

The "management" in customer engagement strategies

By [Ian Steyn](#)

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Most South African retailers have added some form of product line extension to their standard offering of household items and produce, so that grocery stores are not just grocery stores anymore. Even corner cafés are selling electricity and airtime, whilst the larger chain stores now allow customers to pay their bills and speeding fines, or even book flights or join incentive programs.



While these services are effective as a lure to draw more traffic to the store - the real opportunity is the valuable customer data they generate, which is often overlooked or mismanaged. Rather than operate independently they should form part of a coherent customer engagement strategy that enables retailers to track and measure their success.

Add virtual services to mix

Retailers should be using their existing infrastructure - whether it is their till, a customer call centre or a self-service kiosk (or all of the above) - to make the most of the opportunities these services offer them. IT companies tend to lump these together as "value-added services" - but I would argue that term should be defined far more broadly, to include a host of other virtual services that make life more convenient for the customer or help in other ways to keep them coming back.

Let us take loyalty programmes as an example. Many retailers have or are considering one, such as a points system that generates paper vouchers after a few months or stickers placed on a card that offer something free when filled. Over the years, marketers and retailers have brought these into question, mostly because these programmes were introduced simply, "because our competitors have one."

Driving loyalty

Now, the ground is shifting. Companies have realised a cookie-cutter approach to loyalty, where every store hands out cards and points that can be redeemed, does not work for everyone. A retailer that takes customer engagement seriously needs to be asking itself, "What drives my customers' loyalty?"

The answer will vary depending on exactly what business you are in. For a computer store, support house calls and maintenance plans might keep your customers coming back even when the competition is offering deep discounts. For a high-end clothing store, maybe it is a free wardrobe evaluation; a pharmacy might offer an annual cholesterol test. It is about what is relevant to the customer.

Then there are gift cards, vouchers and coupons. Currently, few retailers link all of these together into broader marketing efforts - losing a great deal of the value in the process.

Track loyalty success

The point is that every retailer should know its own customers well enough to know what works - and fortunately, the tools to support that knowledge are now available. With the right technology, you should be able to track in real time exactly what vouchers have been redeemed, when every gift card is presented and how much extra is spent, and what loyalty rewards have been claimed.

Gift cards, vouchers/coupons and loyalty programmes are the big three that need to be included in the mix. They are very different animals, but if handled correctly as part of a high-level customer engagement strategy they can have a measurable impact on footfall and turnover.

Fine tuning campaigns

Armed with this real-time information, marketers can fine-tune their campaigns in ways that have never been possible before. If there is low uptake on one loyalty offer, try another next week - you can, because you will know.

Above all, these services should be driven by an overarching customer engagement strategy that is carefully attuned to the needs of the business. Duplication, wasteful ad-hoc projects that go nowhere and services that work against each other do not belong in this picture. What does belong is intimate knowledge of the customer, enabled by real-time measurement and reporting of how marketing efforts are reflected in sales at the till. Without that, value-added services are anything but.

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