



HOLT RENFREW

CRM Contact Strategy
&
Channel Optimization

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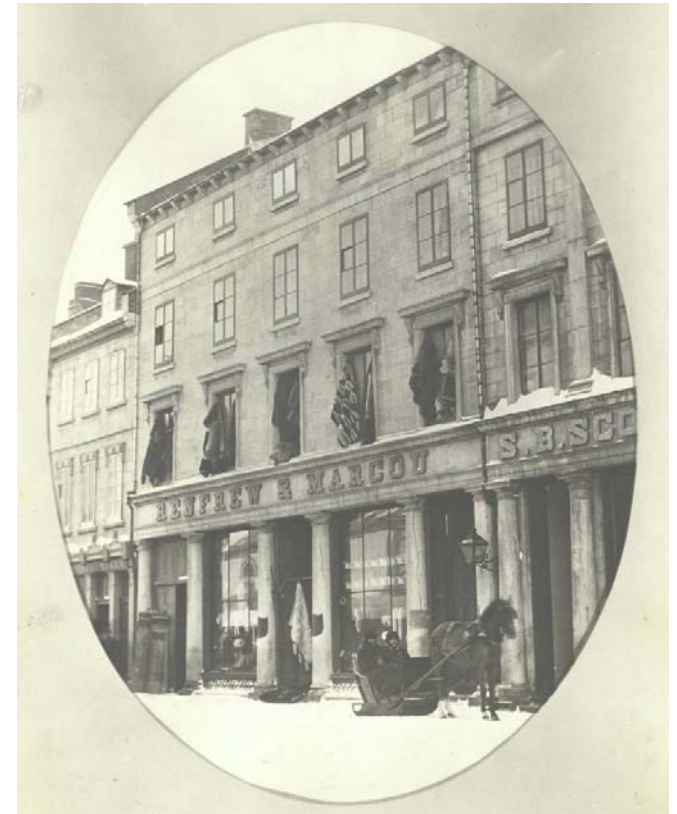
October 9, 2008



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170 years of CRM

- At Holt Renfrew, the relationship with our customers does not stop at the doors of our stores:
 - We leverage our knowledge of their preferences to keep them informed of new products and events
 - Traditionally we have mainly relied on mail as our primary communication channel
 - We have increased our exposure to the internet and e-mail
- Today we present an example of how we are trying to optimize our CRM strategy across multiple channels

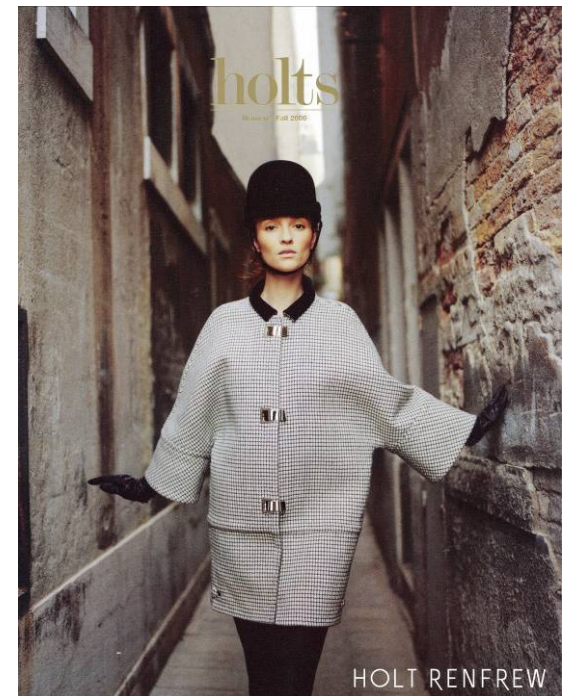
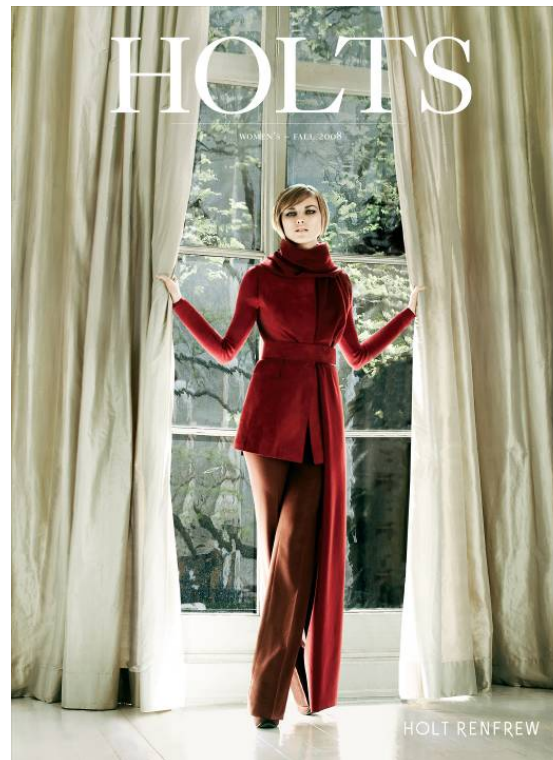
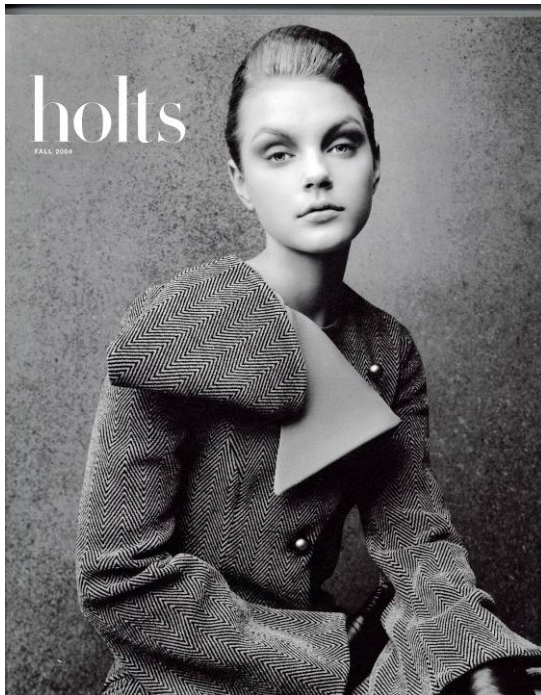




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Holt's Spring & Fall magazines

- Each season our customers eagerly await receiving in the mail the magazines produced by our Marketing department

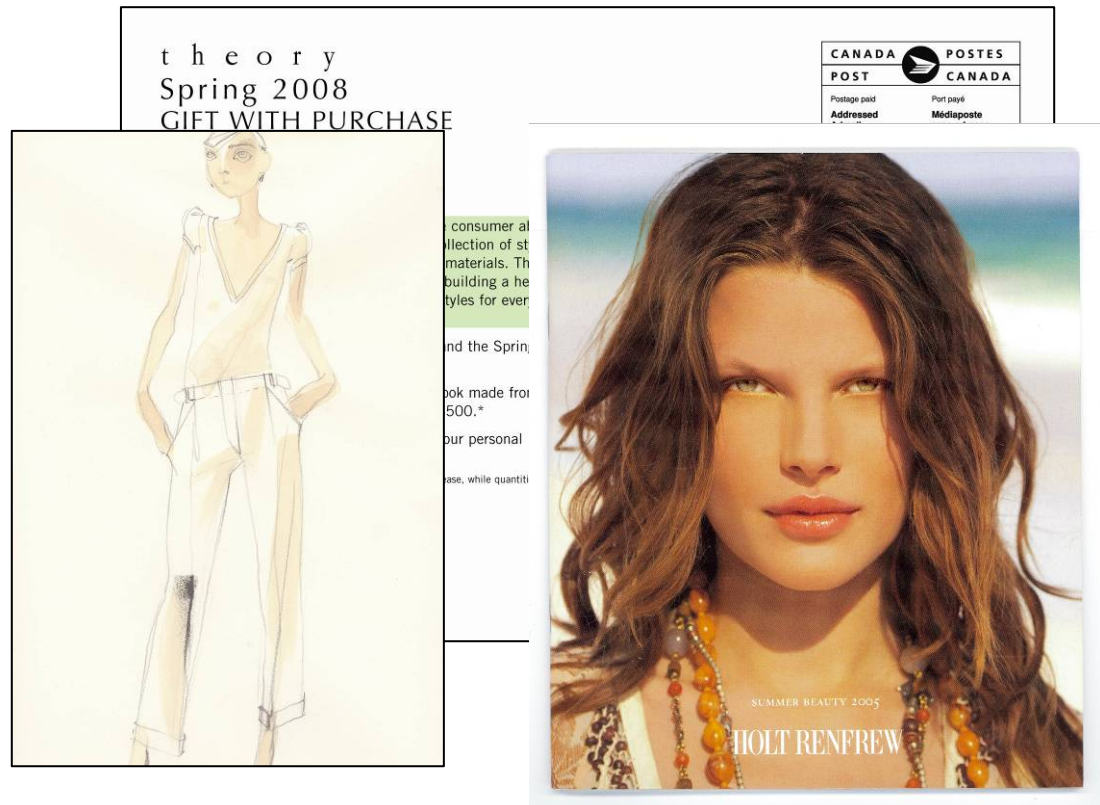




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Promotional Mailers

- Throughout the year we leverage mailings from our different vendors to maintain an ongoing relationship with customers and inform them of new products or special events





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A made-to-measure web site www.holtrenfrew.com

- March 2008 marked the re-launch of our web site and an increased focus on interactive channels

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SEARCH [] OUR BRANDS OUR STORES OUR SERVICES OUR EVENTS

▼ WOMEN

THE MUST-HAVES
Top 10: Ready-to-wear
Top 12: Accessories
Top 6: Beauty

WHAT'S NEW
Carlos Falchi
alice + olivia
Kate Moss for Topshop
John Varvatos
The Beauté Cosmetics Collection
Pierre Hardy
Elizabeth and James
Chloé Sevigny

FEATURE ARTICLES
Being Tory Burch
A Memo from Michael Kors
Beauty Beat - Mineral Assets
The Elements of Style

HOLTS INSIDER
Spice Up Your Denim!
Denim-Art in Vancouver
A Chef for all Seasons
Shop Smart

▼ MEN

SPRING DOESN'T JUST ARRIVE AT HOLTS.
It debuts.

See the must haves for Women
See the must haves for Men

MY HOLTS
Viewed Articles
► A HOT DATE BEAUTY EVENT
► YSL Passion for Perfection
► A HOT DATE BEAUTY EVENT

MY BOOKMARKS
Top 12:

MY STORE
Ottawa
240 Sparks Street
► change
► map
Phone: (613) 238-2200
Hours:
Mon-Wed 9:30-6
Thurs-Fri 9:30-7:30
Sat 9:30-5:30
Sun 12-5

► Events in Ottawa

PASSION FOR PERFECTION
Discover the dVb Collection by Victoria Beckham
An exclusive interview with the style icon herself!

dVb BY VICTORIA BECKHAM

A HOT DATE
A Hot Date Beauty Event
Holt Renfrew invites you and your friends to experience an exclusive evening full of beauty trends, tips, and special offers!

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SUBSCRIBE

MY HOLTS
Viewed Articles
► A Fall Monologue
► Nanette Lepore

MY FAVOURITES

MY STORE
SELECT CITY ▼

A FALL MONOLOGUE

ETRO
Mongolian Lamb-Fur Vest \$1,650
Purple Silk-Chiffon Bustier Dress \$2,610

Available early October.
Carried at these locations:
Calgary
Montreal
Ottawa
Toronto-Bloor Street
Toronto-Sherway Gardens
Toronto-Yorkdale
Vancouver

View the Fall Monologues Video

rag & bone BY KILIAN DRIES VAN NOTEN

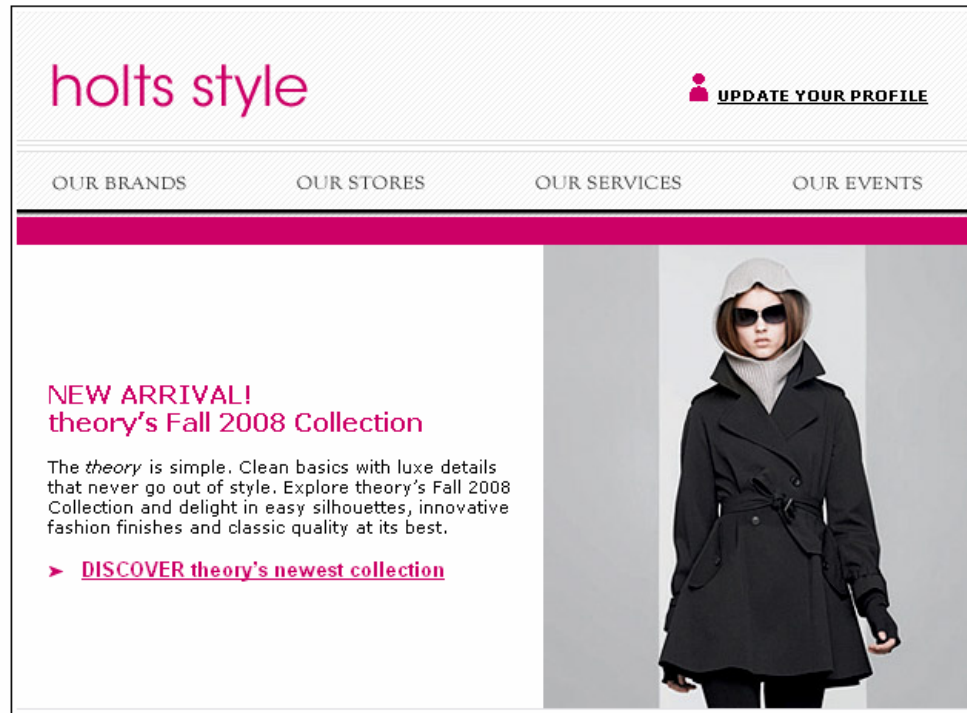
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Dress up your inbox in Holts Style

- Information which was before only available in store or through the mail can be obtained from our site or by subscribing to our “Holt’s Style” e-newsletter

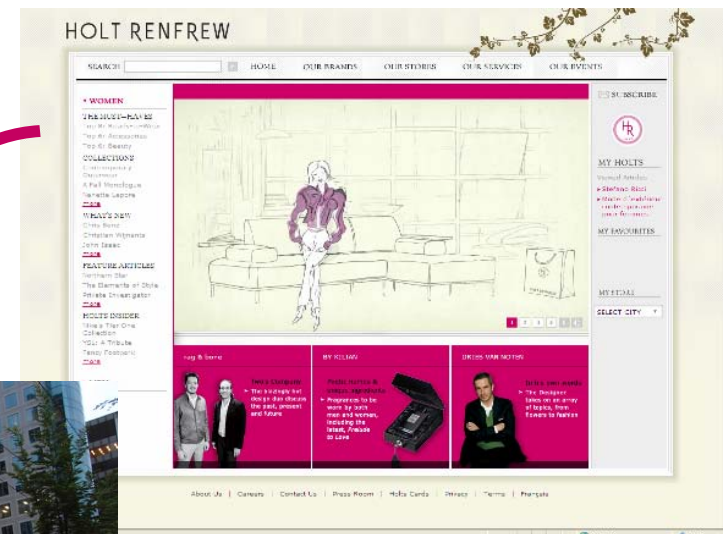
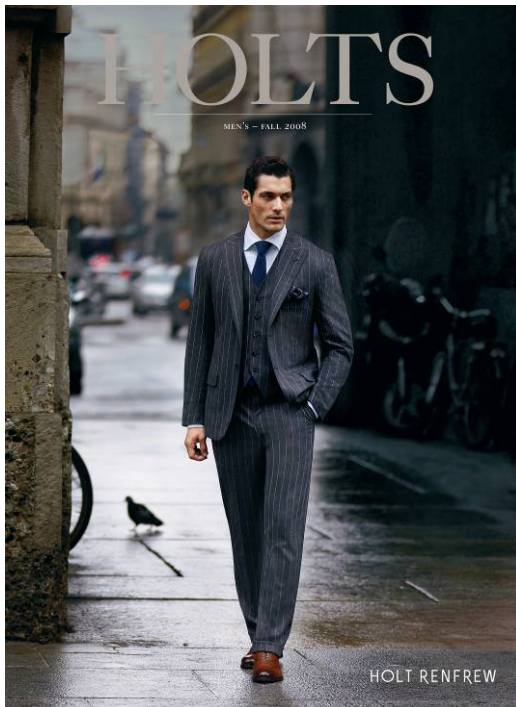




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Marketing in the digital age

- Our customers can now be reached through multiple channels
- How can we develop an integrated CRM strategy where mail and email bring customers to our stores?





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Identifying the challenges

- Delivering on this vision requires us to resolve 2 main challenges

- **Business challenge**

How can we demonstrate the value of our online marketing without online sales?



- **Technical challenge**

Subscribers database is not currently integrated with the transactional/mail database





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Creating the Roadmap

- Rather than trying to assess “intangible benefits”, we choose to find a solution which would provide a **grounded, measurable assessment of the value** of each channel
- We developed a 3-step action plan:
 1. Learning to live in an imperfect **IT** world
 2. Sizing the **opportunity**
 3. Demonstrate **results** through scientific testing





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Finding the missing link

- We lacked a unique identifier to match our subscriber database to our customer database
- We used information readily available in both databases to develop a matching algorithm
- A significant number of subscribers were existing customers:
 - Profiling those customers showed bias towards **best customers**
 - We now had a large enough known multi-channel customer base to set up a **channel optimization test**





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Defining the test objectives

- The goal of our first test mailer was to promote the new Fall collection of one of our brands
- We wanted to answer the following questions:
 - Can we increase sales by sending a preview of the new season's looks to our customers?



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 - Can we increase sales by sending the same information through e-mail?
 - Should we send both?



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Before testing: A few words of caution

Selecting the most appropriate test design depends on the number of factors you want to test:

- Channel: mail, email

but you should also consider

- Customer activity segments
- Customer value segments
- Response deciles of an existing targeting model
- number of customers (e)mailable
- budget available
-



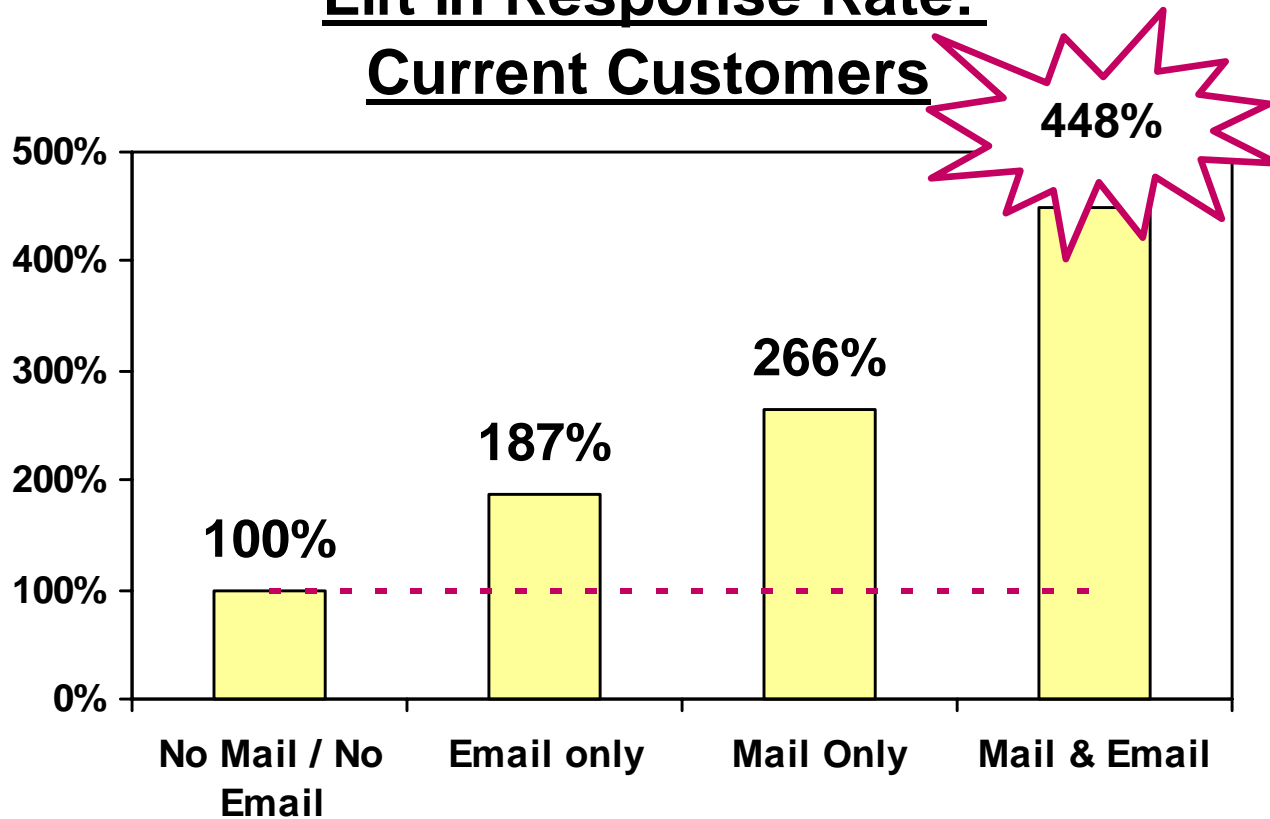


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Results overview

Marketing to existing customers

Lift in Response Rate: Current Customers



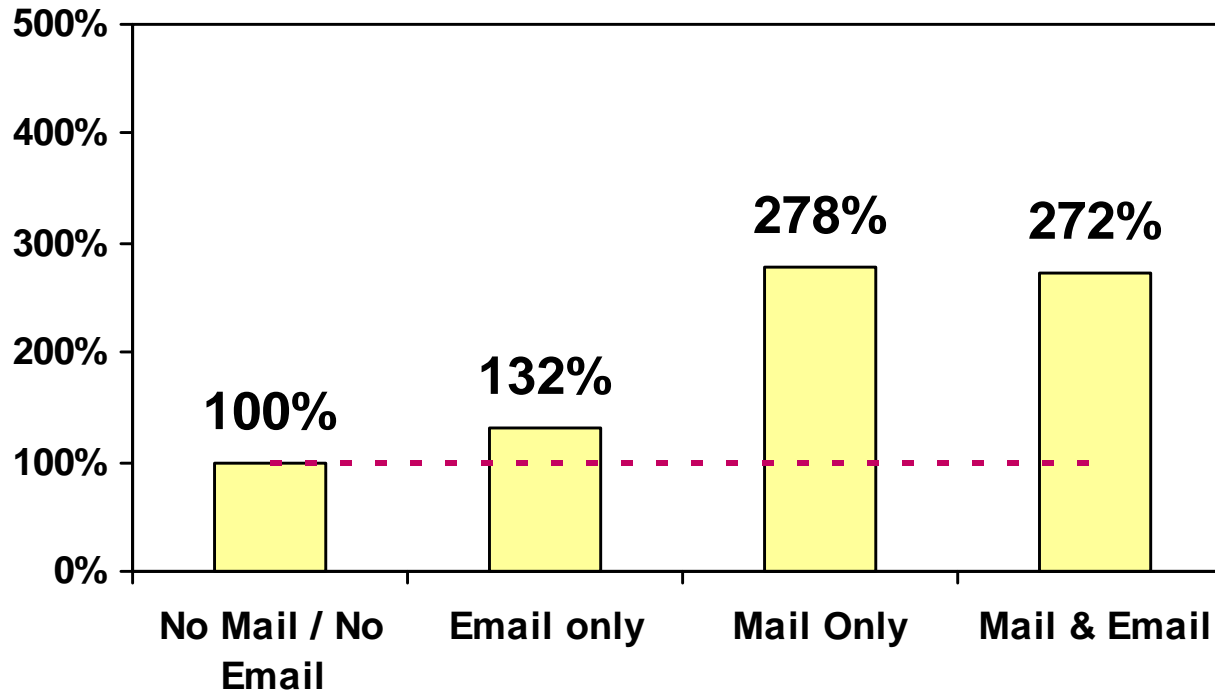


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Results overview

Acquiring new customers

Lift in Response Rate: New Customers to Brand





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Results Analysis: Put your money where your ROI is

- Should we switch our marketing budget to the e-newsletter?
- Don't forget to translate statistical results into an economic decision:
Is the lift produced by each channel **worth the cost** of this channel?
 - Emailing on its own produces a lower response than direct mail but how many pieces of mail can we produce and send for the cost of emailing all our customers?
 - Email works better on existing customers than as an acquisition vector ... but is there an incremental cost for mailing every available customer?





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Q&A



Thank you!

Visit us in store or at www.holtrenfrew.com