



Why Super Retail Group is targeting customer

loyalty

Retailer's investment into data-driven engagement and latest customer loyalty program overhaul reflects efforts to personalise engagement

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Customer loyalty programs and the data opportunities they present are taking centre stage at the Super Retail Group as the organisation looks to drive more personalised engagement across its brand portfolio.

In its most recent 2014 Corporate Review, the retailer, which owns brands such as Ray's Outdoors, Supercheap Auto, Rebel Sport and BCF, said ongoing investment into its CRM system was enabling the group to connect more personally with customers, predict trends and reduce its reliance on mass media as it moves towards targeted digital connections.

In recent months, the technology improvements triggered the decision to replace the Ray's Outdoors VIP Club with the new Ray's Rewards program.

Super Retail Group's general manager of group marketing and communications, Kevin McAulay, told *CMO* the relaunch was about replacing a stagnating old model, based on a flat discount of 6.5 per cent on any item in-store, to something focused on rewarding customer loyalty.

Ray's members now get 10 per cent off full-priced items, credited directly to their member account, to use on their next purchase.

"A review was undertaken to make sure we are refreshing our clubs because you can't just set these things and forget them, you have to have value for customers and for the brand itself," McAulay said.

The group is looking to reach 1 million Rays Outdoor's members and is on its way to achieving that, he added.

The catalyst for Super Retail Group's loyalty overhaul was the launch of a member program for Supercheap Auto last year. It also maintains a customer loyalty offering for its BCF brand.

The Supercheap program is a protection-driven scheme and designed to ensure members don't miss out on a deal. It was modelled on a host of data relating to customer in-store visitation,

quantity of products sold on and off promotion, length of promotions, average basket size and incremental spend on credit offers.

Having originally set a target of 750,000 members by the year's end, the Supercheap Auto program has reached 1 million members.

In order to manage the new club as well as customer data, the group invested in an SAP CRM platform as well as ExactTarget's email marketing suite.

Thanks to the technology capabilities and success of the Supercheap program, McAulay has begun testing cross-brand promotions. The first of these was offering BCF and Supercheap Auto customers a discount for showing their membership card from another brand when making a purchase in either retail chain.

"We've seen good results with the crossover of Supercheap Auto and BCF, so we're now widening the test," he said.

"Other areas we can target people is through extension of the Supercheap Auto club. This was the original club developed to target individuals en masse... That data-driven capability has now been rolled out across the Ray's and BCF programs."

Having convinced the business of the importance of customer segmentation using recency, frequency and monetary intelligence, McAulay is looking to extend the group's data-driven capabilities to become even more targeted in how it communicates with customers at every touchpoint.

"For example, BCF follows the fishing cycles and they'll send tailored campaigns to people based on them using a certain type of lure, so it's an example of using product to understand a segment, and send an offer based on a seasonal opportunity," he explained.

"What I'm now looking at is predictions - colocations of product in-store, as well as lots of other opportunities. But we have to first get people focused on the low-hanging fruit, and there's a lot to be said about sending relevant communications to people because you understand what they buy.

"The more relevant we can be, the more accepting people will be and the more they will engage with us."

McAulay's other major priority is looking at how to bring data to life for staff throughout the business.

"How nice would it be if you walked into a store, and the staff not only know your first name, but also really understand what you're into and can talk to you in that tone. That's what we want to achieve," he commented.

"We need to make sure the segmentations aren't just there for us to market to, but are segments our team members understand. For example, there are customers who are casual campers, and then those who are passionate campers.

"We need to empower our team members to talk in the right way to these customers."

McAulay also recognised the need for brands to continue investigating customer segments in order to become more granular and targeted.

“Customers are evolving as fast as businesses are, and expectations are growing. What I’d suggest is there a lot more [sub] segments that team members wouldn’t realise and we need to help them understand what those look like,” he said.

“We also need to ensure they’re receiving the right content – just because they’re a fisherman, it doesn’t mean they should be sent all content related to fishing. The more relevant you can make it, the more engaged someone will be.”