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Up close and personal

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Asos wants to tailor its communications to different customers. Marketing boss Hash Ladha tells Joanna Perry how a customer relationship management system will help it meet its aims

"It is a little insulting if you send an e-mail showing a £1,000 handbag to a customer focused on value"

Hash Ladha, Asos

individual approach.

Asos marketing and operations director Hash Ladha has been delighted by the richness of the data he has to work with. But great customer data is only of value if you can use it to inform decision-making, which is why Asos is implementing a customer relationship management system (CRM) from SmartFocus. This will give it a single view of each of its customers.

"What's different about us from other fashion retailers is the level of information that we have," says Ladha. With all its sales being generated online, Asos knows everything that each of its customers has ever bought from the site.

He adds that while all this information is great, there is scope for the company to make much better use of it. "We want to create a strategy for new customer acquisitions and make Asos.com the store of choice for our existing customers."

Ladha explains that the company spends a lot of time crafting e-mails and once it brings in segmentation it will do even more of this. Asos has 10,000 live products on the site at any one time and adds about 650 new products every week. Tailoring the marketing message is essential if different customers are to be presented with the products they are most likely to buy.

The SmartFocus system will go live imminently and Ladha says that e-mail communications will immediately be more segmented than they are now.

However, the launch of the CRM system is really only the beginning of the journey for Asos in terms of the personalisation that it wants to achieve. "The real value lies in interrogating the data – who bought what," he says.

The marketing department works on the recency, frequency and value marketing model, assessing customers by when they last interacted with the brand, how often they purchase and how valuable they are as a customer.

Asos is careful that it does not bombard customers with e-mails and has a strategy for dealing with lapsed customers. Ladha says: "Everyone on the high street is sending them e-mails. When our customers become lapsed, we have three attempts over six weeks to try to reactivate them. If this fails, we might try a discount to entice them back. After that they would become a non-target, unless we ran a separate re-activation programme."

The hope is that the retailer's e-mails will stand out even more in a customer's inbox once the company can use its data to help decide the products it should promote to different groups of customers.

Ladha explains: "Our creative team has been doubled and we will be able to create dynamic e-mails through the SmartFocus system. We will take photographs from the site, which is more fashion-forward than it has ever been."

Asos still has work to do in deciding what type of e-mails should be sent to which customers. Ladha says: "We have to ask, should we send an e-mail on beauty to a customer who has never bought beauty products from us?"

Because the site's vast range of products stretches from a £5 vest to a £1,000 Balenciaga handbag, it has a similarly wide range of customers, he adds. By using the data, Asos hopes to understand where each customer fits within its proposition.

"It is a little insulting if you send an e-mail showing a £1,000 handbag to a customer focused on value. What you end up doing is a disservice to both your high-end and value groups of customers," says Ladha.

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When it comes to Asos making suggestions on which products its customers might like based on the shopping history of others, men have proved more impressionable, adds Ladha. A next step for the company might include extending personalisation from marketing to the site itself. However the company chooses to develop its proposition, it is clear that its ranges will continue to grow and so more will need to be done to help customers find what they want.

Ladha wants to improve the showcasing and direction given to particular customers to products that are most likely to interest them. "With 10,000 live products on the site – which will grow – it is unlikely that customers will look at them all."

He believes that Asos should be able to emulate the best-of-breed retailers for their fashion-sense and personalisation of their offer and says that he is not embarrassed to be biting at the heels of those he views as the best.

Asos chooses not to collect a deep level of data from its customers on their lives, asking only for name, address, birthday and gender. The company believes that it is important to keep it simple. "Customers are not coming to the site to fill in a questionnaire, they just want to do some shopping. That information is something to build up over time," says Ladha.

Buying in this information from third parties has not proved a success, either, he explains. "It doesn't work for us. We have tried with a couple of list brokers, but I don't think that a list can tell you that a customer loves fashion."

In contrast, Ladha believes that promotions will be even more successful once the company better exploits the data it has already. "The CRM system will mean that anything we do to incentivise customers always works. The single customer view will also give us the information on what customers respond to and what they don't respond to. We have to have the right tone of voice when we communicate with them," he says.

"Some people don't respond to money-off promotions, they want the most timely and best quality product. We can also understand their preferences as to when they open e-mails and send them to land in their inbox at the most appropriate time."

However, Ladha is reticent to become involved in trigger marketing – sending out e-mails to customers when a purchase or action signals that something has changed in their lives, such as a change of address, a women buying maternity clothes or starting to buy clothes for a man. He says: "I think we have to be careful not to get too engaged with customers' personal issues."

The company has a growing international customer base. Its top three international markets are Denmark, Sweden and Ireland. At the moment, these customers also receive e-mails written in English and Ladha sees no problem with this. "In all three markets, customers are savvy in English. It is a small customer base, but it has quite a high return," he says.

To cater for these international customers, the site can already be viewed in 20 currencies and Ladha says that further personalisation might occur, such as sending e-mails with local currencies.

Personalisation can also mean allowing customers to engage with brands in the way that they want. For example, a digital version of Asos's customer magazine has been created, but Ladha says that the hard-copy publication will continue to be distributed to existing customers and alongside other lifestyle magazines.

In addition, the company has acknowledged the might of social networking sites. "A few weeks ago we launched a Facebook profile and we are also launching a Facebook application. It shows a shot of a desk with our magazine on it. You can read the magazine digitally and you can purchase the products featured through it," says Ladha. He explains why the retailer has been a little slower to make its debut on Facebook than competitors including Topshop. "We wanted to make sure that we had something on there that our customers would actually want," he says.

Asos has already had great success running a competition through its Facebook profile, giving fans the chance to come to a London College of Fashion event. At the time of writing, Asos had nearly 6,000 fans – and rising fast – for its Facebook page. More than 600 had signed to its magazine application.

Ladha concludes: "Our main strategy is to be the best at what we do and serve our customers well."

The retailer has 1.7 million regular users on its site and trying to provide something for all of them would surely be an impossible task without the insight that the new CRM system is going to provide.

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