Rich Ventures

"The Sky is Just the Beginning"

Leveraging Knowledge to Understand Your Best Customers

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Presented By: Tariq Ramadan
Founder of RichVentures Media & Technology Group
Chairman of Tharaa Holding

How to leverage data mining & research to:

- Identify your "Best" customers ?

- Retain your "Best" customers ?

- Profile your "Best" customers ?

- Acquire new "Best" customers ?

KNOWLEDGE = **POWER**

POWER = **PROFITS**

KNOWLEDGAE = **PROFITS** (NOT EXPENSES)

YOUR CUSTOMER DATABASE IS A TREASURE WAITING TO BE EXPLORED

- It costs 3 time more to acquire a new customer than to retain one.

- Knowledge allows you to retain loyal customers

- Knowledge reduces marketing costs

- Knowledge increases campaigns' ROI

- Knowledge allows you to send the right message to the right customer at the right time, and therefore increasing satisfaction

- Let's say you identify 100,000 as your "Best" Customers (top 20%)
- If the average annual gross profit from your "Best" customer is US$ 1,000 per year
- The value of these customers over 10 years is US$ 1,000,000,000

- **If your retention Rate is 90% = you lose US$ 100,000,000**

- **If your retention rate is 50% = you lose US$ 500,000,000**

So, how much are you willing to spend to go from a 50% retention rate to a 90% retention rate ?

The first step in Retaining your "BEST & LOYAL" customers is to know who they are.

Do you know who they are?

- Is it the customers that spend the most?

- Is it the customers that transact more frequently?

- Is it the customers that had the most recent transactions?

It is ALL of the above !!!!

Introducing the **RFM** Analysis?

- **R** = Recency

- **F** = Frequency

- **M** = Monitory

- The **RFM Migration** Analysis

- Creating statistical **predictive models** that can identify customers at risk of attrition (leaving)

- **Data analysis** to identify attrition signs / behaviors and **developing your system** to flag customers with such behaviors

- On-going **satisfaction surveys**

- Analyzing your existing database
  - Gender
  - Age
  - City
  - Education

- Conducting "on-going" customer surveys and adding information to your database
  - Media Habits
  - Spending Habits

- Profiling your "Best" Customers and targeting new customers with similar profiles

- Applying predictive models on "new prospect lists" to identify customers that are more likely to become "Best Customers"

- Applying learnings from your customers' buying and media habits on your marketing plan

1-to-1 BRANDING

What is "1-to-1 Branding" ?

Branding:

A promise to deliver a differentiated offering to targeted customers through an integrated and consistent identity and communications.

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1-to-1 Marketing: (Also Known As CRM or Relationship Marketing):
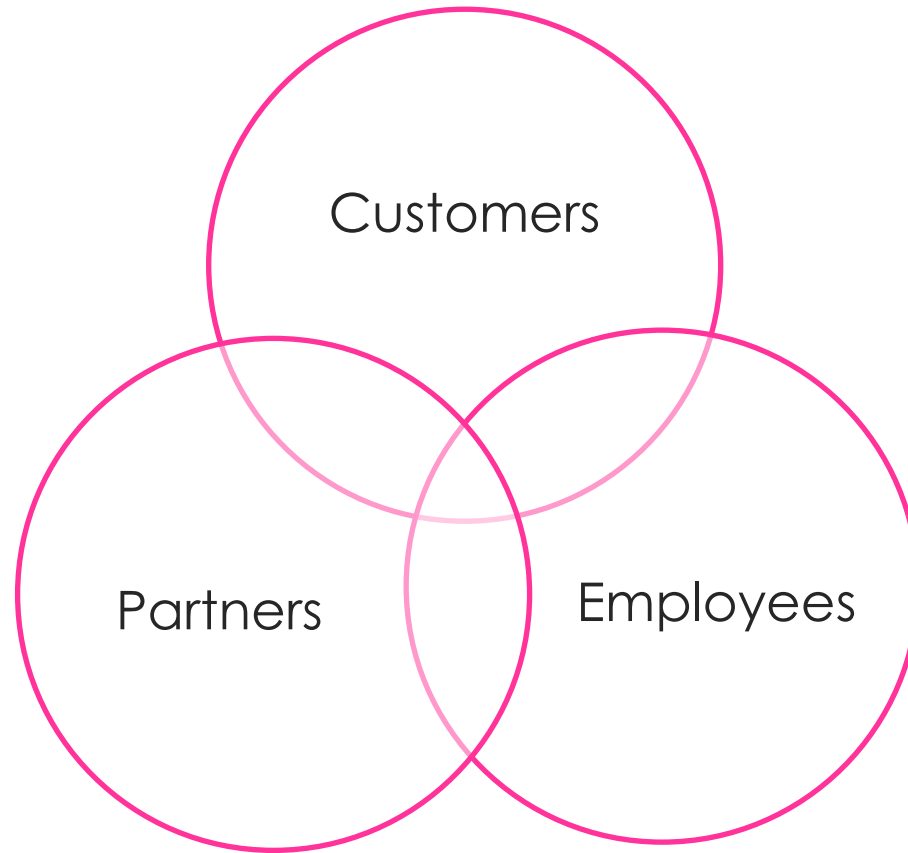
A knowledge-based communication strategy focused on managing the organization's relationship with <u>customers, partners and employees.</u>
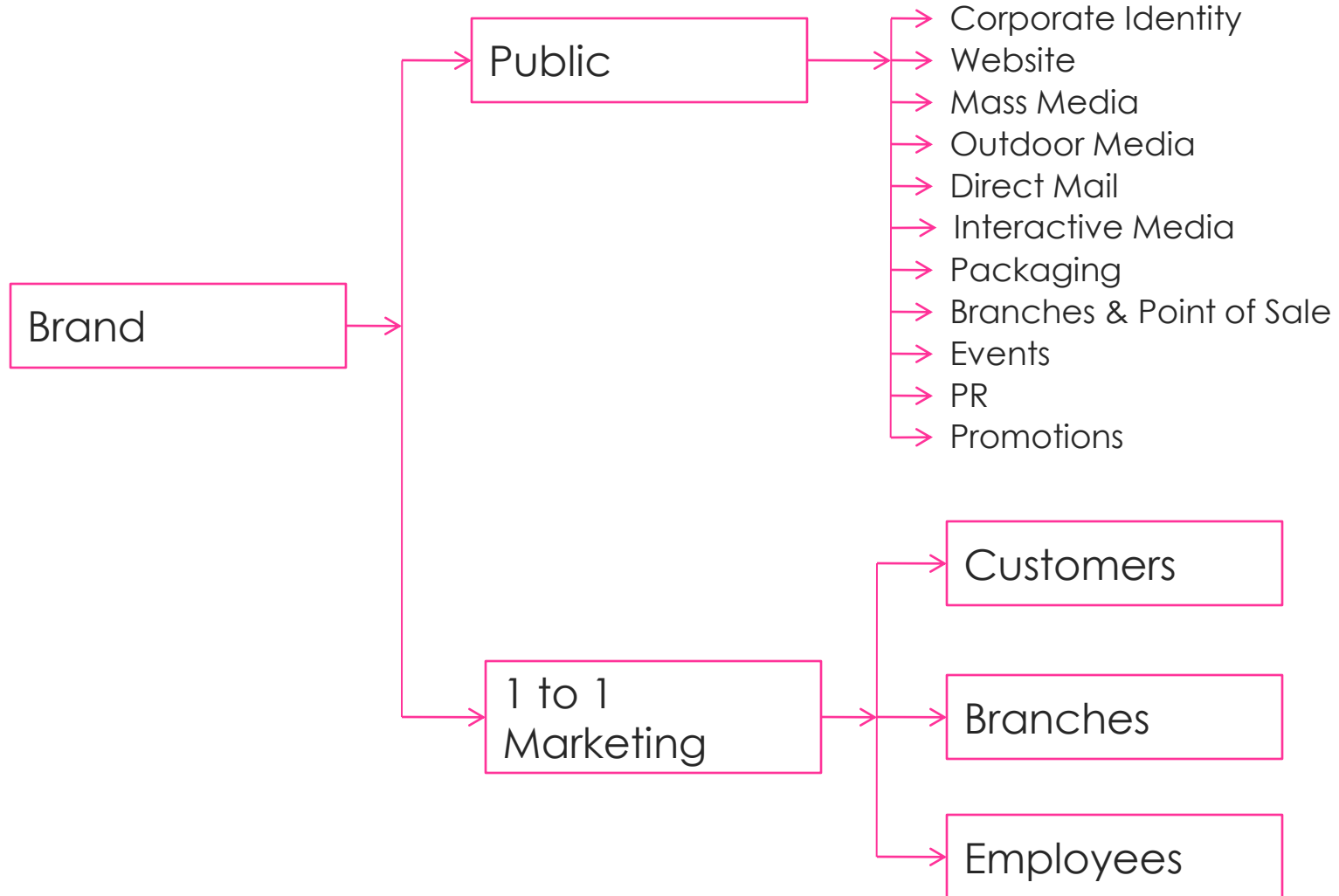
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1-to-1 Branding:

Is a new concept that blends branding strategies and 1-to-1 marketing strategies into one integrated marketing strategy.

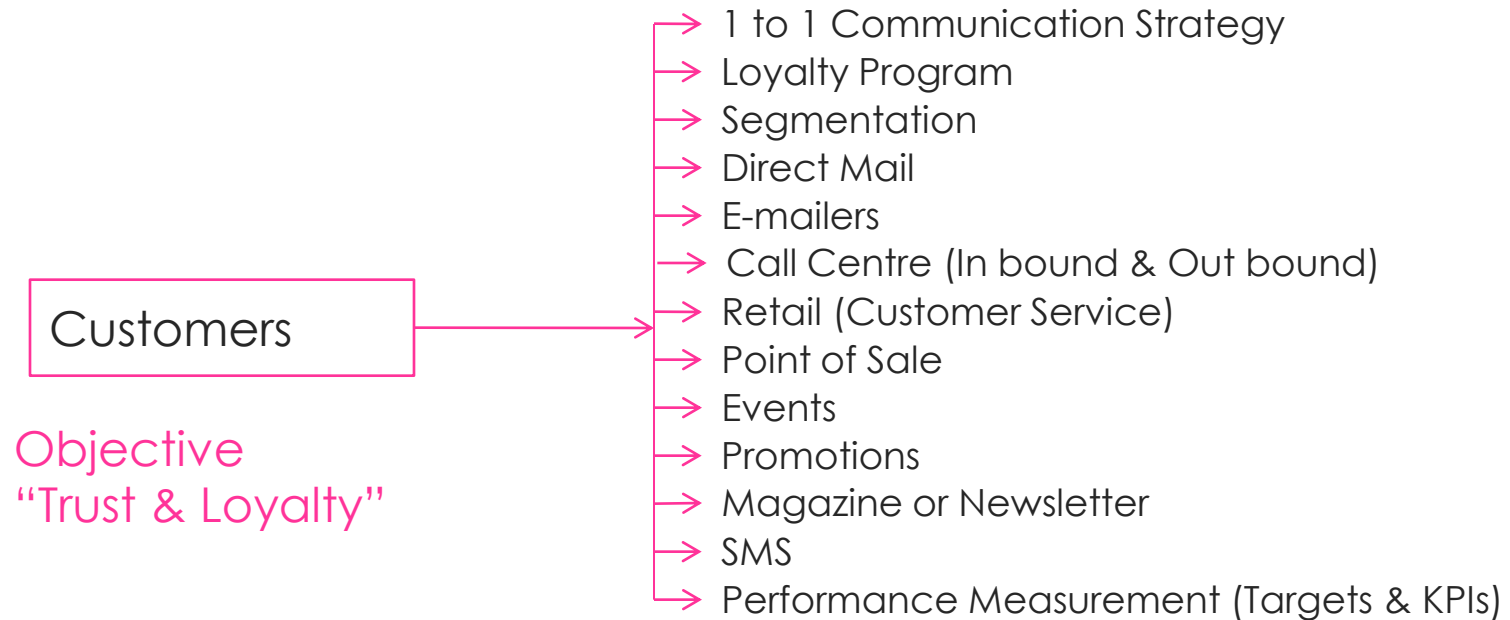# 1-to-1 Branding

Brand
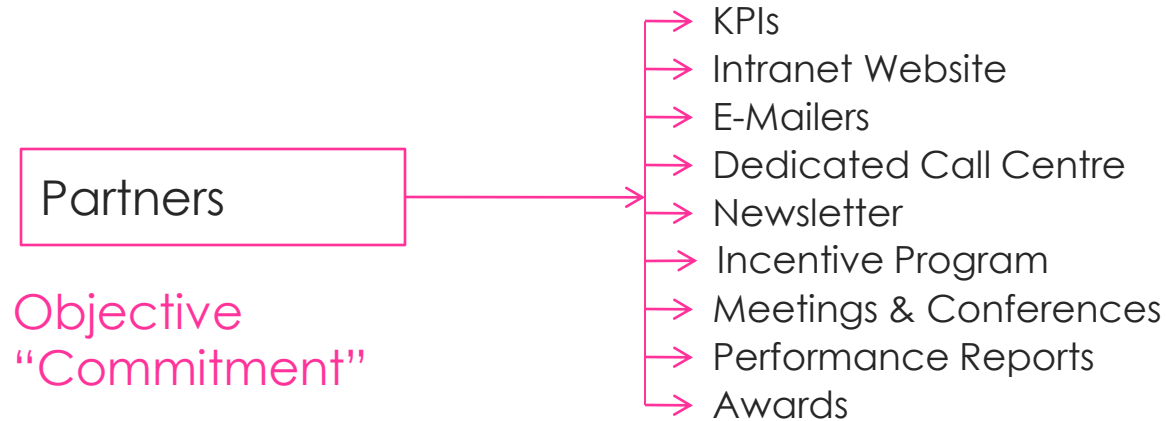
Public
- Corporate Identity
- Website
- Mass Media
- Outdoor Media
- Direct Mail
- Interactive Media
- Packaging
- Branches & Point of Sale
- Events
- PR
- Promotions

1 to 1 Marketing
- Customers
- Branches
- Employees

1-to-1 Marketing

Customers

Objective
"Trust & Loyalty"

→ 1 to 1 Communication Strategy
→ Loyalty Program
→ Segmentation
→ Direct Mail
→ E-mailers
→ Call Centre (In bound & Out bound)
→ Retail (Customer Service)
→ Point of Sale
→ Events
→ Promotions
→ Magazine or Newsletter
→ SMS
→ Performance Measurement (Targets & KPIs)

1-to-1 Marketing

Partners

Objective
"Commitment"

→ KPIs
→ Intranet Website
→ E-Mailers
→ Dedicated Call Centre
→ Newsletter
→ Incentive Program
→ Meetings & Conferences
→ Performance Reports
→ Awards

1-to-1 Marketing

Employees

Objective
"Inspiration, Loyalty & Performance"

→ Motivation (Working environment)
→ Incentives
→ Targets
→ Web based communications (Listen & Interact)
→ E-mailers / Newsletter (Printable)
→ Measurement
→ Awards
→ Celebrate

THANK YOU

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www.richventuresgroup.com