

JD Williams Creates Multi-Channel Customer Insight

Customer understanding underpins the success of any catalogue retailer; and as customers move online in ever larger numbers, the challenge is to increase understanding of new behaviour in this channel to improve the relevance of each customer interaction.

For JD Williams, with 46% of revenue coming through the online channel across its 35 brands, traditional aggregated product based browsing data was simply not good enough to deliver the customer level insight required. Combining real-time and near real-time online information from Celebrus Technologies with offline information within the existing Teradata datawarehouse has transformed customer understanding, ensuring the company can understand what customers 'intended to buy' as well as 'what they purchased'.

From improving understanding of dropped and abandoned baskets, to creating new customer segments and gaining insight into the use of Smartphones to access the sites, JD Williams' improved customer understanding is enabling enhanced personalization and the creation of a more relevant and enjoyable online customer experience.

Catalogue Shopping

N Brown Group plc, and its principal subsidiary, JD Williams, is a £719 million (\$1.1 billion) Internet and catalogue home shopping company, with over 140 years of experience in the distance shopping market. The company is the UK's largest Internet and Catalogue fashion retailer, operating over 35 different brands and specializing in providing fashionable products in larger sizes. The company has over two million customers, 4,000 employees, with brands that include FigLeaves, Simply Be and VivaLaDiva.

Over the past few years, JD Williams has seen its online business grow significantly, with Internet sales now representing 46% of annual turnover – some £330 million per annum. As John Hinchcliffe, Marketing Director, JD Williams, confirms, this shift has created new challenges and opportunities to transform the customer experience.

"The business has to get a deeper understanding of the online customer," he says.

Hinchcliffe continues, *"the Internet should provide a fantastic opportunity to understand how customers are interacting with the business and how they are using JD Williams' websites. Traditionally that information has not been available at a customer level for analytics purposes."*

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Neil McGowan
CIO – JD Williams

This lack of customer level insight is in stark contrast to the in depth understanding JD Williams has achieved across its mail order and telephone channels in recent years. The company invested in Teradata software in 1990 and since then has created a corporate datawarehouse that holds 95% of all data and delivers a single version of the truth that is used by over 800 staff.

Neil McGowan, CIO of JD Williams, explains, *"There is huge potential to understand far more than the traditional customer purchase metrics available via telephone or mail order. The online channel offers the chance to capture not only what the customer has purchased online, but what they have looked at, which products they have put in the basket and then failed to purchase, or items they have searched for that are out of stock. With this level of insight, JD Williams can transform the relevance of customer offer to transform the buying experience."*

Because customers are individuals

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Customer Level Insight

JD Williams needed a way of capturing this online customer level insight and integrating it seamlessly with the Teradata datawarehouse. In 2009 the company adopted Celebrus Technologies software to capture clickstream information and incorporated that data within the Teradata TCRM system creating a customer data hub to support ongoing marketing campaigns.

"Adding individual customer information from the online channel allows JD Williams to achieve more focused customer segmentation and undertake marketing campaigns based on deeper customer understanding to improve relevance and experience," says McGowan.

Integrating it with the Teradata warehouse ensures online insight can be combined with buying behaviour across the other channels, to create a complete 360 degree view of the customer – what is now referred to as a customer data hub.

The company undertook an initial pilot project using Celebrus, primarily to prove the viability of the technical solution.

"The ability to capture all activities and all customers on the website is very attractive but that represents a lot of data," says McGowan. "Given that this is a very large scale online business with annual sales in excess of £300 million, it was essential to prove the technology and to ensure the business could derive value from the detailed data without requiring an enormous amount of data modeling work."

The company set Celebrus up on a couple of its website brands – Simply Be and Simply Yours – and began to feed data through to Teradata. The process went smoothly.

"It was straightforward and thanks to the tag-free data collection that Celebrus has invented even the volume of data was not a problem," McGowan confirms.

To prove the business value, JD Williams analyzed abandoned baskets – those customers coming onto the site, putting goods into the basket and then concluding a session without purchase.

"The goal was to identify opportunities to recover those sales by understanding customer behaviour," McGowan says.

The first discovery was that 8% of customers return within a couple of days and make the purchase anyway. The company then focused on the rest of these customers and undertook tailored telemarketing promotions based on the products that had been viewed.

"The response rates were compelling, delivering twice the normal response rate for this type of campaign" McGowan enthuses.

Similar benefits were achieved by analyzing customers who had failed to secure a desired item due to a lack of stock in the correct size or color – dropped baskets. The analytics revealed that within five days, 8% returned to purchase the item in a different color or size, while 21% reordered a similar item

within the same category. Further targeted marketing campaigns again proved the business value of online customer level insight, while the company is also assessing the impact of out of stock events on the long term customer relationship.

Quantifiable Uplift

Since the initial pilot, JD Williams has rolled out Celebrus across all its online brands, and now has over a year's information. The company is gaining insight into customer behavior across diverse timelines, from near real-time to several hours.

"The Celebrus information can be loaded into Teradata within a couple of minutes, allowing JD Williams to react to the customer while they are still online," says McGowan. "It is also useful to understand customer behaviour throughout a customer session, which can last several hours."

The company is analyzing individual customer behavior to understand what the customer is interested in, has intention to buy, and to identify activity triggers. The customer data hub that JD Williams has produced is able to provide a single customer view which will improve customer segmentation and identify and target better more appropriate offers, personalizing the web experience to making it more relevant.

"JD Williams is analyzing monthly, weekly and daily activity on the website and drilling down through

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the Celebrus data to answer more detailed questions about the customer activity to further hone marketing activity," McGowan confirms.

In addition the company is rolling out real-time response for its FigLeaves brand, allowing it to tailor the offer and experience in real-time based on customer behaviour.

"The creation of the Celebrus customer data hub is allowing FigLeaves to combine real-time activity with customer history to change the promotions and offers that appear to each customer, further improving the overall experience," he says.

Core Data Platform

The insight provided by Celebrus is now a core component of the customer insight data source and is being used across the business to deliver business benefits.

"This platform is supporting hundreds of business insight projects, each of which will deliver improved conversion of customers," McGowan confirms.

The data is also supporting strategic insight into JD Williams' Multi-channel Retail proposition. Recent analysis of customer smartphone usage revealed that over 90% of smartphones being used are iPhones.

"JD Williams was not expecting the customer base to be high volume smart phone users, yet on some brands 5% of internet access is via smart phones," explains McGowan.

"There is also an increase in repeat customers, which has led the business to analyze how customers are using these devices and discover they are not only looking at products but also paying bills and making purchases. This insight into smartphone usage is helping the business to prioritize investment in the online channel," McGowan adds.

In addition the company has identified new customer categories, including both 'prospects' – those who have visited a site more than once, perhaps in response to TV advertising, but have not yet registered or made a purchase, and 'browse not bought', who have been reactivated by a catalogue, for example, but have not yet chosen to buy.

"Using the Celebrus information, we can pull those customer visits together, assess what products the customer is viewing and personalize the information both for future visits and, for browse not buy, ongoing marketing activity," McGowan confirms.

Heritage

The JD Williams business dates back to an era which pre-dates the internet and was originally reliant upon the mass printing of catalogues for its business

John Hinchcliffe explains, *"Coming from a catalogue retail heritage, the ability to undertake excellent customer analytics and attain in-depth customer insight to support tailored marketing has always been one of JD Williams' key USPs."* He continues, *"Adding*

online customer insight has been a strategic development by the business and is essential to provide an enhanced experience for customers, improve the relevance of the online offer and simplify the purchasing process."

Hinchcliffe concludes, *"The customer data hub, powered by Celebrus, is becoming a key part of the ecosystem JD Williams is using to develop its real understanding of actual individual customer behaviour. Quite impressive really, when you consider that we have over six million customers!"*