

Digital Services



How to improve retail customer relations using customer DNA



Business

The fight for customers is never over

Every day, customers can choose afresh which retailer to visit and what channel to use for their shopping. Issuing generalised offers has not been efficient for quite some time.

Today, we use a modern data platform to ensure that the right offer reaches the right person, preferably through the right channel and at the right moment. That leads to a hyper-personalisation of communication, to offer an even better shopping experience.

The combination of internal and external data source, real-time data and data from IoT devices will soon provide AI models with information that can be used to uncover new opportunities and implement further optimisation. That calls for strong partnerships between businesses like Carrefour and Orange Business so that they can together build innovative processes and support the customer of the future even better.

The fight for customers

Anyone working in retail is familiar with the fight for customers. Consumers have an abundance of choice, and retailers must not only ensure they have the right experience in-store, but also persuade them to return time and time again.

This struggle is more acute than ever, especially now that the physical footprint has been joined by online shopping, which is associated with a particular strong experience. This is why Bart Vandenreijt, Customer Marketing & Insights Director at Carrefour Belgium, introduced the Omnichannel customer vision in 2015. This vision enables retail chains to offer every individual a valuable customer experience, on every occasion and across all the contact points operated by Carrefour.

The Project

In recent years Orange Business has collaborated with Carrefour in a number of areas to implement this Omnichannel project. The initial 'DataLab' project finally led to the 'Modern Data Landscape' that Carrefour currently uses to achieve hyper-personalisation. Orange Business established a multidisciplinary team to support the existing teams in a number of areas: Big Data Analytics, Customer Engagement and CRM.

Omnichannel approach

“Customers can no longer see the wood for the trees, and the younger generations are no longer prepared to compare all the promotions.”

Precision targeting

Yesterday’s carpet-bombing, with aggressive promotions and price wars, has had its day. Customers can no longer see the wood for the trees, and the younger generations are no longer prepared to compare all the promotions. So the Omnichannel approach is about much more than abandoning leaflets as they knew them. That is in any case not an option.

The existing triggers are still needed, but it is a matter of using them in the right way. To win the customer, retailers must move to precision targeting: bringing the right promotion, via the right channel, to the right customer.



Implementing such an Omnichannel approach entails a vast, horizontal, complex process coupled with intensive change management. The first step in the switch to Omnichannel is not implementing all the channels, but hyper-personalisation: ensuring that the customer gets the right offers through the right channel. Even assigning the right promotions demands a constant calculation of tens of billions of options, and constantly-competing models with a view to continuous optimisation.



90%

**Personalisation
as target**

Creating the database

Fortunately, Carrefour is able to start from a centralised database as a firm basis. The database relies on the loyalty card, which enables customers to enjoy a range of benefits.

Recreating relationships

A radical turnaround in existing working process is demanded by this approach. Where carpet bombing starts with the product and its promotion, assembling a range of offers now starts with the customer's interests. Carrefour no longer writes to customers on an ad hoc basis, but in a much more targeted way. This requires much closer collaboration between the marketing and purchasing departments, as well as contending with the necessary analyses.

90% personalisation

A CRM plan tailored to customer needs can just as easily be created in a different way that differs sharply from the traditional sales plan. Carrefour's target is 90% personalisation. The calculations to match millions of customers with promoted products, and constantly enriching these data, are the simplest aspects. Discounting the product to reflect its value for the customer is an additional challenge.

A large discount on a pot of chocolate spread is much more valuable to a family with children than to a DINK couple. So the discount must be adapted to the added value a product has for the target group. Comparing shopping baskets is also important. If they are identical apart from a single product in a profile group, the program assumes that this product is being purchased elsewhere, and the discount is adjusted to reflect the competitive circumstances.



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The ROI in personalised contacts through traditional channels is up by

30%

Communication preferences

Next a comparison of all touch points must be carried out. Carrefour can offer personalised products through a wide range of touch points: the till receipt, Facebook, e-mail, post, leaflets, website, electronic screens in the store, etc. However, their simultaneous use is inefficient.

The calculator will investigate which channels most interest a customer and hence the most effective channels through which to address them. That enables Carrefour to communicate in a way that reflects communication preferences.

Competing with the online shopping experience

Two years after implementation, the Omnichannel approach is accelerating rapidly. Whereas in 2016 Carrefour was still based on a transactional model, thanks to big data experience there are now 300 simultaneous predictive models continuously prioritising algorithms. The ROI in personalised contacts through traditional channels is up by 30%, and the retailer has seen spectacular growth in these personalised contacts.

Starting at zero in 2015, this figure will rise to 75 million hyper-personalised contacts in 2018. Competing with online is the ultimate ambition. Carrefour has always been strong in physical retail, but now wants to translate the feel of digital shopping to the store.

Do you have any further questions?

Or if you would like to know more about how to improve retail customer relations on the basis of customer DNA, do not hesitate to mail us your query.

Digital Services

Digital Services is a business line within Orange Business, contributing to reliable and successful digital transformation for many organizations. Our joint mission is to help customers innovate and drive their business strategies in key digital domains, including Cloud, Customer Experience, Workspace, and Data & AI. We assist them on their digital journey by providing advisory, end-to-end solutions, managed services, and professional services to ensure our customers' success. We are digital natives, with innovation at the core of our business, which makes us a reliable partner close to our customers, leading them in their digital transformation challenges.

We support a wide range of industries in the private sector as well as the public sector. We have built a significant level of experience and understanding over the last 30 years in industries like Finance, Insurance, Life Sciences, Healthcare, Manufacturing, Travel & Transportation, Retail, and the Public Sector. As always with Orange Business, our customers trust us for delivering end-to-end, sovereign, and sustainable solutions to turn their Operational Experience, Employee Experience and Customer Experience into business value.

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