



# RedTag's 'rt rewards' loyalty program supports the brand's expansion across GCC with data-driven customer engagement programs



A subsidiary of BMA International, The RedTag Group is the leading fashion destination for customers across Middle East and North Africa. Launched in 2006, RedTag currently has 136 fashion and lifestyle stores across the Middle East and North Africa and has been growing 20 percent annually.

## Overview

### The Challenges

RedTag intends to expand ambitiously across MENA by opening new stores in malls and high streets. The brand needed a data-driven customer engagement program that tied in with revenue metrics to support this rapid expansion.

### The Solution

Using Capillary's Customer Engagement Solution, the brand identified that more than 70 percent of its sales were through loyal customers and launched its 'rt rewards' loyalty program. The program helps RedTag's create data-driven marketing programs.

### The Benefits

Within just a year data-driven programs contribute to more than 5% of the overall RedTag sales and 'rt rewards' now reaches more than 30% of the UAE population. The brand also witnessed a 12.5% improvement in its repeat sales and an ROI of 22X.

## Challenges

RedTag intends to expand ambitiously across MENA by opening new stores in malls and high streets. The brand also intends to substantially expand its customer base by introducing new styles and fashion labels. Marketing and customer loyalty play a large role to support this expansion and improve business performance indicators.

To help accomplish this, RedTag needed to understand how its revenue is distributed and to identify which customer segments affect revenue and profitability. The brand also needed a cost-effective program that drives data collection and at the same time builds on the brand experience with enhanced customer engagement.

## A Better Solution

Using Capillary's Intelligence Customer Engagement solutions, RedTag built a comprehensive database of more than 1 million customers across 130+ stores in multiple countries. More than 150,000 additional customers join the brand's loyalty program every month.

Using insights by analyzing the CRM data combined with an easy-to-understand points structure, RedTag was able to run personalized programs and targeted marketing with its customers.

The mobile-based loyalty program is a foundation laid for RedTag, to support its rapid expansion and customer-centric orientation. With real-time earn and burn ability, RedTag has seen a tremendous increase in customer performance and sales since the launch of the loyalty program.

## Benefit 1: Data acquisition and creating a marketing data warehouse

- ✓ Comprehensive customer database of more than 1 million customers with more than 150,000 additions every month

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- ✓ Data-driven customer engagement programs contribute to more than 5% of the overall RedTag sales

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- ✓ 12.5% improvement in overall repeat sales by loyal customers within just six months

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- ✓ More than 22x ROI

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- ✓ 'rt rewards' loyalty program reaches more than 30% of the population within UAE

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- ✓ 6X growth in redemptions and benefits availed. Every point redeemed generates sales of AED 6

RedTag mostly collected customer bill data through its store sales; however, no information about the customers or their demographics was acquired. With the Capillary's Intelligent Customer Engagement™ platform, the brand acquired essential customer information such as date of birth, age, gender, nationality and communication and product preferences. This helped the brand better understand customer needs and run relevant personalized programs and marketing efforts.

## Benefit 2: Segmenting customers intelligently

Using Capillary's Customer Intelligence solution the brand then segmented this customer data using a variety of metrics such as spend value, gender, nationality, product categories and frequency at which customers purchased. Using insights from this segmenting, RedTag was able to clearly identify that more than 70% of its total sales are generated through loyal customers.

RedTag now had the ability to design and execute targeted programs based on customers' preferences, past purchase history and buying behavior. Incremental sales generated through these data-driven customer engagement programs contribute to more than 5% of the overall RedTag sales. Due to timely connects and engagement, more one-time customers are now loyal customers.

## Benefit 3: A successful loyalty program

In a bid to improve customer 'stickiness' the brand launched its first ever loyalty program – rt rewards – a hybrid mobile and card based program that integrates with RedTag's CRM such that customers get relevant rewards and improve brand fidelity. The loyalty program also incentivizes upsell and cross-sell within product categories. 'rt Rewards' is also increasingly contributing to RedTag's growth metrics including several benefits such as 6X growth in redemptions and benefits availed and 12.5% improvement in overall repeat sales by loyal customers in just six months.



Capillary Technologies is a leading provider of cloud-based software solutions that help retailers of all sizes to engage intelligently with customers through in-store, mobile, social and email channels. Our platform powers end-to-end customer engagement, "clienteling," loyalty and social CRM for more than 150 major brands in 12,000 retail locations. We help bring instant shopper gratification to 100+ million consumers in the US, UK, Middle East, South Africa and the Asia-Pacific region.

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