

TECHNOLOGY

CUSTOMER 360: A S WATSON'S BIG CUSTOMER WIN



Imagine: You walk into a store and before you speak to a salesperson, your phone beeps. You are offered a custom deal for the product you are considering buying, along with all the relevant information about the features and options you are interested in. The features are perfect and the price is right. You buy, thrilled with the convenience and savings.

This is the latest magic that technology can perform and A S Watson Group (ASW) is stepping up to stage the magic on a global scale.

The magic is the Customer 360 strategy aided by 'big data' which, in both the public and private sectors, is becoming a big story. It refers to the massive amounts of data collected over time that are difficult to analyse and handle using common database management tools. But once the hurdles are overcome, the benefits are immense. A study from the University of Texas reveals that using big data can increase overall productivity in the retail sector by as much as 49 per cent.

Launched this May, the Customer 360 strategy will improve ASW's digital and customer relationship management (CRM) programmes to retain customers



and improve profits. With over 80 million members in its CRM programme globally and more than 1.6 million visitors on its digital platforms worldwide, the retail group has the data. Now it is thinking big.

FROM DATA TO INFORMATION

Once they join the membership programme, a customer’s purchase history will be stored and studied in aggregate. Information like the frequency of purchase and shopping patterns will be harnessed to make customer-centric decisions on product range, promotion offers and store space. Suppliers and retail brands can also develop new product trials for targeted loyal customers and personalise communications with customers by offering tailor-made sales offers.

Being the largest international health and beauty retailer in Asia and Europe – with 10,800 stores in 25 markets – the data collected by ASW is not just big, it’s of astronomical proportions. “We have an average of 27 million customers shopping with ASW every week. In addition to the in-store experience, we have embraced all aspects of customer touchpoints, from member experience to social media, mobile apps and e-commerce, to enable us to serve our customers 360 degrees,” says Dominic Lai, Group Managing Director of ASW.

ELEVATING THE SHOPPING EXPERIENCE

The deployment of big data is merely the latest reinforcement of the retail group’s new CRM programmes that began in 2012. The advancement of technology has been transforming traditional retail businesses and has seen the group shift its focus beyond physical stores to technology platforms. Already, ASW is experiencing phenomenal growth in its e-commerce sector. In Taiwan, Watsons cooperates with Yahoo! and achieved 100 per cent growth in online sales in 2013. In the UK, ASW operates the second largest beauty and health retailer, Superdrug. Its online sales grew by over 50 per cent in 2013. “On average, our customers



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Mr Dominic Lai,
Group Managing Director of ASW

Customers who shop at ASW's online platforms spend 2.9 times more than customers who shop only in stores.



who shop with us online spend 2.9 times more than customers who shop only in stores. We believe this provides us with enormous potential to drive incremental sales with a more powerful e-commerce platform," says Mr Lai. With big data now in place, the digital and CRM programmes can scale new heights.

But the Customer 360 strategy is more than business. It elevates the shopping experience of both in-store and online customers. Now, ASW can analyse registered users' purchasing details and provide custom services to online buyers and help suppliers to open new doors via online platforms. Customers are happy together with ASW and their partners.

On top of the virtual shopping centres, an illustration from Ukraine showcases the targeted application of the Customer 360 strategy that takes place in a physical store. Watsons Ukraine has a pilot location-based CRM programme which makes use of location-service-enabled mobile devices: smartphones. Through a location-based service, customers who visit a specific store can be offered bonus loyalty points and receive custom deals based on their sales history. This is all activated automatically through their smartphone without the need for customers to approach salespeople. The practice has brought more interaction to the shopping experience of customers and is powered by the seamless coordination of the CRM programme, social media, and big data working harmoniously together.

The Ukrainian example is just a start and the opportunities for leveraging big data and marketing are huge in other markets. "We will continue to drive member acquisition, especially in China where we have in excess of 39 million members in our CRM membership base. Our members enjoyed the extra benefits as well as the more personalised and relevant communications we provide to them," says Mr Lai.

NEW WORLD OF BUSINESS

Internet technology and communication trends have also changed the advertising approach of ASW, which has shifted from traditional mass media to digital media, especially on mobile devices in the era of the 'app'. This helps provide an accurate understanding of advertising effectiveness, allowing ASW to adjust their marketing campaigns and make correct investment decisions.

The integration of digital and social media, CRM and big data applications in the Customer 360 strategy shows how ASW has adapted to the new world of business. "The key to ASW's Customer 360 strategy is to be customer-centric. It's more than just providing quality products at great prices, it is about engaging, informing and involving our customers in their shopping decision-making process," Mr Lai concludes. ASW's swift response to put the right people, technology and processes in place will enable the group to turn big data into big smiles for customers and big success for ASW. □

