

MULTICHANNEL

## Harrods pushes weekend discounts to bolster CRM strategy

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By PETER FINOCCHIARO

London's Harrods offered in-store and online discounts for shoppers who signed up for its rewards program in a move to bolster its customer relationship marketing.



Harrods offered Rewards members a 10-percent discount on products purchased online and in-store over the weekend. The deal was promoted prominently on the company's Web site, as well as via a blast to its email database.

"A rewards program builds brand loyalty and ensures ongoing customer engagements," said Len Shneyder, product marketing director at Unica, Waltham, MA. "Everyone wants to be a V.I.P. and the idea of a rewards program is that you get something back from a brand or retailer with whom you have an existing or new relationship.

"Rewards programs often assume that someone enrolled in such a program will be open to other forms of marketing — for cross-sell and 3rd party promotions," he said.

"[Retailers] also will promote registration just so they can get the data.



“Knowing exactly the items the consumer purchases and the corresponding demographics allows them to better target you with marketing messages you are likely to perceive as a service.”

Mr. Shneyder and Unica are not affiliated with Harrods and agreed to speak as a third-party expert.

Reap the rewards

The discount offer was available to all Harrods Rewards members.

All members were able to redeem the offer in-store on Saturday Oct. 9 and Sunday Oct. 10, as well as online on Friday Oct. 8.

Gold- and Black-tier Rewards members – those shoppers who have spent the greatest sums of money at Harrods – could also redeem the offer in-store that Friday.

Black-tier shoppers are members who have spent over £10,000, or \$16,000 USD.

Meanwhile, Gold-tier members have paid more than £5,000, or \$7,975 USD, on purchases with the retailer.

Some products in categories such as furniture, fine jewelry, food halls and gift cards were excluded from the offer.

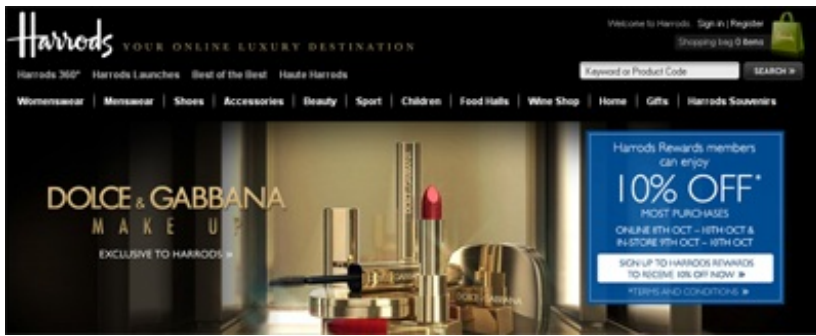
Additionally, online purchases from brands such as Hampers, Mulberry and Escada, as well as all sunglasses, were excluded from the deal.

Harrods did not respond for comment by press deadline.

Bargain blasts

Harrods promoted the offer prominently on its Web site.

A blue information box in the top right corner of the screen read “Harrods members can receive 10 percent off!” The box was clickable and lead to the registration form.



### *Sale promotion on Harrods' Web site*

The London retailer also sent out a message to its email database promoting the discount offer last Friday.

The promotion's copy read "Save 10 percent at Harrods.com this weekend" and included links to Harrods Web site and a registration form.



### *Harrods email promotion for weekend discount offer*

Two links sat at the bottom of the graphic: One read "Find out more" and lead to Harrods' online news and events page.

A news item at the top of the following page read "Harrods Rewards Weekend: 10 percent off online and in-store."

Visitors who clicked through to the full news article found more information about the discount offer and Harrods Rewards.

The second link at the bottom of the email graphic read "Sign up online now" and led to the Rewards registration form on Harrods' Web site at

<https://www.harrods.com/HarrodsStore/register>.

"Luxury brand retailers have a higher loyalty factor with their customers," said Danielle Savin, vice president of multichannel retail and marketing at **FitForCommerce**, Short Hills, NJ. "The propensity to purchase is heightened with a promotion.

"The goal for all retailers is to acquire new customer and increase the overall customer base for the brand," she said. "Overall, marketers know that giving rewards for new names is potentially the best way to get 'like' names on the database."

## Email great for CRM

Unica's Mr. Shneyder said email is an important channel to push rewards program offers through because of the high return on investment it typically yields.

Additionally, the tactic lends well to CRM strategies that let the retailer tailor their marketing messages more precisely in the future.

“By using different domains and IPs, and different kinds of messages and by leveraging the power of a preference center, marketers can learn more about their customers, which they can then translate into more targeted offers, helping them in their ongoing task to personalize the entire shopping experience – from email to the web and beyond,” Mr. Shneyder said.

“Rewards centers can have different preference and sign-up pages than the normal newsletter entry form,” he said. “More information can be acquired about a member of a rewards program adding to the marketer's overall understanding of how users interact with their brand and message.”

### Final Take

*Peter Finocchiaro, editorial assistant at Luxury Daily, New York*