



# Retail Insight

Home Electronics - Building Loyalty at the Store Level

*Aldata*  
100% Retail-Wholesale



Veikon Kone is one of Finland's leading home electronics retailers, operating 19 stores throughout the country. As the industry struggles in the current economic climate, the issue of loyalty at the store level is taking on increasing importance.

The most successful loyalty programs reach out to customers with offers tailored to their personal interests and tastes, via their preferred method (email, SMS, direct mail, etc), at a time that's relevant to them, encouraging them to return to their most frequently visited store time and time again.

Veikon Kone prides itself on its loyalty system, Aldata Loyalty, which is helping the business to understand and serve its customers better as well as differentiate itself in its home market.

## Executive Profile:

### Mikko Vainio, Customer Relations Manager, Veikon Kone

As Customer Relations Manager at Veikon Kone, Mikko Vainio has worked closely with Aldata during the implementation of Aldata Loyalty. So he has seen first-hand the positive effect Aldata Loyalty is having on the business.

"Prior to working with Aldata, we put in place our first loyalty system in 1997, but it was not supporting our marketing activity properly," says Vainio. "We could gather information and some segmentation but we couldn't use it as a marketing medium to help drive sales."

To build better customer relationships, the company needed a program that could drive real value to customers, while also boosting profitability.

With Aldata Loyalty, Veikon Kone now manages 700,000 Loyalty card members, each attaining Basic, Silver and Gold membership based on their spend and visit frequency. This approach

allows the retailer to target offers by the store they visit most often and reward customers in different ways, not just on price. Veikon Kone now makes available special offers for specific loyalty customer segments, with points for prize products or gift cards, as well as being able to offer closed-loop multi-channel sales.

### Rapidly Deployed SaaS Means No Support Headaches

Aldata introduced Loyalty as a Software as a Service product, which speeded up deployment time for Veikon Kone. By eliminating many of the typical implementation tasks associated with licensed software and because the software was already up and running on Aldata's servers, Loyalty shaved months off the deployment time.

"We get value in many ways from Aldata," says Vainio. "Of course, we get to understand our customers better. But also by subscribing to a SaaS application, we avoid the overhead associated with implementing conventional software, and all the problems of housing servers and maintaining the software."

"We get the economies of scale, and because the monthly fee we pay is based on the number of customers opted-in to the system, it's easy to incorporate into our budget."

**Fast And Economical Way To Finalise The Deal In-Store**

Aldata Loyalty enables Veikon Kone to segment and profile its users. Reporting software shows clearly which of the Loyalty segments (Gold, Silver, Bronze) visit stores, how frequently, and how profitable each segment is. Loyalty also enables Veikon Kone to track and understand the importance to its business of new member spend, as well as target campaigns to reactivate dormant members.

Another key benefit is customer interest validation. In the web club customers indicate the products they are interested in. Based on this information, either centrally or at a local store level, an SMS or an email is sent to Loyalty customers with the items, pricing and availability. When a Loyalty customer comes to a store, through the loyalty card the store is able to detect any preferences and special offers this customer has been offered and is able to finalise the deal.

“Our store managers get a view on their customers’ purchasing history. They can do their analysis in an easy way and see their customers’ purchasing patterns, and adapt their promotions to fit,” says Vainio.

**Greater Visibility Improves Real-Time Marketing**

By using a single system integrating POS transactions to loyalty membership and multi-channel marketing, Veikon Kone obtains a single view of its customer reactions to offers. As a result, the retailer manages customer loyalty marketing in real-time more effectively.

“We are able to measure marketing ROI on each campaign,” says Vainio. “The beauty of the system is that everything is traceable to real cash.”

True multi-channel marketing has become a reality. Targeted campaigns through direct mailing, TV, radio and web based marketing all support the drive to customer-centric marketing. Customers receive email newsletters, each fully personalised with unique offers and content.

“Without doubt, Aldata Loyalty is helping us to strengthen customer relationships where it counts – at the store level. The software is enabling us to deliver true store level marketing, rewarding customers and making the right offers at the right time to our loyalty customer segments.”

**Aldata 100% Retail-Wholesale**

At Aldata 100% of our business is dedicated to retail and wholesale business improvement. We provide our customers with modern, flexible and integrated software solutions specifically designed to increase productivity, performance and profitability. With over 24,000 successful installations across 52 countries, from convenience store to hypermarket, 480 live warehouses and customers with 5 to 5,000 outlets, we consistently deliver the goods for retail and wholesale business improvement.

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