

German DIYers stock up on tailor-made discounts



toom Baumarkt increased customer spend by using loyalty card data to make their incentives more relevant. From registration and analytics to custom discounts and individualized mailings, toom continues to leverage a range of CRM strategies informed by rich, real-time customer data.

200
campaigns/year

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Solution

Clever calculations predict product preferences

The Next Best Offer (NBO) principle means that advertisers are able to suggest the most appropriate offer to every customer. This is achieved by forecasting the purchase probability for each combination of customer and product, based on the database. The goal is to know which products the customer would be most interested in, and these relevant offers incite him to come back to toom Baumarkt, instead of competitors.

For example, a customer who buys tins of paint would be interested in paint rollers and brushes during the same visit. A customer who buys gravel and patio paving in November might be interested in garden furniture and barbecues in the summer.

Custom CRM communications

This information flows into direct mailings, in both print and electronic formats, which include personalized offers for each customer. With this personalization, scatter losses are minimized and the response rate is better than it was under the previous, non-personalized loyalty scheme.

A powerful combination of hardware and software

The source data is held securely in Ingenico data warehouses and is handled in strict compliance with international legal regulations. CRM and marketing activities at toom Baumarkt are controlled via an intuitive integrated software platform, from analysis and planning to execution and evaluation. With this powerful platform, toom Baumarkt manages more than 200 campaigns per year.

Challenges

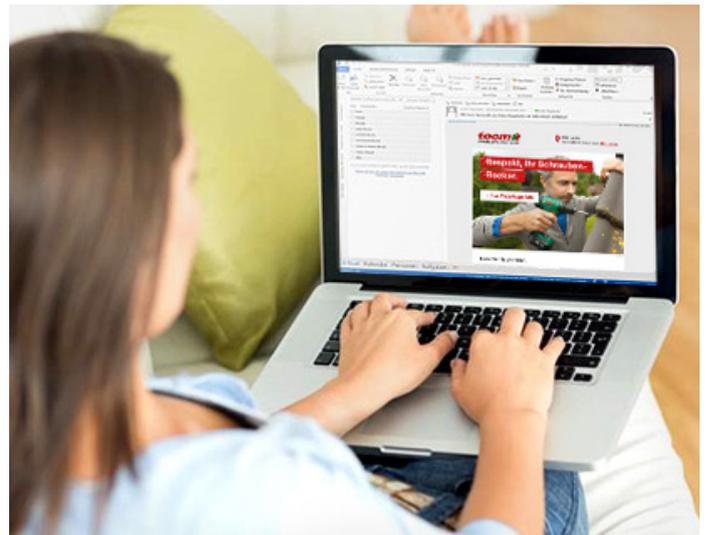
An established – but traditional – loyalty scheme

For the past nine years, Ingenico Marketing Solutions has partnered with toom Baumarkt to provide full-service customer loyalty programs. Since early 2014, customers have benefitted from the toom advantage card: an attractive loyalty scheme.

Depending on how much they spend, customers get cashback vouchers which can be redeemed nationwide in all branches of toom Baumarkt. Encouraged by its success, the company was eager to experiment further, with a new and adventurous approach to customer retention.

Evolving to improve relevance and revenue

Their experience during the first 12 months had proved that relevant promotions, in the right channels, resulted in more sales. So to take the loyalty program to the next level and make it more personalized, toom Baumarkt decided to exploit the huge amounts of data they held on customer spending habits. The next-best-offer approach from Ingenico Marketing Solutions held the key.



«Customer response is 67% greater with 'next best offers'.»

Robin Jungen

Head of CRM at toom Baumarkt.

Benefits

Brand value with massive reach

Since the redesign of the customer loyalty card program, customers of toom Baumarkt have benefitted from the new personalized offers. «For us, it is particularly important that DIY enthusiasts and amateur gardeners can benefit from regular toom advantages,» explained Robin Jungen, Head of CRM at toom Baumarkt.

More impact from the same budget

By refining the customer base into diverse segments and proposing 'next best offers' by customer type and product type, toom Baumarkt's marketing campaigns have greater impact, and budget is optimized. In fact, customer response is 67% greater with next best offers than without.

Leaflets and flyers are no longer printed and thrown away by customers who aren't interested: instead, marketing

materials contain everything the customer's interested in – with tips and vouchers that entice them to return. Overall, a more enjoyable – and personal – customer experience.

Proof that customers love to come first

Word has spread and the customer base of the benefit program has grown, which in turn, feeds even more data into the platform to help tailor future customer offers. «With Big Data and NBO campaigns, the needs of our customers are central, which makes them feel better cared for and gives the company a lot of loyalty,» said Jochen Hahn, Managing Director of Ingenico Marketing Solutions.



toom is a German DIY retailer with 350 stores (toom Baumarkt, B1 Discount Baumarkt and Klee Gartenfachmarkt), 14,400 employees and gross annual sales of around 2.7 billion euros. The company is part of the REWE Group, one of the leading trading and tourism companies in Germany and Europe.

