</td>
<td>+29%</td>
</tr>
</tbody>
</table>

More customers (& more of the same customers), spending more, more often
There now follows a party political broadcast by.. The B2B Party
How to win at B2B

Well... at least not screw it up
B2B: How to win!

#1: YOU NEED A CLEAR MANIFESTO

State your objectives and model what the benefit will be

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B2B: How to win!

#2: HEAD OFF THE REVOLT

Info Sec, Legal, Data Protection, Procurement etc can be... **REVOLTING**

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#3: PICK THE RIGHT CAMPAIGN PARTNER

Find the right agency...

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#4 A CLEAR PROPOSITION

Brand is the foundation for loyalty

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#5 READY FOR THE WIN

Think about the partnerships you might establish early - it takes time

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How to win!

#6 SUCCESS TAKES PERSEVERANCE

It’s not a one off piece of work...

it’s a long process

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How to win!

#7 PICK YOUR STRATEGIC TARGETS

Prioritise the opportunities - value, growth, partnerships and business strategy

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#8: MOBILISE YOUR CAMPAIGNERS

Engage colleagues: office and customer facing teams; ensure agencies have a clear brief

Adrian Hodes
RECAP

1. UNDERSTAND
2. CLEAN
3. PICK

A. BRAND
B. PARTNERSHIPS
C. PR
D. MARKET

#1: CLEAR AIMS & KPIs
#2: ENGAGE INFO SEC / LEGAL
#3: AGENCY CHOICE
#4: CLEAR BRAND PROPOSITION
#5: BUILD PARTNERSHIPS EARLY
#6: PLAN RESOURCE AND BUDGET ONGOING
#7: CLEAR TARGET SEGMENTS
#8: INTERNAL PR / TRAINING

Adrian Hodes
WIN MORE LOYAL VOTERS FOR YOUR BRAND

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