

Task 5

CRM system of John Lewis

John Lewis launched its CRM reward scheme' loyalty programme in 2013. It is an online and off-line channel for customers. The purpose of the loyalty card is to collect data of customers shopping experience. To Analyse their preferences; what products they purchase. By understanding customers better and make personalised promotional offers and rewards. It is good for customer feedback and online networking, listening empowers them to address clients at risk, and to assemble the relationship with those who advocate their brands.

As Chris Bates, head of customer marketing of JLP stated that," we wanted something that was differentiated, unique and in tune with John Lewis brand, which was why we focused on experience, service, exclusivity, treats". (Marketing week 2015).

The benefits of JLP CRM system;

- Increased sales, increased profitability and transparency.
- Revenue income fluctuated, according to the JLP annual report 2018, 7.4% Increase of purchases by their core customers. In' Best in customers', the best customers who shop frequently within given time frame. As JLP delivers high standard of service and experience to existing customers and attracting new customers.
- Improved customer satisfaction – through reward schemes JLP collect data of customers most recent activity to personalised promotions offers. Therefore, customers are recommending JLP product and services to others. This is evident that customers are satisfied, engaged and loyal to the brand.
- Through profits employees receives bonus. Employees are the partners, ownership and empowerment of the company. To improve customer services JLP included experience desk and training staffs to become 'customer service ambassadors.
- More profit, possibility of increase annual bonus for partners.

- JLP captured their target market with loyalty ladder. JLP focus on clients, supporters and advocate system.

JLP examples of success of the organisation

- Successful Christmas campaign; at Christmas period, third of John Lewis sales were from online. (John, Lewis knows families are important, all adverts of JPL involve family). The view of YouTube reflects the success of the advert.
- Black Friday sale, biggest online sale.
- JLP is more focused on innovation and creativity- the strong focus on the transformation has improved the item portfolio and customer engagement for the organisation. Customers demand are more met, according to the Annual report (2018) the rising demand for the vegetarian food in their Waitrose division. They launched “biggest ever range of meat – free meals, with 31 innovative new dishes”.
- Personal shoppers, personal stylist and wedding planner.
- JLP are introducing self- service check- in iPad, click + collect orders from the retail stores also partner devices for employees. Moreover, focusing on values, lowering prices and investing in updating the stock management, ordering and replenishment systems, so that they provide better shopping experience for customers.
- Inspiring customers by holding special events, offering personalised gifts and free tea, cake in the store.
- Investing in own-brand and exclusives – introducing brand fashion for women wear and rebranding their home brand, home label, HOUSE by John Lewis.
- JLP Ventures were set up, to develop new customer propositions: cook well from Waitrose and John Lewis home solutions were launched.
- Environment friendly – by 2025 Waitrose's own label packaging will be recyclable and reusable.

- The company has won numerous awards; best in customer satisfaction in the store experience award and best retailer in 2017. Four awards at the Global data customer satisfaction awards (Retail Gazette 2019).

According to Chris Bates head of CRM and regional marketing of John Lewis: "John Lewis is successful company because of their design, commercial success of my John Lewis, the customer membership programme, implementation and rollout of a new customer segmentation, which now sits at the heart of John Lewis's strategy". (2016).

The Drawbacks of the JLP CRM system

- Although JLP reassures customers of the protection of data breach, due to various third parties, sharing data JLP needs to monitor their risk and security more frequently.
- CRM system involve heavy investment in the IT system.
- JPL is disengaged with lower level, of the ladder, so they are not much interested with prospect and customers levels of ladder.
- The 'never knowingly undersold' pricing strategy, which means they have heavily discount to match retailers which affects their profit margin.
- The private shopping service, where JLP offers customers to spend £10,000 after-hours shopping. JLP are portraying wealthy customers. According to the Telegraph article, to persuade customers away from online shopping into stores, the company launched a range of "personal shopping experiences to give them something to get off the sofa for". (Telegraph,2018).
- Increased online shoppers- investment in app launch reduced physical visits to stores. Also, high invest in new IT system and distribution facilities for home deliveries.

Task 6

SWOT analysis of John Lewis's CRM system

Strengths

- Strong brand image and reputation- they provide good quality products; luxury, designer brands also decorated Queens palace.
- JPL, loyalty schemes offer personalised, promotions and rewards to existing customers.
- JLP offers services, for example; personal stylist, wedding planner and home stylist.
- Strong online presence, - 39% of sales from John Lewis online shopping. (Computerweekly . 2018)
- John Lewis organisational model – employees are the partners of the company. Also, considered as co- owners. They share benefits, rewards and profits of the organisation.
- JLP won Global data awards in 2018
- JLP loyalty ladder worked effectively, focus on core costumers, building long-term relationship with customers.

weaknesses

- JLP targets costumers with high disposable income
- Premium prices
- High investment for IT
- Older Citizen are not comfortable with technology. They are traditional, they like socialise and prefer physical shopping experience.

Reference list

John Lewis Partnership PLC, Annual report and Accounts 2018. [online] available at:

<https://www.johnlewispartnership.co.uk/content/dam/cws/pdfs/financials/annual-reports/jlp-annual-report-and-accounts-2018.pdf> [accessed on 23.5.19].

Marketing week (2015). *Three ways brands can learn from John Lewis's loyalty success*. [online] available at:

<https://www.marketingweek.com/2015/10/02/three-things-brands-can-learn-from-john-lewiss-loyalty-sucess/>

[accessed on 20.05.19].

ComputerWeekly.com. (2018). *John Lewis blames profits drops on high IT costs*. [online] available at:

<https://www.computerweekly.com/news/252448604/John-Lewis-blames-profit-drops-on-high-IT-costs>. [accessed on 25.5.19].

Retail Gazette (2019). *John Lewis dominates customer satisfaction awards*. [online] available at:

<https://www.retailgazette.co.uk/blog/2019/05/john-lewis-dominates-customer-satisfaction-awards/> [accessed on 23.5.19].

The Telegraph, (2018). *John Lewis to offer personal shopping and champagne in store 'to get online shoppers off the sofa'*. [online] available at:

<https://www.google.com/amp/s/www.telegraph.co.uk/news/2018/10/16/john-lewis-offer-personal-shopping-champagne-store-get-online/amp/>

[accessed on 22.05.19].