



“dunnhumby has a strong competence on marketing levers, big data, and customer strategy. Others might also have this, but it’s dunnhumby’s commitment, passion and willingness to really understand client needs that adds value.”

- Mario La Viola, CRAI Marketing Director

ABOUT CRAI

- Established in 1973
- Central headquarters in Milan
- Cooperatives spread across 19 Italian regions and 2270+ stores
- www.craiweb.it

OBJECTIVES

- Help them to better understand their customers and their value
- Differentiate customers according to their habits and needs
- Create an individual and personalised dialogue with customers
- Drive greater loyalty over time and increase spend for the business

ACHIEVEMENTS

- 1% growth on LFL sales during CRM campaigns
- Average +40% incremental sales during the CRM campaigns and 11% in the post-campaign period

PERSONALISED COMMUNICATIONS: INCREASING CUSTOMER ENGAGEMENT AND SALES

CRAI had a loyalty program in place but had never studied their customers’ behaviour and needs, nor had they undertaken any personalised engagement activity. They recognised the need to improve their customers’ experience and saw how creating personalised communications could help drive their business objectives.

CHALLENGE

Very little work had been done with their customer base before, and quite a few challenges were uncovered. Although a rich customer database had been created from their loyalty program, the quality of data was poor in terms of contactable customers. From a CRM perspective, inconsistencies of technology & systems capabilities were identified across their stores. And usage of the loyalty card by customers was quite low.

SOLUTION

dunnhumby worked with CRAI from the assessment of their business (objectives, priorities, capabilities and resources) up to the design of the customer journey, resulting in a CRM plan. After a process of customer data validation to gain powerful customer insights, business & customer opportunities were identified and quantified. The plan was designed to engage customers in a personalised and relevant way, by activating the right content, through the right channel, at the right time. However, key to a winning plan was a cycle of tests to drive best customer engagement and ROI.

3 tests with different spend scenarios were activated:

Test 1 (Summer)

Customer group 1: target 60th percentile of basket spend & 15% off
Customer group 2: target 75th percentile of basket spend & 20% off

Test 2 (Autumn)

**Repetition of Test 1 but different season*

Customer group 1: target 60th percentile of basket spend & 15% off
Customer group 2: target 75th percentile of basket spend & 20% off

Test 3 (No specific season)

Customer group 1: target 75th percentile of basket spend & 15% off
Customer group 2: target 75th percentile of basket spend & 20% off

RESULT

75th spend percentile / 20% off was the best winning scenario. With this mix, we identified the ideal combination to drive the right balance between level of customer engagement and incremental sales for CRAI. Customers seemed to appreciate a higher discount even if having to spend more.

With this scenario, participation was 3% points higher in all 3 tests, while the incremental sales generated by the contact customers were 7-8% points higher.

After the test phase, CRM activities were consolidated driving an average of 40% sales uplift and 1% growth on LFL sales during campaigns.



IMPROVED CUSTOMER EXPERIENCE & CUSTOMER ENGAGEMENT



1%
GROWTH ON LFL SALES DURING CRM CAMPAIGNS



+40%
INCREMENTAL SALES DURING CRM CAMPAIGNS



+11%
INCREMENTAL SALES POST-CAMPAIGN PERIOD



THE WORLD'S FIRST CUSTOMER DATA SCIENCE PLATFORM

A world-leader in customer data science, dunnhumby has pioneered the use of big data to drive growth for retailers and brands since 1989. With 46 offices in 27 countries, dunnhumby's strategic process, proprietary insights and multichannel media capabilities deliver competitive advantage for clients including Coca-Cola, Homeplus, L'Oreal, Monoprix, Procter & Gamble, Raia Drogasil, Raley's, Shoprite and Tesco.

Applying insights from 800 million shoppers globally, with specialisms in customer knowledge, customer engagement, pricing & promotions, category management and supplier collaboration – dunnhumby optimises retailer data investment, develops internal expertise and creates tailored solutions that build margin, sales & profit in all competitive environments.



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