

# **Development of a data driven customer centric marketing model for Hobby Hall**

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<p><b>Abstract:</b></p> <p>The present study had two aims. Firstly to create an understanding of how a Finnish retailer can move into a data driven customer centric marketing model. The research comprised of literature studies and expert interviews of relevant marketing theories, best practices and legislative restrictions regarding personally identifiable data. And secondly to develop a first model for Hobby Hall based on the research. The model was evaluated by a focus group and further developed based on the feedback. The research focused on marketing strategies, Data driven marketing, and personalized marketing. Additionally the researcher studied the legislative perspective on personally identifiable data usage. The research did not include social media or banner advertising as marketing channels, but concentrated on Hobby Halls traditional channels; catalogue and e-mail. The research further out scoped technical aspects of the solutions. As a result a model was developed for Hobby Hall that creates a good base for the commissioner to plan for the future.</p>	
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# CONTENTS

<b>1</b>	<b>INTRODUCTION .....</b>	<b>6</b>
1.1	Background .....	6
1.2	Company introduction .....	8
1.3	Aim.....	9
1.3.1	<i>Company aim.....</i>	<i>10</i>
<b>2</b>	<b>METHODOLOGY .....</b>	<b>10</b>
2.1	Research design.....	10
2.2	Literature study.....	11
2.3	Interview.....	11
2.4	Focus group .....	12
<b>3</b>	<b>LITERATURE REVIEW .....</b>	<b>13</b>
3.1	Marketing introduction.....	13
3.2	Marketing strategies.....	14
3.2.1	<i>Campaign management .....</i>	<i>17</i>
3.3	Personalization in marketing .....	21
3.3.1	<i>Personalization tools .....</i>	<i>23</i>
3.4	CRM as a strategy .....	25
3.4.1	<i>CRM as a system.....</i>	<i>26</i>
3.4.2	<i>CRM Data.....</i>	<i>27</i>
3.5	Data driven marketing.....	30
3.5.1	<i>Offline data .....</i>	<i>32</i>
3.5.2	<i>Online Data.....</i>	<i>32</i>
3.5.3	<i>Combining online and offline data.....</i>	<i>33</i>
<b>4</b>	<b>USAGE OF PERSONAL DATA AND PRIVACY .....</b>	<b>35</b>
4.1	Legislative restriction on personal data usage .....	35
4.2	Privacy .....	37
<b>5</b>	<b>THE MODEL .....</b>	<b>38</b>
5.1	Analysis of current state.....	38
5.1.1	<i>Hobby Hall current data collection model.....</i>	<i>39</i>
5.1.2	<i>Current marketing model.....</i>	<i>39</i>
5.2	Customer centric data driven model for Hobby Hall .....	39
5.3	Gather data .....	40
5.4	Convert data to differentiable information .....	42
5.5	Customize offers.....	44

5.6	Stronger relationships .....	45
5.7	Draft model.....	47
5.8	Focus group results .....	48
<b>6</b>	<b>DISCUSSION AND CONCLUSION.....</b>	<b>50</b>
	<b>References .....</b>	<b>53</b>
	<b>Appendices .....</b>	<b>56</b>
	<b>APPENDIX 1. ....</b>	<b>57</b>
	<b>APPENDIX 2. ....</b>	<b>58</b>
	<b>APPENDIX 3. ....</b>	<b>60</b>
	<b>APPENDIX 4. ....</b>	<b>62</b>

## Figures

Figure 1 A visualization of order distribution over a month in a Mail-order business model driven by catalogues.....	9
Figure 2 A closed looped campaign managing model and a learning relationship from Dyché (2007). .....	17
Figure 3 Creating a learning relationship. Adapted from Pöllänen (1999).....	18
Figure 4 CRM and marketing utilization model simplified from Verhoef et al.(2010) .	29
Figure 5 A data-driven marketing strategy infrastructure. Adapted from Jeffery (2010) .....	31
Figure 6 A visualization of combining online and offline data for further usage .....	34
Figure 7 Visualization of customer actions online and data flow for further utilization. ....	<b>Error! Bookmark not defined.</b>
Figure 8 Data collection of customer actions to CRM.....	40
Figure 9 Customer attributes for differentiation.....	43
Figure 10 Customized campaign circle.....	44
Figure 11 Data driven model of campaign tracking .....	46
Figure 12 Visualization of data collection and flow for marketing actions .....	47
Figure 13 Final personalization model.....	50

## Tables

Table 1 The differences in targeted audiences and messages using different marketing strategies. Modified from Feurst (1999) & Pöllänen (1999).....	16
Table 2 Objectives and methods for a customer dialogue from Pöllänen (1999) .....	20
Table 3 Summarizing the differences between mass- and personalized marketing, adapted from Pöllänen (1999). ....	23
Table 4 Structure for multichannel marketing by Unica (Arikan, 2011).....	28

# 1 INTRODUCTION

A recent blog by Sterling (2016) cried out that consumers expect to get personalized content and offers, but that retailers struggle to identify their most valuable customers or how to engage with them. The customer is harder to satisfy and new technological enablers have made the shift in marketing from a monologue to a dialogue with the customer. The companies are forced to learn more about their customers and to personalize their messages to have the possibility to stand out from the flood of information today. Due to this, following user behavior in the online environment has become quite common. Personal data is used to target marketing more often and new regulation is emerging. This thesis will present how data can be used to create personalized marketing and what legislation is enabling the retailer Hobby Hall. This thesis will therefore examine the data collected of individuals for marketing purposes, and how data is used to lead marketing actions.

## 1.1 Background

The internet provides a new trading environment that is widely accessible for consumers. It has even been described as the new retail channel (Chaffey et al, 2003). The share of Online retail has grown on average by 7,5% each year between 2010 and 2014. Almost a fifth of the online purchases are made outside Finland. At the moment online is growing faster than the retail as a whole in Finland (Santasalo&Koskela 2015). International online retailers are also coming in to the Finnish market and creating more competition. In general the retailers need to find new ways to compete for their customers in a slowing economy and larger diversity. Hobby Hall was one of the online-retailer pioneers in Finland. In recent years the sales and customer volumes have decreased while the online business in general has grown. In order to transform the mail-order business model, there is a need to change the marketing efforts from the general catalogue mailings to more personalized marketing efforts utilizing data.

A McKinsey research report from 2015 suggest that personalization can increase the return on investment on marketing spend by 5-8 times. The same study shows that per-

sonalization can lift sales with over 10%. A 20% increase in sales has been reported when the call to actions on web experiences have been personalized as referred by Martin (2016) These give good reason for retailers to focus on personalizing communication.

According to Mainonnan neuvottelukunta (2015) In Finland in 2014 media marketing had a 40,3% share of used marketing funds, while direct marketing got 24,2% . E-mail marketing and print are included in the direct marketing figures, while media marketing covers online, television, magazines and newspapers. The share for print media is 46,1% and e-marketing 50,2% of which online 23%. Direct marketing is still representing a quarter of the marketing fund distribution, and is an interesting area to develop further. E-mail marketing continues to increase even when other marketing medias emerge. It is moving away from batch marketing towards targeted audiences and is the most preferred marketing media among consumers compared to others. According to Pophal (2015) e-mail was the most preferred media, print the second and social channels the last.

In order to gain customers attention in today's busy and information flooding environment where advertisement is everywhere, it has become more important to target the customers at the right time with the right offers. According to a study personalization can deliver five to eight time higher ROI on marketing spend and boost sales by 10% or more (Martin, 2016). According to Dyché (2007) the customers has almost prized his free time, and are more selective in what they are willing to take in. In order to personalize the marketing messages personally identifiable data is needed. 86 % of consumers state that personalization has an impact on their purchasing decisions (Theirl, 2016). In online environment retailers have the opportunity today to gather richer data by following the browsing activity than what has traditionally been known about the customers (Verhoef et al. 2010). The power is also shifting away from marketers to the consumer as the consumers have come to realize that they can have their individual needs satisfied. Pöllänen (1999) says that this means difficulties for many companies since marketing is often managed through a yearly plan with the focus on mass targets or segments. In general the marketing follows the yearly plan set around different campaigns, but the customers' needs do not follow a pre-set timetable. This according to Pöllänen (1999)

may lead to difficulties for the companies to react and adapt the marketing plan to suite a more personalized marketing offering. And with the digital environment it is easier than ever for the customer to compare the offerings. It is therefore more important to personalize marketing content.

## **1.2 Company introduction**

Hobby Hall retail brand started operating in Finland in the 60's as a mail-order company under the American Concert Hall Society. Today Hobby Hall offers home and leisure articles in a large prize range from established brands as well as own design and import. Starting as a mail-order business, customer information was gathered through orders and already in the 70's a digital CRM system was set up to keep track of different customers and eliminate duplicates. This system was used to create campaign mailings and personalized cover letters. At this time personalization equaled calling the customer by first name. In year 1985 Stockmann bought Hobby Hall which at that point had grown to be the largest mail-order company in Finland. In 1986 Hobby Hall customer base covered 800 000 names of which almost 400 000 were loyal customers, and 70% women. In year 2000 Hobby Hall launched an online store and to support that also started with online catalogues, e-mail marketing and banners. Loyal customer program was based on previous purchases. In 2011 this was changed so that anyone can become a loyal customer. Today Hobby Hall has over 500 000 loyal customer in its customer base. (Sahlman, 2012)

The business model traditionally in a mail-order company is very much campaign driven. This generates an uneven revenue distribution throughout the year. The catalogue mailing generates interest, traffic and sales once it reaches customers. Today however the peaks last only a few days (visualized in Figure 1), when before the internet boom the peaks lasted longer. This model easily creates an uneven operational environment with the steep up's and down's.



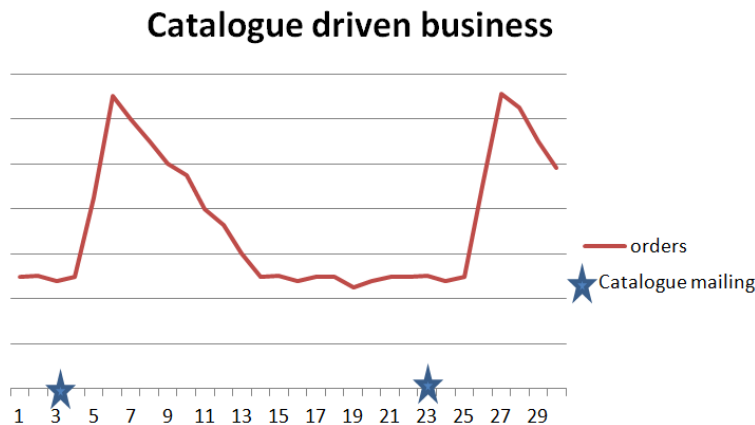


Figure 1 A visualization of order distribution over a month in a Mail-order business model driven by catalogues

With the digital revolution, there has been a change in how the customer makes purchases. Buying is still today divided into three channels; online, mail-order and brick & mortar store (in order of volume).

### 1.3 Aim

The aim of this study is two folded. The first aim is to better understand

1. How a retail company Hobby Hall can make personalized marketing using Offline and Online customer data
2. How should data be used in order to personalize the marketing messages
3. How personal data can be used in marketing from a legislative perspective

Based on the understanding the second aim is to then to develop a first model for Hobby Hall that describes how to make personalized marketing for consumers in Finland. The model will be formulated based on a campaign management model as the model fits Hobby Halls current marketing activities.

The model of how personalized marketing can be done in Hobby Hall will be enhanced with a data driven perspective considering consumer privacy and CRM and online data available. The thesis will not discuss social media or banner advertising, but limit the guideline to CRM and online data usage in catalogue and newsletter mailings that are the main channels for marketing at the moment, and the preferred marketing channels at

the moment. This thesis will further focus only on the collectable data, the level of data that can be collected and the aspects of identifiable data. Technical aspects of data privacy or the marketing tools will not be discussed.

This study aims to look at personalized marketing from a larger perspective in order to expand knowledge within the company and as a ultimate goal to find the most suitable models to utilize for Hobby Hall in the future. This commissioned thesis will try to bring new understanding to the marketing from a data driven perspective.

### **1.3.1 Company aim**

Hobby Hall aims to go from a push marketing model to a pull model by analyzing customer behavior and targeted marketing. In order to personalize the marketing, there is a need to understand the possibilities in combining the online and offline customer data. In discussions with the commercial director, who acted as the authors sponsor/coach at Hobby Hall, it was defined that the current systems that Hobby Hall is using should not be seen as restricting factors in this planning.

## **2 METHODOLOGY**

This chapter will present the methodology used in this thesis. It will present the design of the research and methodological approach. The commissioning and company aim was discussed with Hobby Hall's commercial director Päivi Hietanen.

### **2.1 Research design**

The research was conducted in three parts after an initial interview with the marketing manager to form an general understanding of what the company is doing and the challenges.

1. Literature study of marketing methods, personalized marketing, CRM and data driven marketing
2. Expert interviews, discussions and internal process mapping for model development
3. Focus group to validate the model for further development

The research design aims to support the purposes of gaining better understanding of the possibilities, best practices and theories to then develop a model that relies on prior research and generally approved methods. The topic or the field of personalized marketing was not familiar to the researcher from before, so the existing literature supported the formulation of the model. The expert interviews were used to gain deeper understanding of the problem area. A focus group was finally used to evaluate the proposed model, and to gain further insight on how to develop it.

## **2.2 Literature study**

The literature study comprises of secondary data collection and analysis of existing theories to give background information (Sachdeva 2009). The literature research focuses on three main aspects: Marketing strategy, Data collection and Data usage. Marketing strategies were studied to find suitable theories as the base for the developed model. Data collection regarding the suggested data and the possibilities of data. Data usage from a legislative standpoint and from a marketing stand point.

## **2.3 Interview**

The interviews were chosen as a second research method to provide insightful thinking regarding the topic under investigation. The benefit with interview in this research is to gain practical knowledge from practitioners in the field to complement the literature study.

The interviews were conducted as in-depth interviews with open ended questions. They were partly semi-structured and partly unstructured which gave more flexibility to the interviewee also to elaborate on the issues under investigation as suggested by Sachdeva (2009). Using this model helps to develop a dialogue between the respondent and the participant which leaves a possibility to also collect more and a greater variety of data (Sachdeva 2009). The participants are often provided with materials in advance. The interviews are usually recorded and transcribed to give the researcher the level of detail that the methodology is used for (Sachdeva 2009).

A current status quo and the ideas for the future of marketing was discussed with marketing manager Minna Heinonen (see interview guide, appendix 3). Legislative restrictions of personal data usage with the company lawyer Saara Lifflander (see interview guide, appendix 2). An outside expert interview of personalized marketing and data collection was used to supplement literature studies in the subject. The interview was conducted with Head of Digital at Virta Helsinki, Michael Ovitz (see interview guide, appendix 1). The interviews were recorded and transcribed. Transcriptions are not included, only the interview guides. Transcriptions were provided for commenting for each participant, none of them chose to comment them, but instead an agreement of direct quotations in the final work was to be approved by the participant.

## **2.4 Focus group**

Focus groups research is used as a way of collecting qualitative data from multiple individuals simultaneously. Focus groups have according to Krueger et al. (2015) five characteristics that are small group of people, who possess certain characteristics, provide qualitative data in a focused discussion to help understand the topic of interest. It is suggested to use mini focus groups with 3-4 persons when the participants have special knowledge in the research subject (purposeful sampling). The focus group serves the purpose of discussing opinions, perceptions, thoughts and ideas from the participants. The researcher determines the use of the results. There is usually a moderator in the focus group that records the session and makes notes for the researcher. Focus group results can be analyzed for instance using a tape-based analysis where only the abridged content is transcribed, or the entire session can be transcribed. No qualitative framework for analysis techniques have been developed for focus groups. It is suggested to record the level of consensus between the participants especially in large focus groups where there is a risk that some member will not participate actively. (Onwuegbuzie et al. 2009)

The focus group participants were selected by the researcher to represent the business function that is responsible for marketing at Hobby Hall. The Focus group consisted of the commercial director, marketing manager and CRM responsible person in Hobby Hall. The focus group was used to validate a draft model for personalized marketing, by

collecting opinions. The focus group session was recorded and transcribed. The focus group structure can be found as appendix 4. As the focus group aimed to evaluate the presented model, the comments were used to further develop the model.

### **3 LITERATURE REVIEW**

The amount of marketing literature is vast. The focus in this thesis was personalization of marketing focused on retail and data. Relevant books, research papers, journals and blog posts have been used to bring current and practical standpoints to the study.

This chapter will present briefly an overview of how marketing has developed and marketing strategies. Personalization is covered and Customer relationship management as an enabler for personalization is discussed. Offline and online data is described and collection methods of those, before a data driven view on marketing. Privacy and legislative examination on personal data are presented before results.

#### **3.1 Marketing introduction**

Marketing by definition is the "management process responsible for identifying, anticipating and satisfying customer requirements profitably" (Chaffey et al 2003). It has developed from general to more targeted messages and in level with the technological development. Internet has enabled new ways of marketing. According to Pöllänen (1999) Typical for internet marketing is that it is interactive, not time nor place dependent, customizable and measurable. The benefits for a company is to be able to efficiently gather customer data that is more detailed, to engage in a conversation with the customer, have a larger reach for the marketing messages for the same cost and to create automated re-sales activities. Internet has made it easier for marketers to identify the customer's needs and also brought new competition from all around the world to every consumer's reach. Therefore, it has become more important for retailers to be relevant for the consumer. Over the past decade marketers and especially retailers have been collecting data about customers for instance through loyalty programs. By gathering information from existing customers and prospects, marketing aims to offer more personalized marketing content for consumers in hope of engaging them more and converting this to purchases.

Feurst (1999) suggest that it therefore becomes more important than ever for companies to own customer data. Identifying what data to gather and structuring of that data in a way that it is usable is something more complex.

Retailers have hence shifted marketing focus more towards managing customer relationships which brings the customer closer to the retailer and eventually builds a relationship between the retailer and the customer in order to better satisfy the customer's needs. And according to Arikan (2011) consumers are no longer passive recipients as in the past. According to Chaffey et al. (2003) internet has brought a new dimension to the traditional 4P marketing mix (product, price, place, promotion) and refer to the 6 I's with more emphasis on personalization. The 6 I's represent Interactivity, Intelligence, Individualization, Integration, Industry restructuring and Independence of location. Feurst (1999) suggested that the 4P's would not support relationship marketing purposes and defines the 6 I's from a one-to-one marketing perspective as Identification, Individualization, Interaction, Integration, Integrity and Individual adaption. Identification is essential in order to recognize the individual in detail. Communication and Interaction with the customer is needed to understand the customers' needs. Integration of all operations within the company and Integrity to create trust. And finally adapting to the Individuals needs or preferences in terms of product or service and communication. In terms of profitably managing the marketing actions there is a need to understand what actually influenced the customer to act, and also to understand which actions are not translating to revenue.

### **3.2 Marketing strategies**

Marketing has developed from a one-size fits all strategy to targeting a narrower and specific customer group. Different strategies are vastly used and are based on each company's marketing strategy and budget. Different strategies and their aim is shortly presented in the following.

*Direct marketing* (Dyché, 2007) is product focused. The emphasis is on displaying the product in center to a large crowd in the same way. Over time the responses for one marketing message have been analyzed and the message refined before a re-launch to

another customer group. Direct marketing is generally mass marketing of which mail-order catalogues and leaflets without a name receiver are good examples. The audience is generally wide. *Target marketing* (Dyché, 2007) is done to identified customer groups or segments. It is based on analyses of who has bought and what, and it aims to promote specific items to specific subsets or segments of customers. The audience in a target is smaller than in direct marketing due to segmentation. Segments are usually based on demographics or interests. Feurst (1999) reminds us that customers do however move between different segments in their different stages in life. According to Dyché (2007) only looking at customers from this perspective might end up in promoting to the unprofitable customers, since there is no analysis of purchasing triggers. The idea in *Database marketing* is to gather, update and use data from customer databases to identify and contact specific prospects and customers (Feurst, 1999). Furthermore, database marketing is to sell and follow up the behavior to form patterns. The aim is to sell as quickly as possible to the customer. The audience is a smaller group or segment, but still a group of people with similar interests. *Relationship marketing* and *one-to-one marketing* try to understand the customer deeper. Here the focus according to Dyché (2007) is to sell as much as possible to the individual by building a strong relationship. The promotion has moved from being product focused to customer focused, and by this the aim is to find out what products would interest the individual. The audience would be the one individual, and the offering would be strongly tailored. According to Pöhlänen (1999) one-to-one marketing should eventually be an operative model where both the consumer and the company benefit from the learning relationship, so that the benefit outweighs the costs of the actions. One-to-one marketing is most suitable when the customers' needs are highly diverse and a company has the ability to serve these different needs. This can also be referred to as permission based marketing, since the customer very much decides on how and when marketing is appropriate. According to Feurst (1999) one-to-one marketing is about listening to the unique desire of each customer and to accommodate them, every action is therefore personalized based on the previous knowledge of the customer. The differences in the targeted audiences for the above strategies are shown in Table 1.

Table 1 The differences in targeted audiences and messages using different marketing strategies. Modified from Feurst (1999) & Pöllänen (1999).

Strategy	Direct marketing	Target marketing	Database marketing	One-to-One marketing
Audience	Wide	Narrow	Individual and shallow	Individual and deep
Message	General with small variations	Differentiated messages	Differentiated offers	Personalized message and offer

Arikan (2011) summarize that many of these methods are customer centric in their nature. *Cross-selling* and *up-selling* are also marketing mechanisms, and to excel at those, it is better to offer items that relate to the customer in question. There is generally a need to tailor the messages to segments or individuals, may it then be in online webpage content or in more traditional channels (Dyché, 2007). *Re-targeting* is something newer and related to the online marketing environment. The customer is targeted with the products he or she viewed in the online store but left without a purchase. Retargeting simplified is based on cookies installed on the customers browser, and then those items or similar ones will be displayed on the following websites the customer visits (Ovitz, 2016).

Verhoef et al. (2010) point out that defining who to target can also be done by identifying trigger events. The trigger can be a change in the customer behavior that can indicate a future trend in his/her behavior. Dyché (2007) calls this *Event based marketing*. Feurst (1999) associates trigger events with segmentation, and furthermore with movement between segments. Such events according to Feurst (1999) could be a name or address change or child birth.

When combining relationship marketing, direct marketing and database marketing (an technological enabler to use vast customer related data for marketing purposes) Chaffey et al. (2003) state that the actions represent Customer Relationship Management. The finest level of this would serve to manage the individual relationships, one-to-one, but more generally it is used to serve groups or segments of customers with similar interests. This according to Chaffey et al. (2003) supports the aim of creating long term relationships and improved personalized service. Customer relationship management will be discussed more in chapter 3.4.



### 3.2.1 Campaign management

Marketing follows a learning process that can be described through campaign management. The idea is to refine the messages to gain better results in the future. A close looped campaign would follow a circle (see Figure 2), of creating the campaign, planning its implementation followed by choosing who to target and how to finally launch the campaign activities (Dyché, 2007). The campaign management model (see Figure 2) is used to analyze data for the launch of a marketing campaign, to monitor it and to analyze its results to determine whether it has been successful or not (Dyché, 2007). This is done through behavior analysis and customer responses to gain new understanding to refine communication in new campaigns. Segmentation and analysis is essential to understand if and why a campaign is successful. Ovitz (2016) does not see a great value in segmenting consumers based on demographics, but rather through areas of interest. Ovitz (2016) continue that a good practice is to create a few segments based on the amount of knowledge available of the consumers. In order to create a good relationship, the company should establish a learning relationship with its customers. This should be managed in a similar way as the campaign, after every action the results should be analyzed.

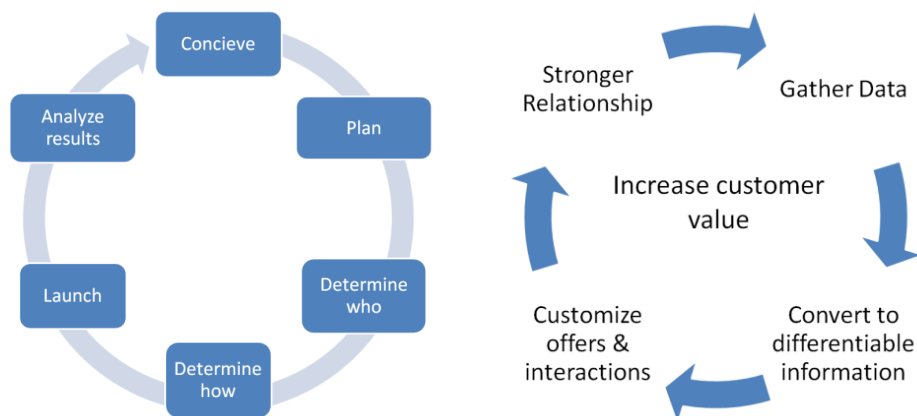


Figure 2 A closed looped campaign managing model and a learning relationship from Dyché (2007).

Dyché (2007) points out that a CRM system and analytics tools are of no use for a company if there is no-one actively analyzing the data and making recommendations on future actions. A good system in itself does not replace a strategy to develop the market-

ing and customer relationships - the analysis is needed to make changes in the business processes to improve the customer relationships.

To develop a learning relationship with the customer all the customer interactions should be seen as learning opportunities (Pöllänen, 1999, Arikan, 2011). Pöllänen (1999) suggests following a pattern that is visualized in Figure 3. Engage in a dialogue with the customer, ask what he/she wants, then use this to enhance the customer profile, personalize the offering according to the new knowledge and then analyze the result of that offering. By engaging in this dialogue both the consumer and the company should benefit, since the un-awarding elements for both parties would be eliminated over time when the customer is eventually receiving only offers that are relevant for him/her. Arikan (2011) simplifies the customer dialog to listen and learn from it. Pöllänen (1999) also means that the more valuable the relationship is, the more effort should be put into personalizing the dialogue instead of competing with elements such as prizing. Arikan (2011) also acknowledges the fact that consumers have become prize sensitive and therefore expect better service.

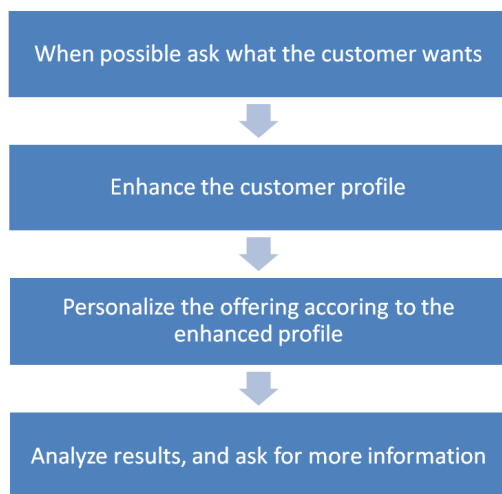


Figure 3 Creating a learning relationship. Adapted from Pöllänen (1999)

The customer dialogue has been said to be equal the profit the customer generates (Pöllänen, 1999). A functioning dialogue is said to help identify the different phases in the customer lifecycle, identify customer specific sales possibilities and decrease the amount of negative (value) customer contacts among others. Customer relationships are usually divided into different stages in the customer lifecycle which are:

1. Loyal customer, that is a frequent shopper
2. Recurring customer, who is making random purchases
3. First time customer, who is newly acquired
4. Prospect, with no purchases yet
5. Lost customer, who has stopped making purchases

The dialogue to the customers in the different stages of the lifecycle should according to Pöllänen (1999) be differentiated. There are different objectives also for the dialogue in the different customer lifecycle phases that are presented in the Table 2. Pöllänen (1999) claims that if there are no objectives for the customer communication or dialogue, the company will miss out on information that could be used to enhance the customer relationship.

Table 2 Objectives and methods for a customer dialogue from Pöllänen (1999)

<b>Dialogue / Customer phase</b>	<b>Dialogue objective</b>	<b>Dialogue methods</b>
<b>Loyal customer</b>	<ul style="list-style-type: none"> <li>- ensure constant satisfaction</li> <li>- find out the customers wants and needs</li> <li>- find out the factors that are maintaining the relationship</li> </ul>	<ul style="list-style-type: none"> <li>- regular relationship analyzes</li> <li>- customer panels</li> <li>- satisfaction queries</li> <li>- feedback channels</li> </ul>
<b>Recurring customer</b>	<ul style="list-style-type: none"> <li>- find out how and why purchase are divided between different retailers</li> <li>- find out the customers wants and needs</li> </ul>	<ul style="list-style-type: none"> <li>- regular analyzes of additional sales opportunities</li> <li>- satisfaction queries</li> <li>- feedback channels</li> </ul>
<b>First time customer</b>	<ul style="list-style-type: none"> <li>- customer profile analysis</li> <li>- find out the factors behind the relationship</li> <li>- find out communication needs and expectations</li> </ul>	<ul style="list-style-type: none"> <li>- customer interview</li> <li>- satisfaction query</li> <li>- feedback channels</li> </ul>
<b>Prospect</b>	<ul style="list-style-type: none"> <li>- find out what woke the interest for the company</li> <li>- find out customer desirability (=match attractive customer profile)</li> <li>- why a possible sale did not occur</li> </ul>	<ul style="list-style-type: none"> <li>- qualification interviews to find out if the customer is desirable and possibly loyal</li> <li>- analysis interview of the lost sale</li> </ul>
<b>Lost customer</b>	<ul style="list-style-type: none"> <li>- find out why the relationship ended</li> <li>- analyze the customer profile</li> <li>- find out possibility to re-gain the relationship</li> </ul>	<ul style="list-style-type: none"> <li>- personal interview once the relationship is found to have ended</li> </ul>

An integral part of the dialogue is following the customer satisfaction levels. The learning outcomes of this dialogue should be used to improve the communication towards the customer.

### 3.3 Personalization in marketing

Personalization in marketing is defined as delivering customized content for the individual. It's commonly used but may be interpreted in different ways. Four out of five consumers want personalization but only to a level of comfort where it does not yet become intrusive (Sterling, 2015, Martin, 2016). Furthermore consumers are willing to share personal data in order to get better experiences. Hallavo (2013) states that in an online environment personalization is more effective than mass marketing. It is stated that the customer is no longer satisfied with anything, but expects the businesses to know her specific needs and to respect them by personalizing offers (Pöllänen, 1999) and 86% say that personalization impacts purchasing decisions (Theirl, 2016).

The deepest level of personalization in traditional marketing is one-to-one marketing. The current technology would enable companies to listen to each consumers desires separately and according to Feurst (1999) even accommodate to these. One-to-one marketing treats each customer as an individual and differentiates the customers' situation instead of segmenting them. The ultimate goal is to make the customers life easier according to Feurst (1999) by establishing a learning relationship by tracking every transaction in the customers lifecycle and personalizing the offers accordingly. Arikan (2011) refers to Eisenberg who introduced the term *personalization* that represent groups of customers with shared values. A way of segmenting customers based on other than traditional attributes, in situations when one-to-one personalization is not feasible. The main differences between mass- and personalized marketing are presented in the

Table 3.

*Table 3 Summarizing the differences between mass- and personalized marketing, adapted from Pöllänen (1999).*

<b>Way of thinking / Object of comparison</b>	<b>Mass marketing</b>	<b>Personalized marketing</b>
<b>Customer</b>	Statistical medium, segment	Individual
<b>Planning objective</b>	Product or campaign	Customer relationship
<b>Planning tools</b>	Campaign planner	Customized data driven plan
<b>Execution</b>	Campaigns or other	Customized process marketing
<b>Follow up</b>	Campaign and sales measures	Relationship measures
<b>Marketing responsibility</b>	Marketing department	Marketing oriented people

Pöllänen (1999) states that in order to succeed in one-to-one marketing, the traditional hierarchies in an organization need to be changed. Since the customer should be the focus point of the business, the people in the organization working in the customer interface need to be empowered. Pöllänen (1999) means that the responsibility of maintaining a learning customer relationship cannot be solely on the marketing department, but needs to be also by the ones working in the customer interface. The following section will focus on personalization tools available for the retailers.

### **3.3.1 Personalization tools**

E-mail marketing or newsletters are outbound campaigns that mainly aim to encourage to purchase. It complements display and social media marketing (Pophal, 2015). E-mail in addition to being a cost-effective tool for marketing, has also the benefit of speed, personalization and simple modifications (Pöllänen, 1999 and Pophal, 2015). This can be seen as a part of the CRM dialogue as the target audience, the content and the results can be collected to the CRM system (Chaffey et al. 2003, Arikan, 2011). In general there is good effectiveness in targeted personalized messages and Chaffey et al. (2003) and also Hallavo (2013) state that the more personalized the newsletter content is, the better the conversion rates are. When collecting e-mail addresses from customers it is recommended to ask for permission to send newsletters. Chaffey et al. (2003) even suggest asking for preferences of product categories or even general interests as this would support the personalization efforts.

When creating the e-mail campaigns personalization of the content is important. The minimum level of personalization is using the customer's name, but it is equally important to have a clear *call to action* for the customer (Pophal, 2015). In order to follow up on the success of the newsletter, you need to measure it. Chaffey et al. (2003) and Arikan (2011) state that in the planning of the newsletter one should incorporate the planning of measurement as well. Measurements would include i.e. click-through and conversion rates. In order to learn about the success Chaffey et al. (2003) and Hallavo (2013) suggest testing of the newsletters by changing the target audience and content to get the best possible reach and conversion, or the so called A/B testing (Arikan, 2011). Pophal (2015) also suggest designing of newsletters to be done mobile first, since 50% of e-mails today are opened first on a mobile device.

The timing of the customer communication should also be personalized according to Pöllänen (1999). Every outbound message should be aligned to the customers preferences so that neither the customers nor the retailers' time is wasted. It is not possible to personalize all outbound communication, but the timing at least for more personalized messages can be adapted to individual customers' preferences. Timing of the messages according to Arikan (2011) relate to the choice of audience for each message, and not to spam the recipient with too many messages at the same time.

By following the web users, by installing cookies during browsing sessions, advertisers and companies can follow where the customer came from, what items or services were viewed, how long they stayed on the page and a lot more, so called click-stream data (Verhoef et al., 2010, Dyché, 2007, Arikan, 2011). The collected information is then ideally used to deliver more relevant advertisement to web users. This information is then used to offer the customer for instance similar items or segmenting them for further marketing purposes. The online data can also be used to customize the websites (Dyché, 2007) based on the customers previous activity and through this create personalization. This is also called Online Behavioral Advertising, meaning tailored advertisement based on individuals activities online.

Cookies are used to bring personalized content to a website and they are essentially data files that are installed on individual computers to identify them. There are session cook-



ies that are used only during the single website visit and persistent cookies that remain in the browser between sessions to identify a customer's repeat visits to a web page and deliver customized content. (Chaffey et al. 2003, Arikan, 2011, Ovitz, 2016)

Not only are there many ways to implement marketing strategies, and nothing prevents an organization of mixing several, but in order to make personalized marketing there needs to be a system to manage all these things (Dyché, 2007).

### **3.4 CRM as a strategy**

CRM or Customer Relationship Management is an act, it should be a two-way dialogue between the customer and the organization. The aim is according to Chaffey et al. (2003) to develop long term relationships with the customers. The ultimate goal is to serve each customer as an individual. In reality customers are segmented into groups as Arikan (2011) presented with the *persona-lization* and targeted through those segments that have common nominators. A CRM system together with an e-commerce site and relationship marketing gives advantages, such as effective targeting, mass customization and creating a learning relationship when following the customer journey throughout the lifecycle. Building a relationship with a customer usually follows the steps (Chaffey et al. 2003):

1. Acquisition of new visitors through new or traditional media
2. Introducing a dialogue by asking permission for further marketing
3. Direct marketing to gain repeat visits and eventually purchases

To form a learning customer relationship (Pöllänen, 1999) the company would additionally incorporate customer dialogues, customer profiling, a customer relationship management model and customized customer contacts as the base for leading the relationship. O'Leary et al. (2004) say that by differentiating the customers based on their similarities and differences build further understanding. Permission based marketing refers to an action where the company asks the customers permission to send future messages to the provided contact details. This is commonly executed by a simple opt-in or opt-out selection on a form, for instance when participating in a competition. (Chaffey et al. 2003) In order to form a customer relationship management strategy the business would

need to acquire a lot of customer data. The problem is usually not the lack of data now a days, but the fact that the data is not gathered in one place, but scattered over several different databases. O'Leary et al. (2004) say that actively supplied customer data is the cornerstone, because it gives an improved understanding of customers. Managing or serving the customer in a good way is difficult without all the customer information available, not to mention making customer strategy decisions (Pöllänen, 1999).

### **3.4.1 CRM as a system**

CRM systems have been developed in order for organizations to build relationships with their customers. To nurture this relationship and for the organization to be able to keep track of every customer, CRM systems have been developed to support the marketing actions between these relationships (Dyché, 2007). The goal according to Dyché (2007) with CRM system implementation is to recognize and treat each customer as an individual. The database according to Arikan (2011) gives insights into customer history and preferences. According to Pöllänen (1999) strongly related to the data warehousing is customer data analytics and data enrichment. There are two ways to use CRM systems, for operational and analytical purposes.

The operational CRM represents recording all customer touch points or the in- and out-bound contacts. The data is updated and maintained by all users that are in contact with the customer and offers therefore an overall image of the customer and the actions. This is needed so that the company representatives know how to meet the customer in various connections (Dyché, 2007, Pöllänen, 1999). The analytical CRM is used for strategic reasons to understand the customer activities and through analysis create processes that increase profitability (Dyché, 2007). The data amount gives reason for effective data mining to create meaningful connections between the different data points (Pöllänen, 1999). This could also be called BI or Business Intelligence. Business Intelligence is a part of analytical CRM where a large quantity of complex and cross-functional data is analyzed. The data is stored in a data warehouse where it is useable for further analyzes of business performance and support decision making (Dyché, 2007, Pöllänen, 1999).

The difference system wise is that CRM uses the information and makes business actions (a mailing to based on a action to certain customers) when BI tools only provide the data (a list of customers with the searched data). The combination of CRM and BI tools enables the organization to make better and more informed decisions in marketing. (Dyché, 2007) According to Verhoef et al. (2010) CRM systems in retail are used to maximize the customer lifetime value by offering a unique experience for each customer through segmentation.

As seen in the above, using the new technologies there is limitless possibilities in what data can be collected. The term Big Data is used in the context of complex and vast data. For marketing purposes as much data as possible has been collected of the existing customers through customer registers and loyalty programs. The data is then used to segment these customers and target advertising to them. This Data is partly stored in CRM systems but ideally all the data would be integrated in one place - the problem is then the amount of data and structuring it in a usable way. O'Leary et al. (2004) introduce a framework of an input, process and output functionalities. The input function covers active and passive data collection. Active data consist of customer feedback and other voluntarily given enriching data from the customers side, while passive data is such that is gained through observation (transactional data). Process functionality covers processes where gathered information is integrated with information already existing the organizations database (customer identification, duplicate elimination etc.). The output function represents the data mining to get the data into use. The following section will focus more on the data in CRM systems.

### **3.4.2 CRM Data**

According to Smith & Zook (2011), Verhoef et al. (2010) and Dyché (2007) the CRM system needs to integrate all customer interactions and data in all channels because the data and source diversity is vast. A CRM system should according to Dyché (2007) store demographics, purchase data, campaign data, billing and payments information, web activity, returns, call-centre contacts and even survey responses. Not to neglect the importance of tracking also complaints (Dyché, 2007). Chaffey et al. (2003) groups the data in three main types:

1. Personal and profile data
2. Transactional data
3. Communications data

According to studies (Verhoef et al., 2010) CRM should enable the retailer to identify smaller groups of customers with similar needs and create so called sub-segments that can be then targeted with customized offers. Going even deeper, it is possible to create segments of one that represent each individual customer and target them with even more customized or personalized offers. CRM data (Verhoef et al., 2010) in retail often consist of transactional data that can be tracked to customer, item and sales channel level. That data is then analyzed and marketing actions are planned accordingly. Arikan (2011) presented a Unica Corporation model of multichannel marketing profiles (Table 4) that divides the customer in different profiles that can be used to begin with when planning marketing actions.

*Table 4 Structure for multichannel marketing by Unica (Arikan, 2011)*

<b>Personal</b>	<b>Preferences;</b> permissions, exclusions, interests <b>Demographics;</b> lifestyle attributes
<b>Marketing</b>	<b>Promotional history;</b> by channel, date, campaign <b>Response history;</b> by offer, channel, date
<b>Behaviour</b>	<b>Interactions;</b> summary of sales & service contacts, dispositions <b>Transactions;</b> purchases, reservations, cancellations, changes
<b>Predictions</b>	<b>Planned promotions;</b> candidate & optimized offers from recent analytics <b>Model scores;</b> propensity & value estimates

Once marketing actions have been made the marketing impact is followed through customer behaviour (new transaction) and more data is again available in the CRM as presented in the Figure 4.

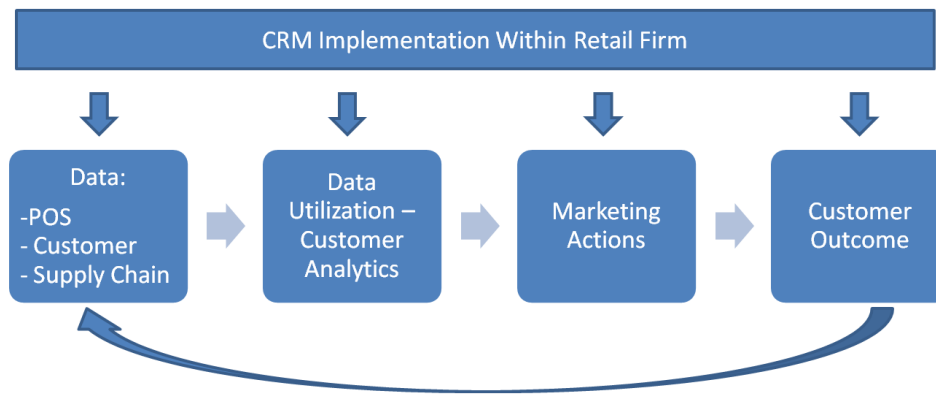


Figure 4 CRM and marketing utilization model simplified from Verhoef et al.(2010)

The data from different sources should all be integrated to one Data Warehouse (Dyché, 2007). Arikan (2011) talks about a multichannel customer database, where data from different channels are integrated. The usage of separate systems for storing this data, can according to Dyché (2007) cause a risk of targeting a customer with a new offer, that has filed a complaint that has not been handled, and can cause bad will. Chaffey et al. (2003) declare that the data could be used for target marketing, segmentation, keeping the right customers, trend analysis, building increased loyalty, customizing offers and increasing share of customer.

Ovitz (2016) does not think it is feasible to break up customers in too many segments as managing those will require resources. He presents an idea of grouping from 0-4 where the 0 group is the one of least or no knowledge and the 4 represent the group of which most information is available. These groups would then receive different messages, and the 0 group would receive the most general message. Ovitz (2016) further support targeting larger groups than small groups, especially if the work is manual. If automation is used, the amount of segments according to Ovitz (2016) can easily range from 10's to hundreds'.

According to Verhoef et al. (2010) the nature of businesses like Hobby Hall that send out catalogues and operate online is to combine the transactional data with the marketing actions, such as catalogue mailings. The usage of analytical CRM systems should make it possible to make the right offer at the right time.

### 3.5 Data driven marketing

In the previous chapters marketing methods and data collection and analysis has been presented. The retailers need to decide which customers to target (Verhoef et al., 2010). That can be made using two approaches, the contact-strategy model and a scoring model. The contact strategy aims to find out the right combination of contacts one customer should receive in a given time period. The scoring model tries to find from where the maximum revenue stream for each contact can be most likely made. Chaffey et al. (2003) talk about customer selection, and recognizing the good customers from the bad ones, and suggest doing this by measuring the Customer LifeTime Value or the CLTV or CLV in some sources. According to Jeffery (2010) a company needs to measure the marketing effectiveness to know what works and what does not, and through this knowledge invest in marketing actions that bring most revenue. Jeffery (2010) ultimately seeks out to do more with less and states the reason for measuring as "measuring the results of marketing initiatives in a feedback loop of adaptive learning to optimize its marketing". Jefferys (2010) underlying idea is very similar to Dychés (2007) campaign management model where the emphasis is on learning from previous campaigns, Jeffery (2010) adds the methodology of measurement into the circular model that is also supported by Arikan (2011). According to Jeffery (2010) and Arikan (2011) the marketing planning should start with defining what the company wants to achieve, what is the intended outcome of the activity. Jeffery (2010) and Arikan (2004) suggests that every marketing activity is therefore measured so that the company can learn which activities are reaching the objectives, but also points out that awareness campaigns do not result in sales so the measurement needs to be something else than revenue. According to Arikan (2011) a company needs to keep record of what has been communicated to the customer in order for it to be measured. Arikan (2011) and Martin (2016) suggest to set concrete goals for, and measure sales increase, average order value and customer lifetime. Through measurement a company also has the possibility to reliably test different actions and their conversion to revenue. According to Pöllänen (1999) a mass marketer generally measures sales volumes. In doing that, the customers are only numbers from an operating point of view and the differences of individuals or segments are not visible. There is no way of knowing if the revenue is generated by a small group of loyal cus-

tomers or a large group of one time buyers. Measures, other than revenue, are needed to understand what generates the business.

Jeffery (2010) introduces an infrastructure model to support data driven marketing (see Figure 5). The different customer contact points from where customer data is collected are pictured in the operational CRM, that contains also the transactional data. Business intelligence tools, such as reporting and data mining are on the left hand side, and are needed to create the daily operational reports for management. The enterprise data warehouse contains all data from all the systems. The Data driven marketing tools are combining and utilizing all the information for marketing purposes.

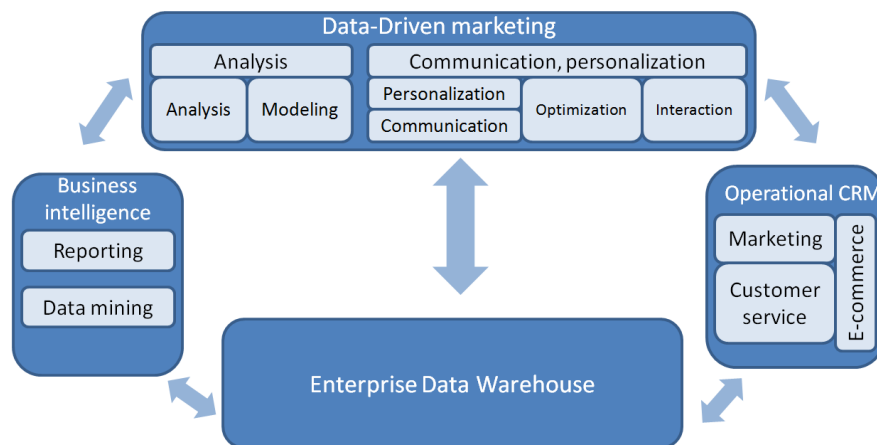


Figure 5 A data-driven marketing strategy infrastructure. Adapted from Jeffery (2010)

Chaffey et al. (2003) introduce a base for planning the measures, the SMART variables. Each metric should be specific, measurable, actionable, relevant and timely. By using this as a base for setting the measures they should be simple and accurate enough for a larger audience to understand. Martin (2016) suggests measuring customer engagement, audience growth and revenue. By using both measurement and customer data as a base for creating marketing campaigns, the marketing efforts and funds can be distributed more effectively or even cut down. As an example Hallavo (2013) gives reducing print catalogue distribution or catalogue pages, and targeting those only to the best customers while emphasizing in the messages that the current full assortment can be found online. Pöllänen (1999) states that by measuring the customer base, it is possible to raise the value of it, also by recognizing the customers that are not desirable in parallel with the ones that are.

### **3.5.1 Offline data**

The offline data generally consist of customer demographics such as age, gender and place of living, the so called customer basic data. In addition it contains transactional data and communication data. Transactional data is details of customer purchase data and can be followed to the level of billing and payments information and possible returns and refunds. Communication data is customer interactions in the form of call center contacts and possible complaints. Also campaign data of marketing activities that the customer has been targeted with and tracked survey responses fall under offline data. (Dyché, 2007)

### **3.5.2 Online Data**

Online data can be defined as impressions, clicks and conversions among other. By impression is meant how many times there has been exposure for a specific element. Clicks are defined as clicks on elements on a web page. By conversion is meant an action (for instance a sale) generated after a visit to web site. According to Ovitz (2016) the collectable data depends on how the cookies are defined. Online Data collection has evolved in the recent years from targeting consumers on single devices to retargeting them on all devices. Cookies are still used in order to get necessary information collected, but targeting effectively one consumer has grown difficult when the consumers are connected through several devices. The usage of several devices and even several browsers and applications that can be counted as separate browsers marketers have suddenly ended up in a situation where one customer using several devices has been treated as several different customers. In order to solve this, marketers are now concentrating on recognizing the one individual using different devices and browsers. This is done by collecting device ID:s. A device ID is created based on various identifiers of the device settings that are connected to a browsing session. The device ID makes it possible to recognize the individual user using different browsers on the same device. One step further from this is linking the different devices to one user, which is called Cross-device tracking. (Ovitz, 2016)

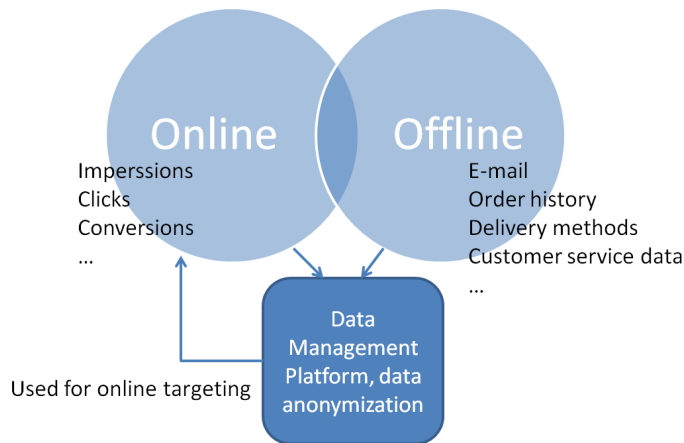
Cross-device tracking is important because without it retargeting on mobile devices would be impossible since cookies do not work on application based browser sessions



(McDermott, 2014). According to Andrews (2015) it also gives a higher precision on conversion measurement when one person using several devices is not counted as different users. There are two ways to do cross-device tracking. Deterministic data collection and probabilistic algorithms according to Andrews (2015) are both used to identify what devices one user is using. Deterministic data is something that has been verified while probabilistic algorithms are based on well estimated guesses. Deterministic data can be collected based on log-ins, for example Google or Facebook accounts that are used to log in to various services with the different devices you use. The user uses the same login for the account with the different devices. Through that it can be determined that there is one person using a range of devices. The probabilistic method is more complex than the deterministic method according to Andrews (2015). It relies on algorithms that analyze thousands of anonymous data points to create a probable match between devices. This can be for instance a match made between two devices that use the same wireless network at the same time, several times in a specific time period. (Andrews, 2015, Ovitz, 2016) The data is then fed to a Data Management Platform where it is converted into consumer action patterns. That data can then be used for retargeting on the correct device for the right user group to increase conversions (visit that is transformed into a purchase). As high as 15% higher conversion rates are said to follow from retargeting the customer across devices compared to a single screen (Swant, 2016).

### **3.5.3 Combining online and offline data**

According to Ovitz (2016) online and offline data can be combined by creating a Global customer ID. This is at the moment done only by big operators that have massive customer databases with frequent online users. The Global customer ID is used to re-target customers in an online environment based on combined offline and online data that is anonymized in a data management platform (see Figure 6).



*Figure 6 A visualization of combining online and offline data for further usage*

Also Dyché (2007) recommends that click-stream data and offline data would ideally be integrated in the same data-warehouse to get the most comprehensive picture of the customer, but this is proving to be impractical due to the vast amount of data and the fact that click-stream data is often anonymous.

A white paper of a retail intelligence company suggest using customer profiles containing communication and transactional data combined even with online searches, birthdates, clothing sizes, location data and weather to customize experience (Theirl, 2016). All this information would be collected and combined using the global customer ID. In order to use the data Theril (2016) recognizes the need for highly analytical and automated tools and Ovitz (2016) noted that for the cost of this sort of system would need a massive customer base to pay back the investment.

Verhoef et al. (2010) suggest in their study that further research is done on how the CRM data from different channels can be combined by retailers to improve their marketing. A thought needs to be given to legislative perspectives of the usage of personal data. Ovitz (2016) also emphasized the importance of the legislative restrictions when planning to combine the online and offline data. The following chapter focuses on privacy and legislation regarding personal data.

## **4 USAGE OF PERSONAL DATA AND PRIVACY**

Marketing is today largely powered by data, and more specifically personal data of consumers. Companies have a need to collect more and more customer data, and more accurate data in order to respond to consumers' demands on more personalized content. Consumers are often willing to give out some level of personal data in exchange for something they perceive to be of value. There is however limits on how much data can be used and to what purposes. The limitations will be discussed in this chapter through legislation and privacy concerns.

### **4.1 Legislative restriction on personal data usage**

Legislation is restricting the usage of personal data. Hobby Hall is restricted by the Finnish legislation but also EU regulations. This chapter will give an overview of the legislation that impacts the personal data usage for marketing purposes. The following study bases on an interview with Hobby Hall company lawyer Saara Lifflander, laws and projection materials from advocacy groups about the newest EU law regarding protection of personal data (see appendix 2 for interview guide).

Firstly the usage of personal data is restricted by the law of Personal identification (Henkilötietolaki 523/1999), that aims to execute the right to privacy. It lays ground to good practices on handling personal information. The law restricts the collection of any personal data that is gathered in a form of a register. The registry keeper is obliged to inform about collection of data and the usage of the data. The law makes no difference between a person registry or a marketing registry, all data gathered that contains names, addresses or other data relating to an identified natural person are considered as a register and bound by this law. Collection and handling of data need to be in context with the purpose and necessary. Collection and processing of sensitive data is highly restricted, but allowed. It is not allowed to use outdated or wrong data, so the registry keeper is responsible of maintaining the data according to good policy. According to Lifflander (2016) the data counsel has a strict policy on how long data can be stored. Transactional data should be stored only as long as it is necessary and a maximum storage time of three years has been introduced for Hobby Hall. It is possible to gather more data and

store transactional data through a loyalty program, if the data collection and data storing is agreed in the LC (= loyal customer) terms, i.e. in an agreement between the customer and the seller. But even in those cases the data has to fulfill the general requirements (necessary for the purpose, accurate) for processing of personal data (Lifflander, 2016). The LC data would be slightly in a different position with other customers' data, because it is regarded as an agreement between the seller and the customer.

Secondly the Finnish legislation has a bill about confidentiality in digital communications (Tietoyhteiskuntakaari previous Sähköisen viestinnän tietosuojalaki ). The purpose of the law is to secure the confidentiality and privacy of digital communication and to benefit the information security and the development of electronic services. The law is restricting the usage of cookies "saving Cookies or other data that describes the usage of the service and the usage of that data is allowed to provider if the user has given consent" (Lifflander, 2016). In practice this means that once entering a website, there needs to be a notion of the usage of cookies. If the cookies are not allowed, the service provider has the possibility to restrict usability.

In addition to Finnish legislation we are bound by directives in the European Union. Directive 95/46/EC of the European parliament and of the Council aims to protect individuals with regard to the processing of personal data and on the free movement of such data. The original directive is from 1995 and since then data collection and availability online has increased drastically by the internet revolution. A new law has been passed in December 2015 and ratified in April 2016.

The new European privacy law has three main objectives. Firstly to improve the intra EU Digital Single market, by creating one general set of rules for the region for the consumer protection and business opportunities. Secondly to improve the individuals rights, by implementing the right to be forgotten, data portability and information right. Thirdly by adding demands on data security and sanctions for breaking against policy. For the individuals rights there are new elements that need to be considered in designing the registries and systems. The consumer is given the right to have his information corrected, he has the right to be forgotten which means a deletion of the data. The consumer is given the right to limit the usage of personal data and to transfer the data from one pro-

vider to another (data portability). Moreover the right to refuse the right to use personal data and to refuse the automatic analysis or profiling of that data. The consent for data collection on the individuals side is formed according to Lifflander (2016):

... any freely given, specific, informed, and unambiguous indication of his or her wishes by which the data subject, either by a statement of by a clear affirmative action, signifies agreement to personal data relating to them being processed

Many of the regulations will require systems development and in the future the registry keeper and its partners are held accountable to follow the regulations.

In order to collect data for marketing within the legislative boundaries Lifflander (2016) agrees on using an approach where the customer in a purchasing process orders a newsletter also specifies that he/she would like to have information on similar items as what he or she is purchasing. Since the newsletter is a service that the customer is ordering, both parties are then in agreement on collecting and storing data. By adding the option to receive information on similar items, the product category level can be stored for as long as the newsletter or such subscription is valid, with the customer contact information, even if the customer is not a member of a loyalty program, that has an agreement on data storage. If the customer quits subscribing the newsletter and notifications on similar products, then the seller must delete that information. The cookie data from anonymous users can not however be combined to real customer data, since the anonymous data cannot be with absolute certainty unambiguously identified to one customer.

## **4.2 Privacy**

Privacy by definition is the ability to seclude the individual or a group of information about the individual or the group, a freedom from unauthorized intrusion. Privacy in this thesis is considered to be the appropriate use of personal information. Due to the fact that privacy relates to how information is handled and protected, it has relations to many areas in a company. Privacy needs to be covered in ICT systems, regulations, policies and possible problem handling. It relates to processes within a company in the form of restrictions of who has the right to access and handle personal data which is often referred to as confidentiality and the different laws that relate to data protection and personal data.

Privacy may be voluntarily sacrificed by the individual. This normally would occur in exchange for benefits or perceived benefits such as loyalty programs that offer discounts or competitions with attractive prizes. Privacy would mean personally identifiable data, such as name and address. On the internet, privacy is considered the ability to determine what information an individual reveals or withholds, who is allowed to access the information and to what purpose the information is usable. Consumers are willing to trade off their personal data for a better experience (Sterling, 2015) and usually for getting relevant information and discounts from the retailer.

As described previously, online data collection has moved from using cookies to creating device ID's. Sullivan (2012) questions the ethics in the usage of device ID's. The usage of cookies needs to be notified to by Finnish legislation as stated before. Cookies are something that the user can erase from the browser and hence attempt to stay anonymous online. But according to Sullivan (2012) the device ID is permanent and cannot be removed since it is not a piece of code that is installed on the browses, but a more complicated analysis made of the browser and device settings. Ovitz (2016) described the tracking and recognition possibilities to be almost endless in the online environment, so it remains for the marketer to decide at what level customers need to be identified.

## **5 THE MODEL**

Results of this study will be presented in the following chapters. The second aim of this thesis was to develop a data driven customer centric marketing model for Hobby Hall. Here an analysis of current state is presented and thereafter a model and its elements. The model has been developed based on the literature study and expert interviews as presented above. Finally the model is evaluated by a focus group consisting of Hobby Hall personnel in charge of marketing and CRM.

### **5.1 Analysis of current state**

At the moment Hobby Hall is still conducting marketing as in the past. The collected customer data is not driving marketing efforts. The commercial director described the

situation as "the tail wagging the dog" considering the entire business model that is in use. Marketing is currently built around the print catalogue that in itself acts as a campaign.

During the research the author discovered a Dutch retailer Wehkamp with a very similar history as Hobby Hall. Wehkamp also started out in the 1950's as a mail-order company and was one of the first to go online in 1995. From year 2004 most of their orders were made through the online channel. Wehkamp made big changes in their business model and finally in year 2010 they stopped the catalogue business and operate only online. They also sent the same e-mail newsletter to every customer without any personalization. After personalizing the mailings were based on the items the customer has viewed online. Using highly automated tools they have increased their sales significantly. As Wehkamp decided to terminate the catalogue, Hobby Hall has no plans to do that in a near future, but aims to find supporting activities to drive its catalogue business.

#### **5.1.1 Hobby Hall current data collection model**

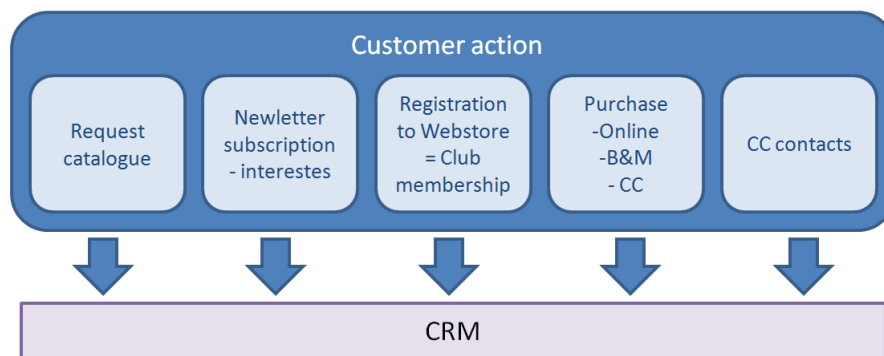
#### **5.1.2 Current marketing model**

### **5.2 Customer centric data driven model for Hobby Hall**

The model is formulated around the learning relationship cycle stages presented by Dyché (2007) and the campaign management model. In the development data driven aspects and legislative restrictions have been taken into account. In the following chapters, the elements in the model are described separately and finally the draft model is described through the relation of the elements. The model does not consider current systems or data collection models that Hobby Hall is using, as that was not a requirement for this thesis. The presented elements are named *gather data*, *convert to differentiable information*, and *customize offers* and finally *stronger relationships*. The model is evaluated by a focus group, and the focus group results are presented as a last chapter.

### 5.3 Gather data

Customer data is the base for personalized marketing or a customer relationship as stated by Feurst (1999), Pöllänen (1999) and Dyché (2007). As suggested by Verhoef et al (2010), Dyché (2007) and others the CRM needs to integrate all customer data and interactions from all channels in one system. Figure 7 presents the collection model based on different customer actions as designed by the author. Data of the actions is then transferred to a CRM. The different actions and the idea behind the collected data is presented in more detail below.



*Figure 7 Data collection of customer actions to CRM*

A first distinction here is to separate the customers from prospects. A customer in the following is a person who has made a purchase, while a prospect is someone who hasn't. The distinction follows Pöllänens (1999) idea of making a divide based on the customer lifecycle stage. The other groups used here are the loyal customer and recurring customer, of whom also the term anonymous customer is used. A further grouping of customers is made according to legal requirements concerning data collection and handling of personal data. Hobby Hall would have prospects, recurring or anonymous customers and loyal customers.

1. Prospect, someone who has ordered a newsletter or catalogue, but not made a purchase
2. Recurring or anonymous customer, someone who has made one or several orders but has not joined the Loyal customer club
3. Loyal customer, someone who has joined the loyal customer club, with or without purchases



The law requires approval from the customer to collect and store data. In order to more easily separate between the customer groups, there needs to be attributes that define the type of the relationship with the customer. Data management can then be executed according to policies. More about agreements in the last paragraph.

For each *catalogue request* minimum amount of customer basic data should flow to CRM. The data is suggested to consist of customers name and residential address. At this point the customer should be treated as a prospect as the action of requesting a catalogue is a strong indication of interest towards the company. By creating a prospect customer and storing the basic data, it becomes possible to trace the customer path, if a purchase is made later in the customer lifetime cycle.

*Newsletter subscribers* are also to be treated as prospects as long as there is no purchase with the subscription. There are two channels for a newsletter subscription. One option is to subscribe to a newsletter by only filling in an e-mail address in the web store. To be able to enrich the customer information, a confirmation of an e-mail address mail sent out to the customer would contain a discount code and a link to the online environment to opt in/out on specific product groups and personal information. The second option is to subscribe to a newsletter in the purchase process. There would be an option of receiving information on similar items as in the current purchase. These two approaches enable the customer or prospect data to be enriched with information on interests that can be used to personalize the marketing communication. Collection of customer or prospect interests is recommended by Chaffey et al. (2003) and Ovitz (2016).

The *registration* to the web store is combined with a (Loyal customer) *Club membership*. The membership agreement allows Hobby Hall to collect also online activity data when the customer is logged in to the web store. The activity in form of viewed items and unfinished shopping carts flow to CRM, to enrich the customer data.

*Purchase data* from all purchase channels, serves the purpose of knowing what the customer buys and at what price. It defines the customer value to the company. The challenge is to pinpoint the specific customer in the different channels. In order for Hobby Hall to gain more customer data, the customer has to be offered something of value in

exchange of his/her personal data. A tempting loyalty program would encourage customers to identify themselves also in the physical store and purchase data can be linked to an individual further in the CRM.

*Contact center contacts* with the customer needs to be stored, if not in detail in the CRM, at least on topic level. These topics may include complaints, inquiries, feedback from the customer side and activities from the Customer Contact center. The communication data in detail, should be available in the ERP, so that everyone in connection with the customer has the communication history available as Dyché (2007) and Pöllänen (1999) suggest. For CRM purposes the communications data can for example define the tone of marketing messages and give valuable information of such customers interested in participating in development of the services. When interacting with the customer service, it should be possible for the CC personnel to enrich the data of customers interests as Pöllänen (1999) suggested.

Both the newsletter subscription and the loyal customer membership are agreements between the retailer and the consumer according to Lifflander (2016). The agreement terms can therefore be defined by the retailer. In this model the agreement of the club membership covers collection and storage of web store activity data, transactional data and communication data for marketing purposes. The storage time is not limited, and the customer has an option to request for termination of the relationship which would result in data deletion and anonymization of the transactional data that legally needs to be stored. In order to remain reliable, the agreement should honestly tell what information will be gathered and for which purpose. The newsletter agreement would cover the storage of the data that the customer willingly provides, such as areas of interests or product category level if the customer has made that choice. The storage time is equal to the time of the agreement. By terminating the subscription the related customer data would be deleted.

## **5.4 Convert data to differentiable information**

In order to generate personalized marketing, the customer base data needs to be attributed so that differentiation is possible. Pöllänen (1999) suggest profiling of customers

based on data. Chaffey et al. (2003) and Ovitz (2016) support segmentation of customers. As presented before there would be three customer types that have different amount of data available.

Of prospects there is limited amount of data, either just an e-mail address or name and residential address. In a good situation, the prospects have enriched this data by adding their data with areas of interest. Of anonymous customers (non club members who have made a purchase) there is transactional data, and possibly there is a request of newsletter or catalogue mailing. These two customer groups are the most difficult to re-target with personalized content, since the data available is limited. The safe solution is to target them through mass marketing and try to give incentives to join the loyalty program. These would in Ovitz (2016) example represent a 0 segment, where no personalization in messaging is done.

The loyal customer group is the one with most data available. Differentiation of this group can be made in a larger scale, using interests, customer value and transactional data as the base for differentiation. Figure 8 shows the attribution levels of each customer that can be used as the basis of differentiation as designed by the author. Based on the amount of knowledge or the chosen attributes, they would in Ovitz (2016) represent segments 1, 2, 3 and so on, depending on the amount of segments that are to be used.

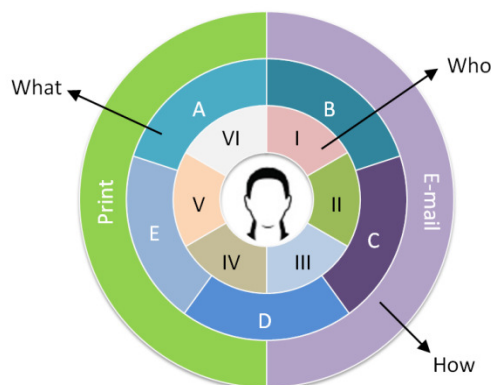


Figure 8 Customer attributes for differentiation

The most inner circle represents the customer value, the middle circle the customers' interest and outmost circle the preferred channel of interaction. For the loyal customer there would be information available on every layer of the circle, but different information for each customer. Therefore the differentiation of the customers would be done based on segments that use the attributes of customer value (e.g. purchases over 1000€), interests (e.g. electronics) and communication channel (e.g. catalogue).

## 5.5 Customize offers

Pöllänen (1999) and Dyché (2007) among others suggest customizing interactions for the individual. Sterling (2015) and Martin (2016) also support personalization but only at an extent where it does not become intrusive. Based on these the collected customer data will be utilized as the base for targeted offers in a campaign model. Hobby Hall marketing follows a yearly cycle that relies on the printed catalogue. To support the catalogue cycle also in the future the concept of a campaign circle is introduced (see Figure 9) as designed by the author. The idea is to target the individual customer, based on his/her customer value, areas of interest (previous transactions) and preferred channel (e-mail or catalogue) within the campaign cycle. The model is formed around the individual to present the value of the individual customer attribution in relation to campaign activities. As Pöllänen (1999) said the customers' needs and interests should be respected in the offers.

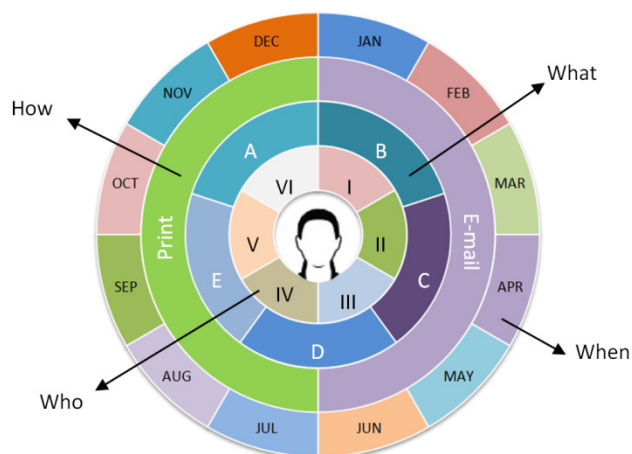


Figure 9 Customized campaign circle

The target group for each campaign is extracted from the customer data. The personalization bases on the extraction criteria for each campaign or campaign activity. The customers' interests, and transactional history and the preferred media and value or customer type are used when choosing the targets for each campaign. The activity is basically segmentation of the customers, but not based on demographics but on preferences. Ovitz (2016) support the idea of segmentation based on interest, rather than demographics.

The attributes in the customized campaign circle (Figure 9) are the same as in (Figure 8), added with the outmost circle as the yearly campaign calendar. The presented segments of interest and customer types are just for illustration purposes, and need to be defined based on customer analysis and product areas.

For the different campaign activities, meaning the marketing messaging, the target audience is extracted from current customer base according to these attributes. It is selected which customers are targeted with each message and which products are offered. What is meant by this, is that once a campaign is starting, for instance for summer products, instead of targeting all customers with all products, the campaign is split into segments that highlight the campaign items in different categories that relate to areas of interest in the customer attributes. So a customer interested in gardening, would be targeted with messages showcasing that product segment in focus, and other product groups supporting with minor visibility. This would mean smaller catalogues and a larger span of newsletters, with different set-ups to target more effectively the customers.

## **5.6 Stronger relationships**

According to Dyché (2007) a company needs to create a learning relationship in order to establish stronger relationships with its customers. Analysis is required in order to learn and Pöllänen (1999) suggest analyzing the offerings. Chaffey et al. (2003) suggest measuring the customer lifetime value while Jeffery (2010) supports the idea of measuring every campaign activity in order to learn from the outcome. To incorporate the outcome data of marketing actions to achieve stronger relationships into the learning cycle, the actions need to be measurable. As designed by the author Figure 10 represent the

model of how campaign activities that are derived from CRM data are measured based on campaign outcome activities that again flow to CRM.

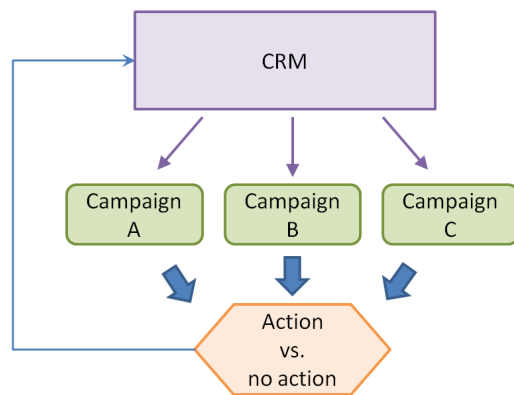


Figure 10 Data driven model of campaign tracking

The different *campaigns* (campaign a, campaign b...) can represent different campaigns for one individual, as well as different campaigns for different individuals, or groups of individuals. *Action vs. no action* represents the measurement i.e. sales to define if the campaign was successful or not. The action is basically the customers' action based on the targeted campaign.

Measures can be set differently for different actions. Martin (2016) suggest measuring customer engagement audience growth and revenue, as Chaffey et al. (2003) suggest defining the measurement variables as specific, measurable, actionable, relevant and timely. The key performance indicators (KPI's) or measures for this model are hence the following:

- Total sales from the customers that were targeted, not only of the promoted items
- Conversions, how many click through of e-mail resulted in a purchase
- Click to open (e-mail), how engaging was the content
- Unsubscribe e-mail, the amount of customers that unsubscribe of newsletter
- Bounce rates, undelivered e-mails
- Site traffic, the amount of customers visiting the site after receiving e-mail / catalogue

When analyzing campaign results the KPI's should be analyzed through the targeted customer groups to understand how to refine the message for the following campaign. So each campaign activity needs to be saved on customer level, to be able to measure the effect of the marketing activity.

## 5.7 Draft model

The developed model supports determination of who to target, determination of how to target, launch and result analysis for each campaign or campaign activity. This follows Dychés (2007) model of a learning relationship. The result analysis of the campaign is used in creating the following campaign. In combination with the customer data this forms a constant learning process where the understanding of the customer increases cycle by cycle and the customer lifetime value increases as the customer is getting more relevant information. A visualization of the model for the data collection and flow is presented in Figure 11 as designed by the author. This model is a summary of the elements explained above according to gather data, convert to differentiable information and customize offers.

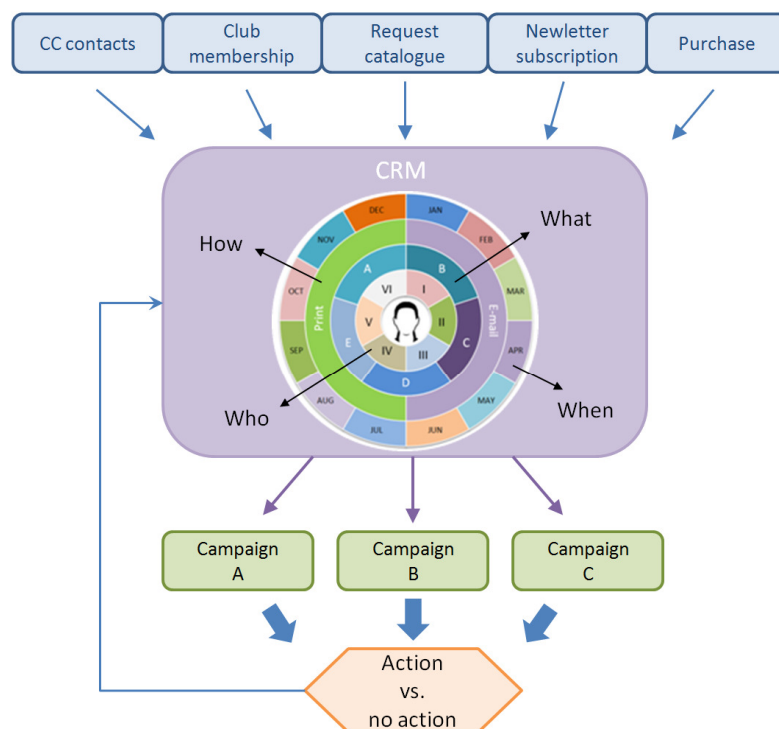


Figure 11 Visualization of data collection and flow for marketing actions

The developed model is based on customer actions that are a part of data collection to CRM. The personalized marketing actions base on the available CRM data. The available customer data define target segments for each campaign action. Finally the results of the marketing actions are analyzed when the outcome is available after customer actions in CRM. The customer is in the center of the model and the actions support the personalization activities through segmentation using the attributes.

## **5.8 Focus group results**

The aim with the focus group was to have an expert evaluation of the first model. The model was then further developed based on the comments. The focus group was presented with a short summary of the literature study findings and the expert interviews that motivate the developed model before presenting the model and its elements. The focus group interview structure can be found as appendix 4 in this thesis.

The general reception of the model was positive. What caused most discussion and insecurity among the participants was a future setup of systems. Only two weeks before the focus group session, Hobby Hall was sold to a new owner, and there was no view of future operational environment and its possibilities or restrictions.

The element of gathering data into one system was perceived as positive in general. A question of online data, and especially the type of data and especially the amount of data that would be saved on customer level raised a concern. This is something that needs to be clearly defined, what the online data will be used for, in order to limit the data amount.

The model where customer data is based on attributes was seen a positive factor for the data extraction purposes. There were concerns about how for instance the interest attribute would function, since what the customer says and actually does, may differ significantly. The customer value attribute was seen to be good to separate from customer type in order to better manage changes between groups. A thought of targeting the household instead of the individual was proposed, as there was a concern of sending mixed messages. When discussing this, the change to make several small catalogues



throughout a year based on interests, instead of big general catalogues, seemed however to reduce a risk of spamming. If the mailings to the same household are not within the same target of interest or within a short timeframe, the harm of double mailing was seen as minuscule in other than mailing costs. The same problem was not seen with e-mail campaigns, as generally e-mail addresses are personal, while a household may contain several customers with differing interests.

Automation was seen necessary to be able to make the targeting based on the different attributes. As one participant said:

...this would probably need a lot of automation in the background... it could not be managed with tables and such that which customer has just received one message before the next one is sent out, when the amount of messages is so big that no one can keep manually keep track of them, but a computer needs to say when or automatically send the message.

The customer centric presentation of the model was seen as a good thing, as opposed to a generally seen product centric approach in the marketing messages.

The presented KPI's as measurement tools did not generate any disagreement nor did any additional metrics arise. About the measurement in general one participant agreed on the need to measure and test in order to learn from activities and said the following

...when a catalogue is sent out then we follow up in e.g. a weeks time to see if it generated anything, and if not, then a newsletter is sent out and this way we learn to what marketing the customer responds to find out the best mix, so we can't be sending messages from all channels at the same time in order to know what has been the activator for the customer.

As an overall comment, the model was seen as very good base to start planning the future. The participants discussed the need to first decide on a future customer model, but saw this a good tool as a base to start plan and develop a possible new CRM system.

As the commercial director concluded

... as we need to move away from the push model [...] this seems to be a solution for more continual actions and also more cost effective [...] as the future solution is open, this is a good base when time comes to act and these ideas can be used once we have sorted out what we want from the customer model as a whole...

The model according to the commercial director contained all the elements that are needed in order to move into a new way of doing business.

Based on the research and the focus group feedback a refined model is presented in Figure 12. Customer actions that are not purchase related are shown in blue color and purchase is in a peach shade. Campaign activities are shown in green. As figured the campaign related data is two-way, to show that in addition to the customer extraction for campaigns is done in CRM based on customer attributes, the campaign information is also stored on customer level. This, in order to make the follow up of the campaign success possible and measurable.

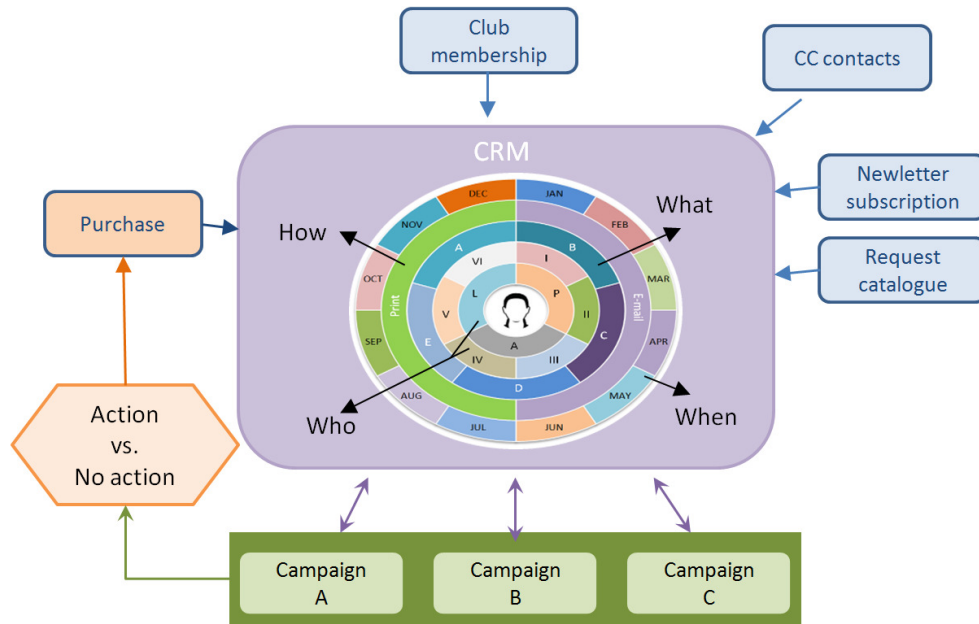


Figure 12 Final personalization model

The customer in the center of the CRM has now an additional attribute, as the customer type Prospect, Loyal and Anonym have been separated from the customer value attribute that is now the second circle from the center outwards. The customer type also functions as an attribute for the data handling rules, based on the agreement that has been made with the customer regarding data collection and storage. The model strives to visualize also the learning aspect by placing the purchase as a result of the campaign separately from the other customer actions.

## 6 DISCUSSION AND CONCLUSION

The aim of the research was firstly to understand how Hobby Hall can do personalized marketing by using data and how legislation is restricting the usage of personal data.

Secondly the aim was to develop a data driven customer centric marketing model for Hobby Hall. Based on research findings it can be concluded that a centralized system for customer data management and analysis is recommended. The usage of one central system creates the possibility to manage and analyze the customer data effectively which is of importance when aiming for a more customer centric marketing model. The usage of offline and online data for personalizing the marketing messages need to be discussed from two angles. Online data usage alone in personalizing the online environment for the customer is allowed, as the personalization is based on cookie data, not personally identifiable data. Offline data can be used in some extent, depending on how the business defines its data policy. Combining online and offline data into one system and personalizing messages based on the combined data, is not restricted by law, if the customer can be positively identified and the customer has agreed to the collection of the data for marketing purposes. Actively measuring the marketing effectiveness and analyzing the customer responses to marketing activities is essential to develop and adjust the marketing activities in response to the customer behavior. The aspect of measurement and testing were highlighted by several authors.

The data driven and customer centric model was developed based on the research. The model focuses on the basic elements for moving towards more personalized marketing in traditional marketing media. By organizing the customers in types based on what agreement they have, their data is usable for marketing based on the agreement limitations. Online data can be utilized in CRM for the club members in this model, but not for the others. The model provides a starting point for planning a customer centric approach to marketing. It is however up to the company to make the final decision on the element on which marketing activities will be based, and what data of customers is needed to reach that objective.

For now the formulated guideline should be a sufficient base to move into personalized marketing, as was agreed also by the focus group. In order to move into this model automation tools are necessary, as the customer base is large and the amount on marketing messages based on the target audiences can easily rise outside limits of where manual work is feasible. The use of predictive analysis tools can be recommended to meet the objectives of cost effective personalized marketing. A recommended starting point by

the author would be to make an thorough customer analysis, to identify reasonable customer groups and behavior patterns using the existing CRM data.

The model does provide a planning base for the future, and can therefore be seen as meeting the commission. The author does recognize the fact that new marketing channels emerge quickly with the technology development, and mobile channels bring an entirely new marketing channel to work with. A suggestion made to explore how cross device marketing could be incorporated within the legislative boundaries. And further to follow the legislative and privacy discussion development over time.

The research can be used to get an overall picture of personalized marketing, CRM and data usage. The model can be used for other businesses, but as this research was limited to direct marketing media, in today's online environment it may not be beneficial. The legislative restrictions regarding the usage of personal data need to be considered for each country specifically, as this research was limited to Finland.

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## **APPENDICES**

### Appendix 1

Interview Guide Michael Ovitz - Collection and use of online data

### Appendix 2

Interview Guide Saara Lifflander - Collection and use of personal data

### Appendix 3

Interview guide Minna Heinonen - Hobby Hall personalized marketing strategy/objectives in the future

### Appendix 4

Focus group structure - Draft model presentation



# APPENDIX 1.

## Interview guide Michael Ovitz - Collection and use of online data

### Haastattelupohja

Opinnäytteen aiheena on offline ja online datan yhdistäminen personoidun markkinoin tekemisessä. Tarkemmin pyrin luomaan Case yritykselle ohjenuoran miten kerättyä tietoa voidaan hyödyntää personoidun markkinoinnin tekemisessä.

### ONLINE DATA

On ilmeisesti mahdollista kerätä käyttäytymiseen liittyvää dataa eri laitteista, selaimista ja landing pagesta, näistä on ilmeisesti mahdollista muodostaa kuva asiakkaasta jolla ohjataan näytettävää sisältöä verkkokaupassa jopa eri laitteilla.

#### Data

- selaustiedot
- some tykkäykset, seuraaminen (follow) muut?
- muuta

#### Segmentointi

- mistä tunnistepisteistä tunnistetaan tietty asiakastyyppe?
- miten näytettävä sisältö (personoitu) pitäisi optimoida?

Miten cookiet ja Device ID yhdistely varsinaisesti toimii – millä kriteereillä osataan nämä yhdistää yhdeksi henkilöksi?

- onko väliä millä laitteella näytetään mitä sisältöä?

Miten luodaan hyvää personoitua sisältöä ilman että se on tuotteistettua? Onko esimerkkejä?

## APPENDIX 2.

### Interview guide Saara Lifflander - Collection and use of personal data

Haastattelupohja

Opinnäytteen aiheena on offline ja online datan yhdistäminen personoidun markkinoinnin tekemisessä. Tarkemmin pyrin luomaan Case yritykselle ohjenuoran miten kerättyä tietoa voidaan hyödyntää personoidun markkinoinnin tekemisessä.

Henkilötietolaki säätelee henkilötietojen keräämistä ja käyttämistä sekä luovuttamista henkilörekisterien muodossa. Onko markkinointirekisteri ja henkilörekisteri rinnastettavissa?

- rajoitetaanko jossain tapahtumatasoisen tiedon käyttämistä esim. markkinointiin?
- säädelläänkö markkinoinnista/siihen käytettävästä datasta jossain erikseen?

Rekisteriselosteet ja niiden keskeiset henkilötietojen keräämisestä vaatimukset?

Evästeiden/keksien käyttämiseen liittyvä lainsäädäntö, mitä kaikkea pitää kertoa evästeiden käytöstä?

EU tasolla voimassa oleva lainsäädäntö on vuodelta 1995, Protection of personal data

- tässä vaaditaan yksiselitteistä hyväksyntää tietojen keräämisen kohteelta – miten tämä toteutuu/mitä tällä tarkemmin tarkoitetaan?
- pitääkö olla yksilöitynä mihin tarkoitukseen tieto kerätään?
- päteekö se kaikkeen tietoon jota voidaan yksilöstä kerätä (selaustiedot ilman henkilötietoja)?
- Tiedon pitää olla ajantasaista eikä sitä saa säilyttää pidempään kuin on tarpeen – miten määritellään pidempään kuin on tarpeen?

Lisäksi on 2015 EU tasolla sovittu yleisestä tietojen suojaamisesta (ei lainsäädäntöä vielä) jonka tarkoituksena on

1. parantaa henkilötietojen suojaa
  2. kasvattaa businessmahdollisuuksia digitalisaation piirissä
- helpompi pääsy dataan
  - rekisteriseloste selkokieleiseksi
  - oikeus unohtua
  - oikeus tietojen siirtämiseen
  - rajoittaa profilointia/segmentointia

Onko tiedossa vielä tarkemmin miten tämä lainsäädäntö tulee vaikuttamaan suomessa?

**CRMään kerättävät tiedot**

Yleisesti kerätään nimi- ja osoitetiedot, s-posti, puhelin, luontipvm, kieli, sukupuoli ja markkinointiluvut. Lisäksi on markkinointiviestien historia

- voidaanko näiden lisäksi käyttää tapahtumatietoja? (ostoksia, palautuksia...)
- selaustietojen yhdistäminen tilauksiin/asiakkuuksiin?

## **ONLINE DATA**

Mahdollista kerätä käyttäytymiseen liittyvää dataa eri laitteista, selaimista ja landing pagesta, näistä on mahdollista muodostaa kuva asiakkaasta jolla ohjataan näytettävää sisältöä verkkokaupassa jopa eri laitteilla.

- onko tämä sallittua?
- saako tämä datan yhdistää offline dataan (CRM)

Jos annetaan uniikki kuponki offline kanavaan, niin saako tämän uniikin numeron avulla yhdistää online ja offline henkilö?

## **APPENDIX 3.**

### **Interview guide Minna Heinonen- Hobby Hall personalized marketing strategy/objectives in the future**

Haastattelun aihe: Hobby Hallin personoidun markkinoinnin strategia/tavoitteet tulevaisuudessa.

Taustaa:

Tehdäänkö Hobby Hallissa tällä hetkellä personoitua markkinointia ja millä tavoin?

- s-posti, bannerit, tuotesuosituksset, offline postituksia?

Millä perusteella personoitua markkinointia tehdään? miten kohderyhmät valitaan?

Mistä lähteistä tietoa kerätään? Mitä tietoa kerätään asiakkaista?

Tulevaisuus:

Markkinointikirjallisuuden mukaan online mainonnan tulisi painottua tulevaisuudessa entistä vahvemmin personoituun sisältöön ts. vastaanottajalle relevanttiin sisältöön.

- Miten sinusta tähän päästään?

- Mikä on Hobby Hallin kannalta oleellista markkinoinnissa?

Suuri Eurooppalainen kuluttajatutkimus on havainnut että kuluttajien parissa on vahvasti nousussa tarve saada kontrolloida vahvasti kaikkia elämän osa-alueita. Suomalaisista jopa 56% ilmoitti kokevansa kontrollin tarpeen olevan suuri. Jos ajatellaan että tämä kontrolloinnin tarve kattaa myös markkinointiviestinnän jota kuluttaja on valmis vastaanottamaan, niin miten Hobby Hall pyrkii tuottamaan sellaista sisältöä jonka kuluttaja haluaa vastaanottaa eikä sulkea pois?

Vahvasti räätälöidyn sisällön tuottaminen vaatisi teknisesti pitkälle yhdistettyjä tietokantoja joihin kerätään asiakkaista dataa. Mikä on näkemyksesi Hobby Hallin tulevaisuudesta tällaisten tietokantojen yhdistelystä / tietojen keräämisestä?

Onko sinulla näkemystä millä tasolla kuluttajista kerättyä tietoa voidaan säilyttää? tai millä tasolla sitä tulisi kerätä (hetu vai yleisempi segmentointi) jotta markkinointi olisi mahdollisimman tehokasta?

Mitkä markkinointikanavat ovat Hobby Hallille tärkeimmät tulevaisuudessa (seuraava vuosi, seuraavat kolme vuotta, entä sen jälkeen)?

Tuleeko eri kanavilla olemaan erilainen merkitys markkinoinnissa?

- korostuuko jokin yksittäinen kanava tärkeämpänä kuin toiset?

## **APPENDIX 4.**

### **Focus group structure - Draft model presentation**

Kehitetyn mallin esittely Hobby Hallin personoitavan markkinoinnin ratkaisuksi

12.5.2016      Paikalla: Kaupallinen johtaja Päivi Hietanen  
Markkinointipäällikkö Minna Heinonen  
CRM vastaava Jani Laras

1. Tilaisuuden tarkoituksen esittely
2. Opinnäytteen tausta ja tarkoitus
3. Taustalöydösten lyhyt yhteenveto
4. Mallin esittely

Mitä ensimmäisiä ajatuksia mallista tuli?

Miltä attribuuttien käyttäminen asiakastasolla vaikuttaa?

Miltä poimintatekijöiden määrittely vaikuttaa?

Miltä esitetyt mittarit vaikuttavat käytettävyyden kannalta?

Yleisiä ajatuksia ja kommentteja, tai lisäkysymyksiä?