

The right message at the right time

By  Danette Breitenbach

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Retailers need to understand and engage with their customers. Customers want relevant information sent to them and this translates into retailers sending them the right message at the right time.

Big data has been hailed as the answer to the retailer achieving this, but big data is not a server sitting in the corner crunching numbers. "It is about people who understand what they are looking at and the relationship that exists between the information," says Michael Geisier, sales director, Middle East and Africa, for Capillary, which recently opened an office in Johannesburg. The company provides retailers with solutions to increase their return on investment (ROI) and increase sales through the utilisation of big data.

He explains that they do not talk big data, but rather value disposition. "We are capturing customer and purchase data and then building models to increase sales or margins."

Siloed information

Typically large organisations may have many sources of information, but their information is siloed. "Therefore they consider a piece of information without relating it to another piece of information. What makes data valuable is not the data itself, but the relationship between the different pieces of data. It is only when you do this that deeper insights become apparent."

This translates into cleaning up the data, relating it to each other and performing analytics to identify segments. Their analytics are very fine grained. For example for Pizza Hut they found 17,000 customer segments.

The opposite is also true. "Some retailers have very little or no data at all. In this case we would need to integrate the necessary systems into their point of sale so that data on customers can be built up."

The end result is the same. "We allow retailers to understand customer behaviour, purchase patterns, analyse product mixes and purchase history, amongst others. So using Pizza Hut as an example, we design marketing campaigns specific to each segment. For example the Friday lunchtime office worker segment will receive a message via their preferred platform that is specifically tailored to them." Geisier says the response rates are 200 times more efficient than bulk SMS responses.



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Adjusting the value offering

Customers fall in and out of segments and are also in different segments for different brands. Therefore the information has to be analysed on a continuous basis and the value offering adjusted to suit the customer.

Loyalty programmes provide good data but again, he emphasises that it is not about the data, but the insights and solutions from the data that makes the difference. "It is possible to integrate your Point of Sale (POS) with your loyalty programme so that your customer does not have to fill in long forms."

Going forward your mobile will replace the loyalty card you carry in your wallet. "Discounts, coupons and instant offers will be sent to you on your mobile while you are in-store." Again, these offers and messages will be relevant to that person.

"For the retailer the loyalty programme gives them purchase history so marketing campaigns can be set up based on this. Over time, as we build up more and more information, this enriched data, when analytics are brought into play, allow the retailer to build marketing campaigns specific to a segment."

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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