

CAPILLARY DRIVES BENETTON'S CUSTOMER BASE GROWTH BY 7.5X IN LESS THAN 2 YEARS

Benetton Group is one of the best known fashion companies in the world. Present in 120 countries with a network of over 6,500 stores, its total turnover exceeds 2 billion euros a year. The Benetton clothing lines come with a strong Italian character whose style, quality and passion are clearly seen in its brands, United Colors of Benetton, Sisley, Playlife and Undercolors of Benetton.



UNITED COLORS OF BENETTON.

CASE STUDY



Winner of '2013 CRM Program of the Year' at the Retailer Technology Awards

With InTouch CRM & loyalty Engine implemented across Benetton stores, Capillary has increased the registered customer base by 7.5X in less than 2 years. Capillary also accelerated Benetton's newly launched Color Club Program, registering 70% walk ins every month and generating 2-3X ROI from every loyalty campaign.

Industry : Apparel
No. of Stores: 200+ stores

Key Challenges

- > Reinventing the legacy loyalty program to increase customer engagement effectiveness
- > Reduce marketing TCOs and long activity lead times with a mobile based loyalty program
- > Boost customer purchase frequency, retention trends and tier acceleration

Solution

- > Capillary InTouch CRM & Loyalty Engine [™]
- > Capillary Customer Intelligence [™]
- > Capillary Campaign Manager [™]

Highlights of Benetton's Customer Engagement Program:

- > 7.5x growth in the registered customer base in less than 2 years
- > Tier acceleration - 15% 'Colour Club' customers upgraded to Top Tier within first nine months from program launch
- > High customer Retention - 50% of sales through repeat customers
- > Loyalty sales contribution increases to 60% of total monthly sales in less than 9 months
- > 5X ROI in 6 months

BUSINESS OBJECTIVE

Benetton's constant endeavor to 'be with fashion' led to a complete overhaul of their existing manual loyalty program and relaunch it as 'Color Club', which is currently active in more than 200 stores across India successfully. As the brand's operational structure was 95% franchisee based, the legacy card based program was not only expensive to run but also due to manual business process management, occurred with long lead times and poor customer experiences. With the all new Color Club Program launched in 2012, Benetton aimed to do away with the traditional ways of paper forms and plastic cards and upgrade to mobile as the channel to connect with its local customer base.

The brand also wished for an intelligent CRM process with high data capture rates that could help them build personalized targeted campaigns on different customer types by discovering insights on their purchase behavior and preferential choices.

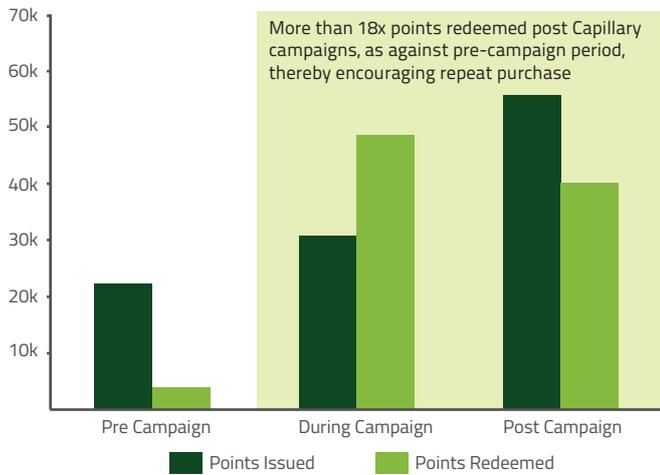
WHY CAPILLARY?

"After evaluating many in the Retail CRM space, we realized the need of a solution that could not only help us have a powerful grasp on consumer attitudes and behaviors, but also build engagement programs that easily match into the global brand that Benetton is. Today, the multifaceted and yet ease to participate design of the new program keeps the customers intrigued in Color Club. Its not just about the point structure, but also the 'extra' that brand loyalty comes with, be it the home delivery or the special previews or the wardrobe makeover, and with Capillary Customer Engagement, we know just the right way to communicate it to our customers."

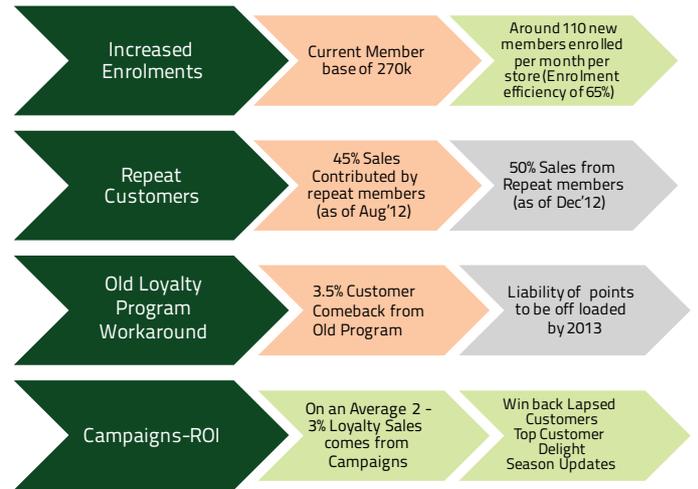
- Vinay Sharma, CRM manager

THE SOLUTION

In less than 3 months, Capillary successfully migrated Benetton's legacy program by harmonizing the existing demographic data and available purchase history. The liability of allocated reward points from the old program was effectively managed



Typical Campaign Impact on Points Issued and Redeemed for Benetton



Key Achievements: Benetton India Program

Solution Facts

- > InTouch installed at 200+ stores of Benetton
- > Cloud-based CRM and Mobile-based loyalty solution - Saved on card and implementation costs
- > In-store staff trainings to pitch program advantages and drive registrations
- > Easy tier acceleration for customers with a lifetime-value based program structure
- > Personalized targeted campaigns on customer segments for additional cross-sell or up-sell
- > Automated communication of member status, rewards balance, birthday/anniversary offers
- > Daily MIS reports around registrations, sales and other KPIs to track program effectiveness

Implementation

Live Since : 120+ weeks
 Integration : API Sync with 3 POS
 UCB's core team: CRM Manager
 Commercial Director

and a process to allow customers to redeem or write off, successfully closed the transition. The three tiered 'Color Club' program is now based on customer's Life Time Value encouraging them to upgrade to higher tiers for better benefits.

With Capillary's cloud+mobile CRM platform installed in all its stores, Benetton enrolled its customers with mobile access as the unique identifier and incrementally build detailed customer profiles upon successive visits in any outlet. Capillary's Customer Intelligence platform discovers actionable insights around an individual customer's purchase behavior, preferred product categories and the trigger for additional sales.

Periodic refresh of key customer segments like High Loyal or Value Seekers on the basis of pre-defined loyalty KPIs helps in the creation of targeted offers and personalized communications. Capillary's Campaign Manager uses these insights to design and execute engagement programs with the dual objective of relevant experience and incremental store sales. The cloud platform ensures real-time availability of customer data, and uses mobile technology to engage the customer instantly and communicate points balance and earned rewards.

Capillary also trains the store staff regularly on effective management of the customer loyalty initiative for better customer service and higher program efficiency.

"Capillary revamped our loyalty program in a way we didn't imagine! They made it simple, clean and cost effective, just the way we wanted it. We cut down on additional expenses and enhanced our customer base with the loyalty programs. Most importantly, we are able to align our CRM initiatives with the overall marketing plan, allowing us to reach the right customers at the right time with relevant communication and our customers love it!"

- Sundeep Chugh, Commercial Director

CLIENTS INCLUDE: PUMA | PIZZA HUT | UNITED COLORS OF BENETTON | CHICCO | NOKIA | JEAN CLAUDE BIGUINE
 JACK WILLS | NIKE | MARKS & SPENCER

San Francisco | London | Beijing | Singapore | Johannesburg | Dubai | Bangalore | Delhi | Mumbai