

# Retail marketing: loyalty is a two-way street



A digital loyalty scheme has enabled B&Q to keep customer data at its fingertips and react to events to keep shoppers happy

The definition of loyalty is changing. It's no longer just about how loyal a customer is to a brand: how frequently they shop, how much they spend, and whether they would recommend products or services to friends. Today, it's also about how loyal the brand is to the customer.

Consumers know that brands collect information on their past purchase behaviour, as well as their likes, dislikes and preferences. But despite the complexity of [today's cross-channel retail landscape](#) and the variety of touchpoints they choose to use, customers expect brands to use this data to demonstrate an understanding of them as an individual, and how much they are valued.

To demonstrate loyalty, harnessing this information to forge more intelligent customer relationships is key. A recent study from Google claimed that [64% of UK smartphone owners use their devices when in-store](#). When looking at our own customer base, we noticed the same was true – an increasing number of customers were interacting with us through the mobile channel. So rather than keep a physical card for a mobile demographic, we decided to re-invent our existing loyalty scheme.

We created a 100% digital scheme – [B&Q Club](#) – which we felt

would be the most effective way to engage these consumers. While this has taken a bit of getting used to (we've had to educate our customers on the benefits of using a digital scheme), it has had a transformative effect on the wider business.

Here's what we have learned from the implementation of our new loyalty scheme, and recommendations on how to adapt to today's changing consumer behaviour.

**Make the most of customer data** One of the most valuable benefits of our digital loyalty scheme has been the pool of customer data it has opened up. Customers receive a unique membership number that they scan every time they shop, with the help of in-store mobile scanners. This means we're able to build profiles of customers based on the products they have bought and the frequency with which they visit the store.

Having this information at our fingertips enables us to offer product discounts or offers that we know will be of interest. We can also track online behaviour with cookies, joining the dots between how our customers are shopping online compared with how they shop in-store. The more data we have available, the easier it is to create [a seamless and tailored customer experience](#).

**Improve customer communications** Customers access information across a variety of touchpoints, including email, mobile and social media. What's more, each customer has a preferred channel for communication. Contacting customers at the right time and across the right channel is important in order to make them feel listened to. By communicating exclusive money-saving offers every time someone shops in-store, in addition to exclusive competitions and deals on purchased items, we can increase our incremental reach and engage customers with the most relevant content.

**Be open to change in the wider business** The best change we have seen is one we didn't expect – internal business change. The B&Q Club has added an extra layer to our trading plans, allowing us to be reactive to factors such as stock, events and weather. This means we can be more agile and integrated as a business – for example, if we know a heatwave is about to hit, we can make sure we have enough garden furniture in stock to meet customer demand and keep shoppers happy.

Loyalty is a two-way street: to foster loyalty in our customers, we have to provide the right sort of experience for them online and in store. However, in order to get the most out of a loyalty scheme, it's important to have a dedicated team who are able to put effort into both launching and sustaining it. A considerable amount of work and resources go into maintaining a loyalty scheme and it's only through cross-department collaboration, focus on the customer and the integration of requests that retailers can hope to make a real change inside the business.

In just one year, the B&Q Club has amassed 1 million members. The next step is to make our personal loyalty programme even more intelligent. [We realise the power of brand advocates](#) and, rather than chasing after too many followers, B&Q will continue to put its efforts into a loyalty scheme that focuses on building quality, long-term relationships with customers.

Source: The Guardian

<http://www.theguardian.com/media-network/media-network-blog/2013/sep/03/retail-marketing-loyalty-scheme-b-and-q>