

COMPARISON COMPANIONS

FAMILY DOLLAR invests in mobile and social



The increased information accessible through mobile devices flows both ways,

and that has created some new challenges for retailers. Just as marketers can access location-based data and an ever-expanding stream of information, consumers also have more data at their fingertips.

Comparison shopping, for example, has become exponentially easier. Because of this, loyalty marketing as a differentiator has taken on a

higher degree of urgency.

"Mobile is going to be a huge enabler," says Don Hamblen, senior vice president of customer marketing at Family Dollar Stores. "Everyone will be walking around with a supercomputer in their hands."

Hamblen is intrigued by the near-field capabilities of mobile devices, which will enable consumers to self-identify when they are in specific locations, and allow marketers to make purchase suggestions that can be acted on immediately.

In-store offerings will be powered by information gathered through its Family Savings loyalty program, whether on inferred ages of children, or pet ownership, or health. And coupons and other content can be

coordinated with Family Dollar's supplier partners, allowing the chain to provide targeted, relevant discounts that will stimulate store traffic.

That said, Hamblen feels discounts are going to diminish as part of the CRM equation, with the focus on cents-off loyalty taking a back seat to information and relevant content triggered through data analysis. "It is going to shift from a quid pro quo to a broader relationship," he says.

That broader relationship will increasingly include social media.

Family Dollar boasts around 300,000 people who are interacting with it through social channels — primarily Facebook, but some on Twitter as well. "It provides a neat way for people to share things they are passionate about — things around their kids, pets, contests. They have been very popular, and it gives us a way to engage and listen and get a better understanding of what is on their minds." —**RICHARD H. LEVEY**

SOCIAL FITS CHICO'S

RETAILER TRIES ON CREATING SOCIAL CONVERSIONS

Women's apparel marketer Chico's FAS is quite happy using social media to come into the middle of the conversation. With the women-over-40 demographic—among Chico's core audience—booming on Facebook, the company is happy to observe what they are saying about fashion trends, product lines and floor sets.

Barb Buettin, Chico's director of CRM and enterprise information management, hasn't lost sight of the need to put hard numbers with these online conversations, however.

"The ROI will come when market-

ers are able to tie their customers' profiles to their Facebook URLs," she says. "As of right now, we don't know if [someone who posts] is a customer. She may just be someone who is blogging."

Buettin sees a future in which a customer's online comments can be brought into play when that customer visits a store. "We are a specialty retailer," Buettin says. "We need sales associates to understand what the customer wants, so [the associate] can speak to her as a girlfriend."

That future isn't so far off. "The channels, in terms of online and in the

stores, are much more in concert than they have been before," Buettin says.

So has CRM become the exclusive property of the online channels? Not by a long shot. "We are doing more personalized communication in both direct mail and email," Buettin says. "We are directing [customers] to the nearest store, and we are looking at purchase behavior."

Chico's is even using the telephone for some of its efforts. The company is conducting what Buettin calls a "clienteling" campaign, in which high-value customers who haven't shopped with the company are reached out to on an individual basis.

Using the telephone for VIP-focused efforts is nothing new, Buettin says—customers are occasionally invited to special events by their sales associates—but of late Chico's has expanded the program and is now using ever-more-targeted messages that are fueled by customer data. —**RHL**



IDEA TO STEAL:

Consider Doubling Discounts



Say in the past you gave loyalty club members a dollar-off discount coupon. Instead, why not offer a 50-cent coupon plus double loyalty currency points? The cost of those points, plus the 50-cent discount, might be only 80 cents.

"We have done a number of tests of points only versus discount only," says Dennis Armbruster, managing partner at LoyaltyOne Consulting. "We get the best response to a combination of those two. It delivers immediate value, appeasing the need for speed. Plus, it appeals to the aspirational goals for customers in ongoing programs who want to bank their points. You hit both sides of the consumers' drivers there: They want it now, and they want to be recognized over time." ●

HI MOM! AEROPOSTALE'S P.S. REWARDS builds loyalty among shopping mamas

A NEW LOYALTY PROGRAM FROM AEROPOSTALE P.S. WAS CREATED USING TWO PRIMARY SOURCES OF INPUT. Yes, the brand's marketing executives conducted tests and research. But they also asked their mothers.

The program, P.S. Rewards, was launched in mid-July to boost the fortunes of Aeropostale's youth-focused brand. It was created more to help build a bond with the mothers who buy the line's offerings than for the kids who wear them. The initial reward it offers—a \$5 discount coupon for every \$75 spent—was the most popular among a test audience among several possible choices, including merchandise-based premiums.

That wasn't the only concession to the holder of the purse strings. Its primary communication vehicle, email, appeals more to the mothers who buy than the kids who wear: The latter would be more likely to appreciate mobile messaging.

Mothers are the primary reason the program was launched among the 70-store Aeropostale P.S. line, as opposed to the 1,000-location parent brand. "Moms were asking about [a loyalty program]," says Scott Birnbaum, Aeropostale Inc.'s senior vice president of marketing and e-commerce. "They've become a competitive necessity in the kids clothing space.

"We have an expression that drives us," Birnbaum continues. "We want to be loved by kids and endorsed by moms." The "loved by kids" element is also part of the new effort: In addition to the clothes, mothers who volunteer their children's birth dates enable the kids to receive birthday gifts. (Actual membership is limited to people over 13, in compliance with COPPA rules.)

"The reason to get the birth date is to first give them a gift, and then to customize the marketing and offers," says Birnbaum. "For a girl who is 10, we don't want to send [her mother] messages about jeans for a six-year-old boy." But, he notes, submitting children's birth dates is not a requirement for participation.

Parents and children alike can take advantage of special activities, which, while still in the planning stages, may include early access to stores on sales days or me-first privileges for new product launches.



Aeropostale P.S. solicited members for the new program through a run-of-file mailing to its email database of online shoppers and customers whose information had been collected through in-store activities. The company is also promoting the program through in-store signage, as well as having its sales associates tout it.

While online registration can be done without buying anything, due to a programming quirk in its point-of-sale system, in-store applicants need to make a purchase in order to register, "but they get points immediately," says Birnbaum.

Birnbaum recognizes that this audience also provides a receptive test market for the parent Aeropostale brand, should it choose to eventually launch its own program. The children's apparel space is "a great pace to get learning," he notes. But any consideration of a similar scheme will require at least a year's worth of data from P.S. Rewards, he says.

So for now, Aeropostale's loyalty efforts will focus on its kid-focused brand. "The consumer [the mother] is already engaged in these programs, and doesn't seem to have resistance to adding another to her wallet," Birnbaum says.—RHL

TIP:

Look Away From the Channel



Many marketers may be placing too much emphasis on channel-focused metrics, while giving short shrift to retention and long-term value measurements.

Over a period of time, customers start generating revenue and value in different forms," says Srividya Sridharan, an analyst with Forrester Research's customer intelligence team. "They make a reference, or talk about a product in a social network."

Consider aligning the metrics used to track a customer's value with the way the customer views the company. Customers do not think

of themselves as passing through acquisition, retention, upselling or winback phases: They think of themselves as having an ongoing relationship with the company's offerings. Analyzing their behavior should be an ongoing process, and not just brought to bear when there is a significant change in their behavior. According to Sridharan, an analytics program can help improve a customer's experience, influence how competing brands are viewed or build loyalty through other means. "Weighting [the focus on each of these options] is tied to goals," she says.—RHL