INDIVIDUALIZED MARKETING: THE SECRET WEAPON OF HIGH-PERFORMANCE BRANDS

Joint interview with David Le Douarin, co-founder of Advalo and Philippe Favre, Managing Director of Prospheres, a firm specializing in business transformation and business turnaround.

David le Douarin

Philippe Favre

In the era of the customer journey and omnichannel digitalization, traditional retail brands are now facing organizational and financial challenges. We spoke with Philippe Favre, Managing Director of the business transformation firm Prospheres and David le Douarin, co-founder of Advalo, the individualized marketing platform. The interviewees go on to explain how the implementation of individualized marketing in a business turnaround process is a major lever to uncover ongoing growth and sustainable profitability.

How do business turnaround processes and the implementation of an individualized marketing strategy work?

Philippe: Our business consists of transforming companies who strive to regain a profitable business model that ensures their sustainability. We are not professional « cost killers », look at us more as the emergency doctor who administers a tourniquet where it is required and heals the patient by tackling the source of the problem.

At Prospheres, we involve and empower our employees. We are operational leaders and our approach is built on trusting our teams to take difficult decisions that will ensure transformation and success. All the subject areas come from our employees because one conclusion from our many years of experience is «those best acquainted with the material will have a better grasp of the situation at hand." We are very transparent in our approach and preparatory work on the overall condition of the company: whether it be negative or if we are anticipating difficulties.

As a first step, working groups are created on a volunteer

basis and topics are put forward by the teams, which are in line with improved company soundness and business transformation. It can be fully operational: how to reduce waste, reduce inflows into workshops, what can be done about paper bags …?

Afterward, our aim is to determine the basis on which to reposition the company so that it can regain profitability and sustainability. Based on advanced methodological and financial studies we divide company costs on certain axes: for example the axis of stores, products, etc. This allows us to determine where value is created and destroyed according to energy-related expenditure. We discern for example which stores are positive and others are negative, although, in the accounting balance sheet the contrary true. You have to know how to read between the lines of numbers. This is a quite revealing indication of where the company has added value, this gives us an idea of its reason for being, it's identity, and why it exists on the market.

The idea is to reposition the brand on what it does best, where customers are willing to buy leaving a sufficient margin.

We proceed from there to change the focus of our commercial policy, store development and make decisions. This is not a pure marketing repositioning, everything stems from the reality of what exists. With this market study crossed over with case studies, we then apply what we can do. You can't escape financial difficulties with projections.

Companies that are struggling and looking for something tend to be inspired by what other stores do. We instead must do everything in our power and what the customer expects.

David: Our methodology is quite similar, and the actions we take are very complementary to that of Prospheres. The first step in our diagnosis consists of fully understanding which customers present real value for the company, their customer journey, and web to store measurement. This enables us to put relevant and personalized actions into place, which are centered on the core of the brand's target to help it achieve growth.

Does Digital facilitate or complicate the turnaround process?

Philippe: I have never asked myself this question or thought of it in that way, Digital is essential.

At any rate, it is a key driver. I started in retail more than 15 years ago and the web did not exist. Afterward, I worked in industrial companies where digital was not present either, and when I returned to retail, I saw the impressive quantity of data that emerged on purchases and customer behaviors.

We try to reposition ourselves in our approach to the clients that sustain us. The fact of having tools that permit us to precisely address an identified client is an accelerant. We can simply tell the customer something they need to be aware of « You have recently purchased this article, come back to our store for this product » and speak directly to the customer using the premise of proximity. This action accelerates online sales but not only that. It is an essential element to understand which clients are presenting the most value and bringing a sustainable commercial dynamic.

Do you think that e-commerce development has led to a loss for traditional retail brands?

Philippe: Yes, I really feel that many retail brands are clearly suffering from e-commerce advancements, they were not fully prepared, and especially not prepared for its rapid and swift success. At a domestic level, I also think that e-commerce is an enemy of the web. There are very few tools, and omnichannel reasoning: it's the web on one side, storefronts on the other, and sales made on e-commerce are fewer sales for physical stores. It has been considered as a separate and distinct entity, a national store.

David: When we arrived at the headquarters of one of our clients, the director explained to us the difficulties they were encountering as e-commerce only accounted for 3% of their sales. A Web-to Store study was conducted which demonstrated that 57% of in-store sales were prepared on the web. Their official discourse was : « I am convinced that the web brings customers to our stores, but if I am to obtain a more sizable budget for the web, as of now it is attributed to me based on the 3%, Help me demonstrate that it is much more. » An overall change in thinking is time-consuming; anything that isn't measurable does not exist. It is necessary to present ROPO as direct evidence [Research Online, Purchase Offline]: we are leading customers to stores. A customer who buys in-store and online is 4 to 6 times more valuable.

Philippe: Generally speaking, a cultural change with a specific focus on omnichannel in traditional retail needs to be carried out. In one of the companies we managed, we included a share of web sales in each store's sales. We were able to identify for each sale exactly where the customer was coming from, and all the web customers who bought at night were assigned to the store.

This is exactly the case for affiliates: they benefit from a share of web sales.They are positioned there economically and will speed up the process. Omnicanality starts there, even more than by systems or processes, this is the only way to gain broad acceptance.

David: What we must succeed in is providing instructional omnichannel knowledge: store compensation is a tremendous motivator and if it can assist in retrieving contact details, emails, telephone numbers, and/or addresses, ... this has great value. We know that a customer for whom we have fewer contact details is going to have a lower value. The more we can contact customers through different channels, the more valuable they are. I think it's an investment worth considering.

To what extent is individualized marketing a serious way to restore growth, retain and reach new customers?

Philippe: For businesses undergoing a transformation, it's a very powerful tool. David: Our approach at Advalo is to rely on higher-value customers - those who are willing to buy their favorite brands products and leave a sufficient margin, unlike sales addicts who are looking for the next discount. Once the target is identified, we are able to activate them with the right message at the right time and acquire new clients sharing a similar profile. Acquisition action plans are drawn up on these high-value profiles to meet the promise we have made to retailers: we engage your future best customers. We place the customer at the centre of all we do.

What are the benefits of a solution like Advalo?

David: From the start, a thorough customer base diagnosis takes place, next we grasp a fuller understanding of the online/offline customer journey and ROPO. This diagnosis will help the business to embark on its omnichannel transformation.

The Advalo platform makes it possible to identify the most income-generating actions, it currently includes levers that can be immediately activated. By establishing an individualized relationship we will know how to estimate these results.

Is the emergence of data and data-driven organizations a means to guarantee against competition and declining traffic?

David: We realize that it is common practice for brands to review store traffic, which is a very good KPI. But we must move swiftly to the second phase: How is traffic generated?

We never really asked ourselves the question, because so far, a stores location guaranteed its traffic and turnover, and it was enough. It is clear today that it is insufficient: we need to move forward from geographic proximity to a relational proximity, because before coming to a physical store, the customer will go online and make their decision at home.

It is therefore extremely important to view store traffic, but it is also important to balance this with a more consolidated view, to know that I have so many people coming into my store and in turn on digital, and for those who go online we know that a few percent will buy on this channel, but we also know digital's capacity to draw in customers.

The two levers for generating traffic are based on CRM actions and acquisition media campaigns, data optimizes these two levers: on the one hand through acquisition, seeking out look-alikes of best customers in the base. The challenge is to avoid sales addicts who only want discounts but to gain customers who will buy 15 items over a 2 year period.

On the other hand, data and artificial intelligence make it possible to identify high growth potential within a customer base and send the right message to customers with higher added value.

For me, data-driven first and foremost requires an understanding of the sources of web and store traffic, customer knowledge and targeting, in order to optimize CRM and Media traffic.

Finishing remarks?

David and Philippe: Our two approaches are quite similar and the promise made to our customers is also: help them enjoy renewed growth and profitability, in both the short and longer term. Prospheres and Advalo are refocusing on high-value customers, knowing them well and understanding their expectations.

Prospheres works with men and women who keep businesses alive and growing and identify key growth drivers, the marketing teams of the Advalo platform implement individualized marketing actions to meet customer expectations. All this is achieved by data and customer analysis, cross-referenced with employee experience. A methodology that has already proven its worth to retailers in financial and organizational difficulties, within the context of important developments.

UTILIZE A DATA-DRIVEN STRATEGY TO DEVELOP CUSTOMER VALUE

Advalo enables retailers to implement a number of best practices and to ensure the profitable, sustained and responsible growth of its business with a 2 phase process:

A diagnostic phase and study aimed at:

- Identify high value-added customers and customers who want to buy your products
- Understand their web to store journey
- Identify marketing actions that generate the highest revenue and margin
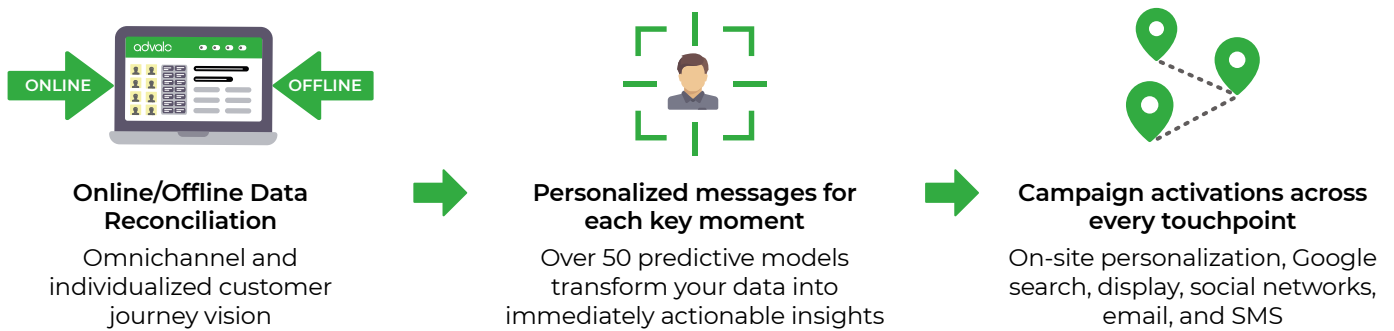
A business momentum revival phase involving:

- Individualize customer relationships providing the most margin and turnover
- Attract new customers and build loyalty
- Gain high-value customers who in return become your best future customers

ASK FOR YOUR DATA-DRIVEN ACTION PLAN

About Advalo:

The Individualized Marketing Platform enables retailers who have become aware of the urgency to move towards individualized marketing which is far from pollutant and intrusive mass marketing, to renew a privileged relationship with their consumers and to develop each customers' value. Through artificial intelligence algorithms and innovative predictive models, the Advalo omnichannel platform enhances behavioral and CRM data, both physical and digital, in order to address each consumer on all points of contact, messages that meet their desires and needs. Advalo's customers generate on average a 3 to 4% incremental turnover on the entire turnover of the brand in less than 12 months.

advalo

GET MORE TRAFFIC
AND IN-STORE SALES WITH
INDIVIDUALIZED MARKETING

ONLINE → advalo ← **OFFLINE**

Online/Offline Data Reconciliation
Omnichannel and individualized customer journey vision

Personalized messages for each key moment
Over 50 predictive models transform your data into immediately actionable insights

Campaign activations across every touchpoint
On-site personalization, Google search, display, social networks, email, and SMS

THE 1ST INDIVIDUALIZED MARKETING PLATFORM DEDICATED TO RETAIL

Measure the impact of digital marketing on in-store sales

Attract ideal clients

Create and maintain sustainable and individualized relationships

Communicate with your customers wherever they are

Market leaders trust us

CACHE CACHE. · Salaun Holidays · Chantelle · BREAL · mellow yellow PARIS · grain de malice · catimini

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