

Data mining at Center Parcs

Center Parcs

Imagine having eight million customers and being able to make them such personal offers that you still get a high response. Center Parcs can. Direct marketing results provide an annual turnover of 45 million euros in respect of a turnover of 520 million euros. And this is not the end, as Center Parcs is working towards knowing its customers better.

Center Parcs' questions are not different to those of other organizations: who are our customers, what do they want, what is the best way of approaching them? The thorough way in which the company answers these questions, however, is fairly unique. "We aim to treat our customers with care and therefore aspire to making them offers that really meet their needs," says Didier Nieuwenhuis, database-marketing manager. Thanks to the clever handling of customer data of eight million customers from the Netherlands, Belgium and Germany, Center Parcs does a very reasonable job of meeting this goal.

The source

A correct customer database is an important basis for Center Parcs' customer strategy, and this has therefore received a great deal of attention for a number of years. This database was originally the booking system and initially contained lots of double data. Things went wrong when the system was used for mailings. Someone who had booked six times, was registered in the system six times, "and therefore received the same mailing six times." The database has now been cleaned up and pollution is prevented 'at the source'. "All the returned mail is processed." Center Parcs also uses Human Inference software, by which double data in the database is prevented as far as possible. When a call center agent reports a new booking, the software shows which names are already recorded in the database. The software takes into account any typing errors and also shows data that looks similar to the new customer data. Bookings made by customers themselves in a separate database via the Internet are automatically compared and processed with those in the database by other Human Inference software. "Only in case of doubt will a call center agent assess the new input."

Customer knowledge

Center Parcs knows a great deal about its customers: which period a certain person books in, how long for, whether they like to go diving or would prefer a skiing arrangement, whether there are any children... "The first step is to keep this data up-to-date, the second being to use it in the best possible way," says Nieuwenhuis. And to an increasing degree, this is precisely what Center Parcs does. Customers without children do not receive offers to rent children's furniture and residents of Amsterdam are not sent invitations for a weekend in a park situated in northern Germany. Which customers are sent what is determined by the database-marketing department by means of predicting SPSS software. By mailing a limited group, attempts are made to find out what works. If it is successful, a large-scale mailing follows. Nieuwenhuis shows us the graphs of recent campaigns:

Center Parcs Europe

www.centerparcs.com

"We aim to treat our customers with care and therefore strive to present them with offers that really meet their needs. A correct customer database is an important basis for Center Parcs' customer strategy, and this has consequently received a great deal of attention for a number of years."

Didier Nieuwenhuis,
database marketing manager at Center Parcs

Industry

Leisure

Geography

The Netherlands, Belgium, Germany and France

Implementation environment

IBM iSeries & Windows

Database

Over 8 million customers

Human Inference Solutions

HIquality Base, HIquality Identify, HIquality Name
HIquality Address

Benefits

- Unique identification from all channels
- Immediate correct recording of customer information
- Finding customers quickly
- Preventing files from being contaminated by the purchase and lease of marketing databases



the predicting line corresponds to the actual response to a mailing in almost every position. "Time after time, our predictions have been proven to be correct," he says. "It is not actually that difficult. The predictions are often based on logic. You don't make a family with school-going children an offer for a midweek outside school holidays. And in a mailing you don't include a customer who booked with us quite recently. The software decides what is 'quite recently'."

Smart direct marketing

Nieuwenhuis' seven man strong department is solely engaged in researching the customer database and in the smart setting up of marketing campaigns. It has thereby managed to reduce costs substantially (given that the bulk of the mailings are sent by mail, the costs are high), whereas the turnover from DM campaigns has risen. However, the limit cannot be stretched much more, says Nieuwenhuis. "We are therefore now working on a different way of approaching customers using even more specific selection criteria." The customer segmentation used by the company (children or not, place of residence) is currently being further developed. In the near future, a system with golden, silver and bronze customers will be used with corresponding focus and offers. "We already have a Friends program which we wish to further tailor to individual customers. At the present, Friends all receive free children's furniture for instance, but such an offer is obviously not attractive to customers without children."

The Friend or loyalty program will be developed in greater detail in the coming period. Nieuwenhuis: "The first step in the program is to assess whether a customer is a Friend. A clear definition is being developed for this purpose, which I do not, however, wish to give away. We then check how much the customer concerned has realized in terms of turnover. This calculation consists of a number of elements: how often has someone booked, how much does he spend and how recently has a booking been made. In this way, we are able to categorize customers on our loyalty pyramid of golden, silver and bronze customers."

Human Inference is thought leader in managing customer data using language and culture specific technologies. Our solutions and expertise allow enterprises to manage the quality of their customer data assets and create a single customer view. For our customers we enable improved customer intimacy, operational excellence and successful regulatory compliance.

The figures relating to this segmentation are already available: 2.9 percent of all customers are responsible for 15 percent of the turnover and are rated golden customers. Silver customers account for 6.7 percent of the customer base and 16 percent of turnover. Lastly, the bronze customers represent 21.1 percent of the entire customer group and are responsible for 28 percent of all turnover.

It does not end here. A bronze customer with a lot of potential for growth, because he has a young family for example, can be just as valuable as a golden customer. "The potential for growth is also included. All these are currently being calculated. As soon as the segmentation has been fully worked out, we intend to examine the specific customers' needs in order to make them relevant offers." An example from this perspective is a customer who always reserves a tennis court when he books. The next time he books, the customer can be asked whether a tennis court should be reserved so that he's not responsible for making the first move himself. "Our goal hereby is to set up a differentiated and to a certain degree personalized direct marketing program." In the distant future, this should even enable event-driven marketing. If the same group of people books a cottage every year around May, the group can be sent an invitation a few months in advance. "In an ultimate case, the group can be offered the same cottage they rented the year before. However, it will take a few years before this is among the possibilities."

Due to its high density, the holiday parks market is a fighters' market, in which the correct use of customer data can increase one's lead. Center Parcs' approach can nevertheless be described as being fairly unique, as not many companies apply data mining in this way. According to Nieuwenhuis, "you need someone with vision and guts to take the initiative. Substantial investments in analysts and in software have to be made before results can be achieved. When I started here two years ago, there was a good organization that dared to take risks, and we are now in a position to move ahead."