

At the beginning of April 2008 the implementation of the Comarch Loyalty Management system in Leroy Merlin, a network of stores selling home improvement, decoration and building products, took place. The project was completed within 6 months and its goal was to create a system for an innovative loyalty program that will identify the group of Leroy Merlin's most valuable customers.

How does it work?

The D.O.M. loyalty program is available at every store within the Leroy Merlin Poland network. Customers may join the program by completing the registration form accessible on a dedicated webpage. Having filled in the form, the customer should visit one of the Program Points in any store in order to collect and activate the loyalty card. The registration form can also be found in the stores and the customers can complete it on the spot with the help of a consultant or the Program Point employee. Participation in the Program costs 20 PLN.

Each participant receives a set of three cards: the main card and two additional cards. They allow for collecting loyalty points on the participants' accounts as a result of each transaction realized in Leroy Merlin stores. Loyalty points can be collected with the use of all three Program cards but it is only the main card which enables the participant to take advantage of Program privileges: loyalty discounts in particular. This means that the additional card can be used by the participant's family member or a friend and the points for all the purchases will be collected in a common account.

When joining the program, the customer becomes automatically entitled to a 5% welcome discount for a single purchase in Leroy Merlin to be used as soon as the Program card has been collected. The discount must be used within the month of the card activation and not later. The program card remains valid for 12 months from the date of activation.



How does it count?

Loyalty points are collected as a result of all purchases made, including discounted ones. They are calculated on the basis of the amount spent in Leroy Merlin and are granted for all transactions regardless of the payment method. The Program participant is obliged to present the card before each transaction at the cash register.

The rules governing the realization of the loyalty program state that the participant will receive 1 loyalty point for each 3 PLN spent during the period of the program. Each accumulation of 1000 points can be exchanged for a single 10% discount to be used during the next visit to Leroy Merlin. The points are visible on the participant's loyalty account one day after the given transaction. They can be exchanged for the relevant discount at any of the stores.

Additional benefits

Apart from the loyalty point discounts, participation in the program guarantees easier service due to online purchase history (dedicated webpage). The customer can access information related to previous purchases and easily select identical products or return goods without the necessity of presenting the receipt. Cost control and recognition of actual investment costs are significantly enhanced. Additionally, program participants receive their articles on the day of the purchase and are given an issue of "House with an Idea", an interior decoration magazine, for free.

Implementation

The Comarch Loyalty Management system implemented in Leroy Merlin consists of the Administration Application, B2C Internet application for customers and the Application for Program Points located at the stores and equipped with the functionalities of customer registration and bonus realization. The system was implemented in the Data Center at the Leroy Merlin location which collects data in the central database.

The system was implemented on an off-line architecture basis. Transactional loyalty data is registered in the cash system and after assigning them to the given loyalty card number they are transferred collectively in a result file, once a day, to the loyalty system to be further processed. The redemption operations which decrease the loyalty point balance are registered on-line in the system. The information on the loyalty card balance and the history of transactions are recorded centrally and the loyalty card is exclusively a carrier of the customer's ID.

The system makes it possible for Leroy Merlin to personalize communication with customers via various communication channels and to build different types of promotional campaigns based on any transaction attributes including the particular assortment positions of the sold articles. The system also allows for defining a separate strategy of granting rewards to particular customer groups.

Results

"The first 2 or 3 years of the loyalty program aims at creating a base of customers along with the analysis of their consumer behavior and their needs related to the house of their dreams", says Beata Woszczyńska, Leroy Merlin. The knowledge thus acquired will form the basis for individualized offers that will address the most important customer needs. "The final result will be the identification of the most loyal customers who trust and choose Leroy Merlin on a continuous basis".

About Leroy Merlin

Leroy Merlin is the oldest chain of stores selling building and home decorating materials in Poland. The first store was opened in 1996 in Piaseczno, near Warsaw. Leroy Merlin offers a wide range of products: building materials, woodwork, electric articles, hydraulic articles and equipment, ventilation and heating materials, workshop tools and accessories, products for securing the house, elements for furniture assembly, floors, fitted carpets, panels, carpets, paints, varnishes, bathroom and kitchen accessories, decoration articles, lighting, plants, tools and other gardening articles. At present there are 29 Leroy Merlin stores in Poland and the company turnover makes it the second largest building store.

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