

How does *la Feltrinelli* offer personalised rewards for over 1 million card holders?

*“With the support of Fujitsu we have improved customer experience and added value to our customers’ relationship with *la Feltrinelli*”*

Massimo Pisati – Information Systems and Logistics Manager, *la Feltrinelli*



Challenge

Today *la Feltrinelli* has 99 stores across Italy, together with an online store, lafeltrinelli.it. Some 15 million purchases are made each year in *la Feltrinelli* and RicordiMediaStores, with approximately 26 million products sold, ranging from books and CDs to video games, musical instruments and stationary.

In 2000, with the help of Fujitsu, *la Feltrinelli* automated every store, from the front-end to the back office, including centralising *la Feltrinelli*’s data. The company then made the decision to introduce a tool to help develop customer loyalty and enable the company to manage all data and information related to customers and the company’s promotion and loyalty policies in an integrated, transparent and consistent manner.

“Before that, we were unable to know about our customers’ purchasing habits, or more specifically, the number and frequency of purchases made, the amount spent, their shopping preferences, etc.,” said Fabio Brugnoli, Head of Marketing and Customer Loyalty at *la Feltrinelli*.

*“In particular, we needed to understand our customers’ preferences, with the aim of improving their shopping experience through special, targeted promotion policies based on discounts and loyalty policies, in order to create solid, positive, long-term relationships with current and potential *la Feltrinelli* customers.”*

Solution

la Feltrinelli opted for the loyalty management solution offered by Fujitsu.

*“Apart from the capability and expertise already demonstrated by Fujitsu in with the support they provided us in automating all our *la Feltrinelli* stores, the solution Fujitsu proposed did not require long, complex customisation during the installation stage and it guaranteed immediate integration with our back-office systems. This meant we could retrieve relevant data and manage it in a transparent manner, in terms of both commercial strategy and the legal requirements governing the use of personal information,”* explained Massimo Pisati, Information Systems and Logistics Manager, *la Feltrinelli*. *“Furthermore, Fujitsu’ loyalty management solution allowed us to implement the project in a phased manner, starting with testing in a small number of stores. As a result our initial investment was relatively small.”*

The rewards and benefits system which the company’s customer loyalty program is based on has a number of different levels, which are linked to customers’ different “knowledge level” with regards to their relationship with the *la Feltrinelli* brand.

SUMMARY OF KEY FACTS

Organisation

Librerie Feltrinelli Srl

Services delivered

In-store solutions, back-office solutions, customer loyalty management tools

Key metrics

- Net sales (2007): 320 Million Euro
- 99 outlets and a fully integrated online store
- 15 million transactions per year
- 2 million loyalty cards issued

Benefits

- **Improved customer experience** – customers receive personalised rewards and offers across multiple channels and benefit from a cash-back programme
- **Segmentation and customer profiling** – better targeted and more personalised promotions have driven an increase in the average spend by active card-holders
- **Efficient management** – *la Feltrinelli* has real-time control of all promotion policies
- **Reduced planning costs and risks** – thanks to a smaller initial investment and a step-by-step approach

The basic level of affiliation responds to the basic attributes in the relationship between the customer and brand (such as “price” and “convenience” when buying at *la Feltrinelli*) and offers immediate benefits for Carta Più holders. These include dedicated promotions with exclusive discounts on a select range of titles and a rewards system where points earned can be converted into discounts of up to x30 which the customer can use on any product found in any of the company’s stores, including online. *La Feltrinelli* has also built on this basic level and introduced a whole series of additional benefits that the company believes are consistent with the customers’ desire to go beyond a simple relationship based on competitive prices and convenience.

Subsequent levels in the programme take customer experience into consideration, with the aim of building a loyal relationship based on *la Feltrinelli*’s ability to offer additional rewards linked to cultural events, for example tickets to galleries and theatres and as a result, add value to the brand.

Firstly, Carta Più *Feltrinelli* card holders are offered a range of cultural entertainment benefits, such as entry to film and art events through special arrangements with cinemas, theatres, galleries, etc.

Furthermore, according to purchases made by card holders, and whether or not they are members of special *Feltrinelli* clubs (e.g. Carta Più Piccoli - a card aimed specifically at children), a system of personalised benefits and advantages has been designed, which focuses on targeted activities over the course of the year, for example, approximately 70 over the course of 2007. These include offers based on listed preferences and customer purchases, as well as dedicated promotions and exclusive special agreement deals with partner companies, all of which customers are kept up-to-date on by e-mail.

In 2004, in order to maximise the value of a customer’s purchase, the Librerie *Feltrinelli* customer loyalty program, which until then had updated its system data in batches, was fully transferred online.

“Moving online was a key step in the Feltrinelli customer loyalty programme, in that it enabled us, firstly, to make the points customers have accumulated available to them immediately for use on their very next purchase, whereas in the past their points were available only the following day. Secondly, it provided us with a system able to verify customers’ reward point balances in real-time for more than 450 POS located in our stores, which has been a great benefit, especially in busy periods such as the Christmas season,” explained Fabio Brugnoli.

In 2007, *la Feltrinelli*’s online store (www.lafeltrinelli.it) was integrated into the system and the Fujitsu loyalty management solution was the clear choice for the website.

“The decision to integrate the online store was motivated by a desire to give multi-channel consistency to the customer loyalty system proposed by la Feltrinelli, so that customers could enjoy the same shopping experience independent of the channel used, whether a bricks-and-mortar store or the web site,” said Massimo Pisati. *“Adopting the same customer loyalty tools enabled us to offer the same promotions on our web site as those in our stores and allowed us to recreate same experience that our customers are in our stores on the web. At the same time we can collect customer data related to their purchases in order to create personalised offers and proposals.”*

Currently more than two million rewards cards have been issued by *la Feltrinelli* and there are some 1.2 million active card holders.

“Today, we can say that thanks to the customer loyalty policies we have introduced, we have seen an increase in spending by our active card holders, as well as an increase in customer satisfaction levels with regards to their relationship with la Feltrinelli,” said Fabio Brugnoli.

Benefits

Using the solutions and services offered by Fujitsu, *la Feltrinelli* has experienced a number of important benefits:

- **Efficient management and real-time control of its promotion Policies** – the system enables *la Feltrinelli* to better manage its different client profiles and to support the marketing team in creating new promotions
- **More effective promotions** – increased average spending by active card holders and improved customer satisfaction
- **Improved customer experience** – thanks to real-time updates and multi-channel integration customers can accumulate points and obtain benefits in a consistent manner, even on the Web
- **Reduced costs and project risks** – thanks to a smaller initial investment and a step-by-step approach.

Approach

The Librerie *Feltrinelli* customer loyalty project was implemented in stages, with active support from Fujitsu.

“Fujitsu has invested about 5000 days overall in developing the customer loyalty project for la Feltrinelli. It is a very broad project that has been carried out in successive stages, during each of which we worked in close partnership with la Feltrinelli in which openness and flexibility were key, allowing us to release all applications on schedule,” commented Carlo Musazzi, Head of Service Delivery at Fujitsu Services.

“Having a customer loyalty system that covers a significant share of the company sales was the first condition of the project in order to guarantee the investment in building the relationship with the client. For that reason it was important to be able to develop the project in successive phases, in fact it would have been useless, to develop a relationship tool that was only relevant for a small part of our client base,” commented Massimo Pisati.

Expertise

With over 40 years experience of supporting the needs of customers, Fujitsu has a proven track record in providing innovative systems and management services that increase revenue, reduce costs, improve productivity and customer services and deliver a compelling return on investment.

“Fujitsu understood what we needed and what our goals were, and not only handled them perfectly, offering us a system ideally suited to manage our situation and type of data, but also followed the evolution of the project over the years. Fujitsu provided us with ongoing, continual support and demonstrated a remarkable ability to interpret our needs within the development of the project,” noted Massimo Pisati.

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