

# The art of personalised marketing

Ability to analyse customer information will not only help you to develop personalised communications with them but also to run your store more efficiently, advises **Sonu Kundi**, commercial director of Cromwell Business Systems.

**W**e all have no illusions that non-food retail is going to be tough for some time. That makes it even more essential to make the most of existing customers, increasing their loyalty and their expenditure with you. "Personalisation" is the way to go. The grocery and fashion giants have been doing it for years - and it's really not beyond the grasp of any electrical retailer.

If you have an EPoS system, you will be sitting on masses of structured customer data. You will know that Mr. Sherlock Holmes of 221B Baker Street bought a large Samsung LED TV in April 2011. The trick is not to write to or e-mail Mr. Holmes with a generic offer promoting your store or full product range. You need to target and personalise as much as possible to achieve much higher response rates. It would be reasonable, therefore, to contact him now offering a smaller Samsung TV "for the kitchen" or a Samsung Blu-Ray. This is rather like a starter-for-ten version of what Amazon and Lakeland do every time you log into their sites: present you with personalised suggestions based on your previous buying and browsing behaviour.

Of course, to make the most from your marketing activity, you need to get much more sophisticated than the simple proposition described above with Mr. Holmes. You should aim to know exactly how valuable each customer is to your business - by analysing how frequently they buy from you, how recently they have bought, and what their lifetime spend is with you. That means mining your EPoS system for details on what products each customer buys, from which store, when

(what date, what day of the week and what time of day), how much they spent, whether they responded to a promotion or in-store merchandising, and whether or not they purchased a warranty. From this, you can determine what they might buy from you in the future. Some customers demonstrate almost total loyalty to specific brands, and your data will highlight that.

Very few businesses do this kind of analysis, but it is immensely valuable to know which customers are your Top 10% or Top 25% as you can start understanding why they are so loyal to you and how you can reward them. The latest recommendations from retail experts are that high street stores must become 'destinations' where customers can try before they buy. Why not invite your most valuable customers to an open evening where you demo new products in a relaxed setting: a great opportunity to build a deeper relationship with them. If you're very lucky, Sherlock Holmes will bring along Dr. Watson.

As for the next 25% or 50% of your most valuable customers, you can send them a different set of messages in an attempt to capture a higher percentage of their expenditure on the range of products you sell. Perhaps you can introduce a simple loyalty card scheme, giving them stamps on a card. This can really

encourage customers to have you top of mind when they need to replace a product or when they hear of a new product and decide to make an impulse purchase.

The value of analysing the data sitting in your EPoS system doesn't end with improved targeting for your marketing activities. As an added bonus, you can use some of this data (the date, day and time information) to analyse which are your busiest and most profitable selling periods and plan your staffing levels accordingly. Unless you can keep all your staff fully occupied, why pay for their time?

You can also use it to plan your future stock orders in a much more sophisticated way, so what you have in store appeals more to your customer base. If you have more than one store, you can allocate inventory to different locations based on real, hard data.

Ever greater personalisation in marketing activities is the way of the future, so you need to start now making the most of the goldmine that is your EPoS customer data. You will probably lag behind the big grocers with their incredibly sophisticated loyalty schemes and Nectar apps sending personalised offers to customer's smartphones, but that's no excuse for not getting to know your own customers a whole lot better. ■

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**For more information about Cromwell's services contact Sonu Kundi on 01353 650 900 or [skundi@cromwells.co.uk](mailto:skundi@cromwells.co.uk) [www.cromwells.co.uk](http://www.cromwells.co.uk).**