Loyalty Program Based on Customer Segmentation

Differentiated Customer Segmentation

Rivers Loyalty Program

Personalized Trading Platform

Customized Campaign

- ➢ Designing actionable customer segment
- ➢ Providing marketing guidance

- ➢ The online distributor trading system
- ➢ The retailer scanning & ordering terminal

- ➢ Conducting leads generation program.
- ➢ Building product solution and sales management terminals.

☐ Microsoft (Software Industry)

➢ Customer:

- Founded in 1975 by Bill Gates and Paul Allen, Microsoft is the world leader in the software development of PC, which is the world's largest computer software provider.
- Microsoft now has 90,000 employs, and the turnover in 2012 was $ 69.94 billion. Its main products are the windows operating system, internet explorer web browser and Microsoft Office software suite.

➢ Challenge:

- There are many small-medium enterprise customers and the marketing resources are limited.
- The past customer segmentation of the industry, company size and the contact person attributes couldn't guide the rapid development of business.
- The conversion rate of the sales leads is extremely low.

☐ Microsoft (Software Industry)

➢ Business Objectives:
- Drive revenue growth through differentiated marketing strategy implementation on different segments
- Each segment defines: next likely product, marketing spend strategy, and preferred communication channel.

➢ Action and Solution:
- Build the actionable customer segment models to find the high potential customers with customers' demographic and transaction data.

➢ Achievement:
- We found the value enhancement target customers in high value and extremely high value segments, and improved the conversion rate of the sales leads about 4.4 -5.8 times.

☐ Shanghai Telecom (Communication Industry)

➢ Customer:

- Shanghai Telecom has the largest local network in China Telecom, and mainly engages in the integrated information services, such as the fixed telephone, mobile communications, satellite communications, internet access and application.

- Shanghai Telecom has rank the first of the revenue growth in China Telecom for several years. Company offers a full range of integrated information services for more than 17.8 million users and has undertaken more than 50% of the international telephone junction in China.

➢ Challenge:

- Shanghai Telecom's customers with the golden cards have a large company size and many departments. Thus, the customer service resources are limited;

- The original customer grade, corresponding product price strategy and service methods were outdated;

- The satisfaction of the customer service of Telecom is lower than its competitors.

☐ Shanghai Telecom (Communication Industry)

➢ Business Objectives:

- To improve customers' satisfaction through the implementation of the differentiated customer segmentation strategy.
- Each segment defines: the communicated quality, the service quality and the service response speed.

➢ Action and Solution:

- Build the actionable customer segmentation to find the high potential customers with customers' demographic, transactional data and satisfaction survey data.

➢ Achievement:

- In the high-value customers of Shanghai Telecom, we discovered and improved the customers with low satisfaction rate and made the overall satisfaction rate 10% higher than its competitors'.

□ **Ping An (Insurance Industry)**

中国平安 PINGAN

➢ **Customer:**

- Ping An was founded in 1988 in Shenzhen, and it is the first joint-stock insurance corporation in China. It has developed into an integrated and diverse financial service group, including insurance services, banks and investment, etc.

- Ping An has about 490,000 salesman in life insurance company and 175,136 official employees. In 2012, the group's total asset has reached 2.6 trillion RMB. In terms of the insurance revenue, Ping An is the second largest life insurance company, and the second largest property company.

➢ **Challenge:**

- The membership development speed of the loyalty reward platform of Ping An Wanlitong is slow.

- The conversion rate of the online advertisement and Ping An Bank or insurance customers is too low.

☐ Ping An (Insurance Industry)

中国平安 PINGAN

➢ Business Objectives:

- The loyalty reward platform of Ping An Wanlitong was finished in building, and it was required to develop the members quickly.
- Ping An Bank has one million bank card owners and was required to be converted to the Platform of Wanlitong in a high proportion.
- It needs to establish a campaign solution with sustainable high conversion rate.

➢ Action and solution:

- To establish the profile of Wanlitong members converted from Ping An Bank owners, and discover their characteristics and finally to find the key conversion driver and high convertible card owners.

➢ Achievement :

- Through the customized EDM and promotional website for the highly convertible target Wanlitong members, we improved the EDM conversion rate by 3.6 times.

☐ BASF (Agrochemical Industry)

➢ **Customer :**

- BASF is the world's largest chemical companies. It has more than 160 subsidiaries or joint ventures in 41 countries in Europe, Asia, North and South America.

- In 2012, the annual revenue reached 72.1 billion EURO, and there were more than 111,000 employees in the world. BASF's business is divided into five categories: chemicals, featured product, functional materials and solutions, agricultural solutions, oil and gas.

➢ **Challenge:**

- The agrochemical business grows rapidly, thus the sales forecast and the actual sales have a big gap.

- The supply of the agrochemical products is insufficient for the channels. The procurement and the logistics can't keep pace with the rhythm.

- The sales channels are regulated by the product and rebate, but the channel transparent level is not high.

☐ BASF (Agrochemical Industry)

➢ Business Objectives:
- By building the BASF channel trading management platforms, to promote the distributors to develop dynamic and accurate sales forecast and ensure the sufficient channel supply and the timely logistics.
- By building the BASF channel trading management platforms, to understand the real-time sales of the distributors and retailers, and improve the channel transparency to provide the fast channel business support.

➢ Action and Solution:
- By building the BASF channel trading management platforms, BASF can work more closely with its channel partners.

➢ Achievement:
- Having solved the problems of the commodities fleeing and the delivery confusion, and BASF can significantly improve the retailer's purchasing motivation and ensure the sales volume in a steady growth of 50% each year.