



# Reaping rewards – and awards – with SAS®

The New Zealand arm of OgilvyOne Worldwide uses the SAS® Marketing Automation software suite to provide its clients with innovative and highly competitive direct marketing services.

## Business Issue

OgilvyOne New Zealand's SAS-based service has delivered significant benefits for its client, Life Pharmacy, a nationwide network of retail pharmacy outlets, each of which already had its own individual customer relationship systems and processes in place but whose head office recognised the need for a more productive and uniform approach.

## Solution

The single database is managed by OgilvyOne on its SAS® Marketing Automation platform, and the agency is also responsible for most other aspects of the loyalty program including campaign design, management and reporting; the creative and production work; and rewards fulfillment.

## Benefits

With Life Pharmacy unable to gain a single view of buyer behaviour, direct marketing results were unsatisfactory, and this left the company over-reliant on intrinsically less effective mass marketing strategies.

Now, thanks to having consolidated all its ad hoc customer lists into a single database – into “one version of the truth” – the company enjoys truly meaningful information that can be analysed for the design and better targeting of specific marketing campaigns.

OgilvyOne Worldwide is a part of the WPP Group which – with more than 100,000 people working out of some 2,000 locations in 106 countries – positions itself as the world's strongest, most experienced and most highly awarded one-to-one marketing network.

In New Zealand, OgilvyOne is a leading loyalty marketing agency and the recipient of the NZ Marketing Association's Gold RSVP Award in the prestigious Loyalty / CRM category. The Award – which the agency has won in two consecutive years – recognised the *Living Card* program for its client, Life Pharmacy. The agency also scored a Silver RSVP Award in the Customer Acquisition category, for the same program.

OgilvyOne New Zealand's SAS-based service has delivered significant benefits for Life Pharmacy, a nationwide network of retail pharmacy outlets each of which already had its own individual customer relationship systems and processes in place but whose head office recognised the need for a more productive and uniform approach.

The individual processes were based on separate customer databases created and maintained at the local store level. Across New Zealand, including Life Pharmacy's online store, there were more than 500 such databases or mailing lists. Obviously, most stores had more than one – some had more than 30 – and they were used to drive individual reward programs for specific beauty and grooming brands, health care and other products. The lists were

of varying quality and currency, making companywide data mining and analysis out of the question.

With Life Pharmacy thus unable to gain a single view of buyer behaviour, direct marketing results were unsatisfactory, and this left the company over-reliant on intrinsically less effective mass marketing strategies.

### Creating a single database from many

Now, thanks to having consolidated all its ad hoc customer lists into a single database – into “one version of the truth” – the company enjoys truly meaningful information that can be analysed for the design and better targeting of specific marketing campaigns.

The previous information infrastructure was also very inefficient. For example, it could result in an individual customer receiving exactly the same offer from three different Life Pharmacy outlets. Moreover, feedback from direct marketing efforts was too limited to provide meaningful pointers to better techniques.

**OgilvyOne**  
worldwide

Life Pharmacy turned to OgilvyOne for a solution, and Paul Hickey, the agency's Strategic Planner – and an advertising professional of 15 years standing – was instrumental in the SAS deployment and the creation of a single, centralised marketing database to provide the all important single view of the customer.

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**Paul Hickey**  
Strategic Planner

Building the single database was a very intensive exercise. When each of the individual Life Pharmacy outlets had submitted its own customer lists it was found that there were collectively more than half-a-million customer records and given that New Zealand's population is only a little over four million, it was obvious that there was extensive duplication.

The records were cleaned, de-duped and formatted to comply with New Zealand Post's name and address rules and a selection of 100,000 most recent customers were invited to become foundation members of a new customer loyalty initiative – the *Living Card* program. Initiating the single database went hand in hand with this new program, first as a pilot in the Christchurch area, then nationwide six months later.

The single database is managed by Ogilvy-One on its SAS Marketing Automation platform, and the agency is also responsible for most other aspects of the loyalty program including campaign design, management and reporting; the creative and production work; and rewards fulfilment.

Twelve months after the national launch, the program had signed up nearly 150,000 individual member customers – *Living Card* card holders – with more than 95 per cent of them female.

The program offers a \$25 (New Zealand dollars) reward voucher for every complete \$300 spent, based on a points system. The vouchers are sent out to members quarterly and any expenditure of less than \$300 during one quarter is carried forward to the next. In addition to the vouchers, members are

also dynamically targeted with special offers and promotions which analysis of their past purchasing indicates might interest them.

Hickey says the standout benefit of the initiative has been, “The lift in spending by members over non-members. It varies from week to week but, on average, for every \$1.00 a non-member spends on a given transaction, a *Living Card* member will spend between \$2.20 and \$2.60, an uplift of around 140 per cent.”

In addition, it was found after 12 months that members typically shopped at Life Pharmacy stores more than twice as frequently as non-members.

Hickey adds, “Apart from the business uplift, the other real success is Life Pharmacy being able to gain some intelligence about its customers. Previously, this had always been in the hands of the local pharmacist and this made it difficult for the company to be able to act on it with effective campaigns. Now, we get customer transaction data from all over the country. It comes to one place and we have it available for analysis.”

The data is captured at the point of sale with a proprietary system specially designed for the retail pharmacy sector to manage inventory replenishment and other standard business functions. Members' transactions are fed to the SAS system each night and the processing refreshes a set of automated Web reports to provide up-to-date views of campaign metrics such as spend rates, redemptions, and the status and numbers of members currently active. OgilvyOne

provides Life Pharmacy with a SAS Web portal to view the reports and initiate queries.

Hickey says the fast and successful take-up of the program was helped by the enthusiasm of Life Pharmacy counter staff. “It is being used and driven in-store all over the country. They have all got behind it and the participation and cooperation have been strong. They are doing a really good job of signing up new members.”

Life Pharmacy staff use the company's “Ollie” system (On-Line Loyalty Interactive Environment) for a variety of purposes. For example, to update member details; to search customer transactions by date, brand or category; record customer feedback; and when asked, to aggregate points balances within members' families.

Prospective new members can be invited to fill out a simple form at the store when they make a purchase, or they can be enrolled at the counter, online. Their joining transaction is recorded along with their personal details, and they walk away as members. In addition to mailed-out quarterly points statements, reward vouchers and targeted special offers, members can also elect to receive news of promotions via a monthly email service.

Hickey says of the SAS-based system, “The Life Pharmacy success has really positioned us as a full service direct marketing provider. It has given OgilvyOne a proven strong capability in data-driven marketing. We can demonstrate a level of sophistication in this area which is really attractive to clients who recognise the declining effectiveness of mass marketing techniques and above the line advertising.”



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