

WHSMITH Loyalty Scheme

In 1997, newsagent WH Smith introduced the first online loyalty card developed by a high street store. The customer data gathered by the use of the WH Smith Clubcard is used to analyse and profile customers and customer-buying patterns across its 600 stores.

In the first six months after its introduction, the Clubcard gained 2.5 million members. The scheme's membership now stands at over 5 million. The daily transaction rate is over 100,000, with a peak at more than 250,000 transactions.

The challenge

The primary objective behind the Clubcard was to use the data to understand WH Smith customers better, as well as constructing targeted specific offers and mailings to these customers. The company realised, however, that the success of this scheme was heavily dependent upon the accuracy of its customer data.

The solution

Although its initial customer data was proven to be of an already high standard (94 per cent accurate), WH Smith needed optimum accuracy. In effect, it required a data cleansing service, and hired GB Information Management to conduct a bulk yearly-cleansing service. More recently, this has developed into a quarterly-managed service.

It involves the regular extract and cleansing of WH Smith customer data in terms of Post Office address file accuracy, mortality file matching, and the like.

The results

As a result of working with GB Information Management, WH Smith has subsequently managed to progress this data accuracy to the exceptional level of 98 per cent. Of course, improved data accuracy is only worthwhile if it enhances business processes and results.

Recent customer mailing offers to Clubcard customers testify to the success of the project. The response to an offer on Delia Smith's How to Cook gained an eight per cent response rate, while a promotion for the Science Fiction TV video achieved a similar take-up.

This case study was a finalist in the Direct Response 2001 Smart Awards.