

# Breuninger Card Goes Mobile – Catching Up With An Omnichannel Development. A Case Study.

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## **Abstract:**

This case study of Breuninger aims to analyze how Breuninger adapts to the emerging omnichannel environment in fashion business. From a consumer's perspective Breuninger and the general omnichannel strategy of Breuninger is explained, before the loyalty program of Breuninger is analyzed in detail. Key factors as the mobile app and the mobile Breuninger card, social media, direct mail and in-store capabilities are described. A discussion chapter finalizes the case.

**Keywords:** Breuninger, omnichannel, mobile app, social media, direct mail, in-store

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# **1 Breuninger Card Goes Mobile – Catching Up With An Omnichannel Development**

## **1.1 About Breuninger**

Breuninger is crossing lines, accepting new challenges, inspiring, fascinating and clever retaining customers.

With similar words the trade magazine TextilWirtschaft recently described the German fashion retailer Breuninger (TextilWirtschaft, 2014). The reasons are obvious. As the first German fashion retailer that introduced a customer loyalty card, Breuninger is almost predestined to be a pioneer regarding digital innovations and omnichannel loyalty programs. Indeed, only recently, the retailer introduced its new smartphone app, which offers an own mobile payment option and digitizes the customer loyalty Card (Damm, 2015; Wunderlich, 2015). In the light of these latest developments, it is worth analysing Breuninger with regard to the topic “Customer Loyalty Programs in Fashion Retail – A Change from Multichannel to Omnichannel” and to pay special attention to the question “How did Breuninger turn its renowned Breuninger Card into mobile in order to catch up with the omnichannel development and what other activities does the retailer apply in order to achieve omnichannel customer loyalty?”.

The company E. Breuninger GmbH & Co., henceforth referred to as Breuninger, was founded in 1881 and runs department stores in Germany under the name Breuninger. The fashion retailer is positioned in the upper market segment and distributes products ranging from a lower price level to a strong middle price segment to premium and luxury products. Its assortment is mainly restricted to fashion, clothing, beauty items and premium household goods. As a fashion and lifestyle company that belongs to the leading luxury companies in Europe, Breuninger markets over 1000 different brands and stands for an exclusive shopping experience. Breuninger further sets a benchmark in the industry with regard to its 15 exclusive services, such as an own shuttle service, personal shopping and click and collect (BEDAV GmbH, 2016; E. Breuninger GmbH & Co., 2016j).

The retailer employs approximately 5500 people and serves its customer through various distribution channels. Breuninger's headquarter is located in Stuttgart, as is its flagship. 11 further department stores are located across Germany. The company further accesses the market via an online shop as well as a mobile app (E. Breuninger GmbH & Co., 2016j). Breuninger has reported a turnover of € 706m in the financial year 2014, which is an increase of approximately 10% over the previous year. Willy Oergel, CEO of Breuninger, explains this growth with the new flagship opening in Dusseldorf in 2013 and the ongoing expansion of the online shop (Damm, 2015).

## **1.2 Omnichannel Strategy of Breuninger**

Solely built upon physical stores, Breuninger developed from a pure brick and mortar player to a multichannel retailer and has now established an extensive omnichannel system within the last years by focusing on a constant linkage of its offers. Different channels and services are part of this omnichannel strategy and are used in order to meet the individual needs of the customers.

Today, the essential channel within its omnichannel strategy remains its physical stores. In total, Breuninger runs 11 stores, located in Stuttgart, Dusseldorf, Ludwigsburg, Sindelfingen, Nuremberg, Freiburg, Erfurt, Leipzig, Frankfurt, Karlsruhe and Reutlingen (E. Breuninger GmbH & Co., 2016l). In the past, the stores were operated with only little connection to the online shop – this was most often the case when it comes to past multichannel systems. However, in the course of the omnichannel development, Breuninger has introduced services that serve as an interface between the online shop and the physical stores. The most famous example is click and collect (Bach, 2016; Kolbrück, 2014). Besides this service, the Breuninger In-Store Order Service, which identifies the possibility to place an order from the Breuninger online shop directly at the POS, represents another interface to the online channel and offers the chance to cover bottlenecks in-store. In doing so, salespersons order together with the customer via a tablet from the e-shop (E. Breuninger GmbH & Co., 2016n). Although the online segment is constantly growing within the fashion retail industry, Breuninger also plans to expand its brick and mortar business and wants to invest in new department stores. The inner cities of Hamburg, Munich and Frankfurt are possible destinations for new openings (Hahn, 2015).

As a matter of course, Breuninger also connects with its customers through digital touchpoints. Hence, an online shop is part of its omnichannel strategy. The online shop is not only optimized for PCs or laptops, but also for mobile devices such as smartphones or tablets and provides customers with the possibility to shop fashion and beauty items online. According to Willy Oergel, the company also plans investments in the expansion of the digital channel, as it has, together with the Dusseldorf store, contributed enormously to the increase in sales in the financial year 2014 (Hahn, 2015).

A relatively new touchpoint within the omnichannel strategy is the new Breuninger app, which was introduced at the end of the year 2015. It pictures the online shop and enables mobile shopping, lets customers virtually deposit the Breuninger Card, offers mobile payment, gives information about the stores and provides coupons for exclusive Breuninger campaigns (E. Breuninger GmbH & Co., 2016c, 2016h). The version 1.0 of the Breuninger app, without payment and card features, found its way into the App stores in April 2014. Since then, the app has continuously been improved and expanded so that it now enables a full immersion into the Breuninger omnichannel world (Wunderlich, 2015). According to its own accounts, Breuninger records an amount of mobile payment users in the “high four-digit-range” and plans to expand this number in 2016 by optimizing the Breuninger mobile wallet (Bach, 2016).

Furthermore, the Breuninger newsletter informs about campaigns and incentives, in-store events and trends from the fashion world. It is sent to registered customers regularly. As the newsletter also takes up topics concerning the physical stores or the Breuninger Card, it connects different channels with each other and contributes to the omnichannel orientation of the company.

Since autumn 2014, the Breuninger magazine is published in a digital version and treats topics belonging to the categories fashion, beauty, lifestyle and men. The products that are integrated in the published articles can be ordered via a link directly from the online shop. Hence, the Breuninger digital magazine ensures a connection between the different channels (E. Breuninger GmbH & Co., 2016f).

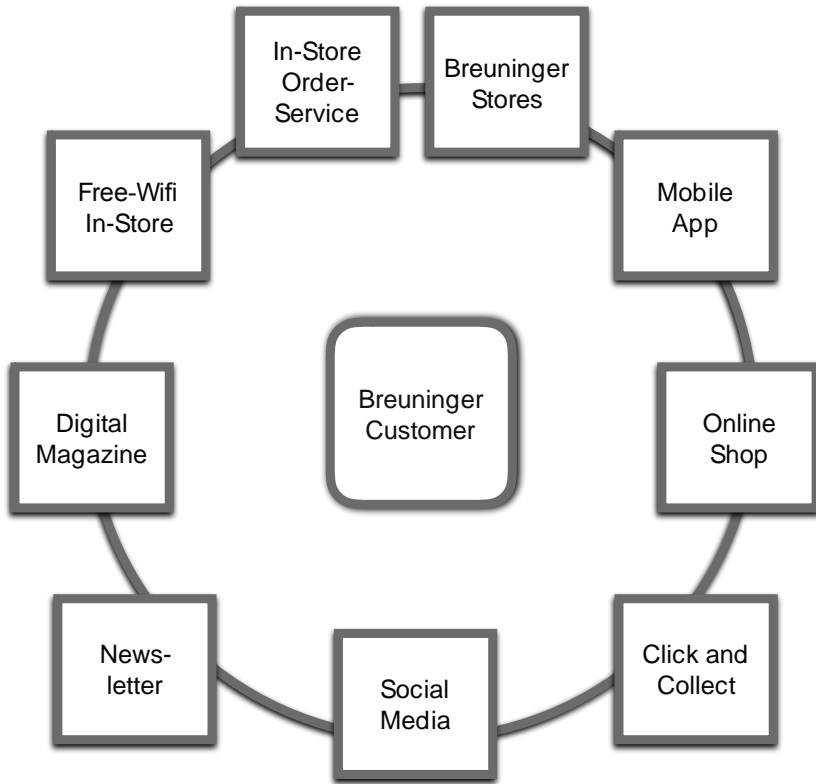
Additionally, Breuninger is present on the most important social media channels, Facebook, Instagram and Twitter as well as on Youtube and Google+. On these channels, Breuninger informs its followers about fashion and lifestyle trends, new

products and brands – online as well as in-store –, special deals and engages customer with sweepstakes (E. Breuninger GmbH & Co., 2016k).

Besides these omnichannel services, Breuninger offers its customers free WiFi in all its brick and mortar stores (E. Breuninger GmbH & Co., 2016l).

With all these connected channels and services Breuninger pursues the aim to make customers experience “the brand Breuninger”, (E. Breuninger GmbH & Co., 2016e) no matter whether they are connecting online or offline with it (Hahn, 2015). How Breuninger uses the different touchpoints and services within its loyalty program in order to address customers with relevant information at the right time on the preferred channel to build omnichannel loyalty will be analysed in the next chapter. Special attention is paid to the application of the touchpoint smartphone and the digitalization of the Breuninger Card within their loyalty strategy.





**Figure 1: Omnichannel Touchpoints and Services of Breuninger**  
 Adapted from: (E. Breuninger GmbH & Co., 2016h)

### 1.3 Loyalty Program of Breuninger

#### 1.3.1 Mobile App and Mobile Breuninger Card

The Breuninger Card is the heart of Breuninger’s loyalty program. The loyalty card, which was also the first store card to appear in Germany, is available as a standard and as a platinum version and offers customers several card perks (customers are entitled to a Breuninger Platinum Card after accruing an expenditure of € 7500 over two consecutive calendar years. The platinum card is valid for two years). The perks are listed in the table 1 below (E. Breuninger GmbH & Co., 2016e)

**Table 1: Card Perks Breuninger Card and Breuninger Platinum Card**

	<b>Card Perks</b>
<b>Breuninger Card</b>	<ul style="list-style-type: none"> <li>- Birthday Voucher</li> <li>- Selection Shopping</li> <li>- Card prices and coupon specials</li> <li>- Card Events</li> <li>- Order delivery free from the online shop</li> <li>- Card Partner Program</li> <li>- Trend &amp; Fashion News</li> <li>- Flexible, cashless pay</li> </ul>
<b>Breuninger Platinum Card</b>	<ul style="list-style-type: none"> <li>- Birthday Voucher</li> <li>- Selection Shopping</li> <li>- Card prices and coupon specials</li> <li>- Card Events</li> <li>- Order delivery free from the online shop</li> <li>- Card Partner Program</li> <li>- Trend &amp; Fashion News</li> <li>- Flexible, cashless pay</li> <li>- Platinum specials</li> <li>- 10% Platinum Card Bonus</li> <li>- Luxury gift wrapping</li> <li>- Platinum Card Counter</li> <li>- Platinum Christmas gifts</li> <li>- Platinum Car Parking</li> <li>- Exclusive alterations service</li> <li>- Free Platinum Card hotline</li> </ul>

**Adapted from: (E. Breuninger GmbH & Co., 2016e)**

The Breuninger Card is free and customers can apply for it in-store, online or on the corporate website. As the loyalty card contains a payment function, it is only available for customers that are at least 18 years old. From time to time Breuninger does card acquisition – within this time frame new loyalty card members receive a € 10 welcome bonus. The Breuninger card doesn't provide customers with regular rebates or a points-collecting function, for that, the exclusive services mentioned in table 1 make the Breuninger Card so special. Customers further benefit from a birthday voucher, whose amount is dependent on their purchases within one year. On top of that, they receive special sale coupons at the end of a season two times a year, profit from the autumn campaign, in which loyal customers are rewarded with a shopping voucher depending on their purchases during the defined timeframe of

the campaign and obtain several other incentives (E. Breuninger GmbH & Co., 2016e).

Thanks to the Breuninger Card Partner Program, loyalty members can also benefit from unique deals at several partners of Breuninger. For instance, they can buy concert tickets, room upgrades or dinner reservations at a reduced rate (E. Breuninger GmbH & Co., 2016i). Only recently, also the Breuninger Card Partner Program has been adapted to the omnichannel paradigm. Whereas the previous editions were focusing on local deals connected to the Breuninger locations, the Spring/ Summer Edition 2016 also contains a deal that is available at an online shop for wines (E. Breuninger GmbH & Co., 2016i).

Finally, the Breuninger Card enables customers to pay flexible and cashless. Once a month they receive their invoice, which they can pay either immediately or in partial amounts via withdrawal or bank transfer. The Breuninger Card can be used for purchases in all 11 department stores, at several partner companies, in the online shop as well as in the mobile app. As the birthday voucher is depending on the purchases of each customer, it is recommended to customers to use the Breuninger Cards as the means of payment at every purchase (E. Breuninger GmbH & Co., 2016e).

Being aware now of the single perks and services that offers the Breuninger Card to program members, the question comes into play “how did Breuninger adapt it to the omnichannel paradigm?”.

With regard to the problem that the flood of customer loyalty cards is filling customers’ wallets, handbags and card holders, Breuninger has now introduced its new smartphone app at the end of 2015, which “gets rid of the vexing issue of mandatory physical presence of the customer card” (Wunderlich, 2015) and makes the Breuninger Card omnichannel-capable by enabling mobile payment (Wunderlich, 2015). The own loyalty card of a customer is deposited virtually in the Breuninger app after a single activation, so that customers don’t have to carry it around in their physical wallet. When using the mobile loyalty card, identification via a customer password or fingerprint is necessary. Therefore, if customers now want to use mobile payment at the checkout in one of the 11 Breuninger department stores, “the user generates a temporary, unique QR code through the app, that must be scanned within the time limit of 30 seconds at the checkout, then the payment process is initiated” (Wunderlich, 2015).

The customers' advantage of the mobile Breuninger Card is that they always carry their smartphones around and rarely forget them at home. So they can use the loyalty card at every purchase. Thereby, customers can really profit from the loyalty function of the program by collecting for example sales for a higher birthday voucher (Damm, 2016, p. 26). On the other hand, retailers benefit from the increasing usage of the loyalty card as they are collecting more valuable customer data and gain information needed to build a 360-degree view of the customer, which is important in order to address him with relevant information at the right time and place and thus achieve customer loyalty (Anderson, 2014; Loyalty Partner Solutions, 2013; Weber & Rossi, 2015). The mobile Breuninger Card, however, is not capable of being integrated into other mobile wallets, such as the Apple Wallet or Stocard.

Besides the digitalization of the Breuninger Card, the new Breuninger mobile app incorporates several other omnichannel functions. Most importantly, the app provides access to each customer's personal purchase history and gives summary of all purchases made with the Breuninger Card – regardless of the channel through which the purchase originated from (E. Breuninger GmbH & Co., 2016c; Wunderlich, 2015). Furthermore, the app digitizes the coupons and other exclusive campaigns, so that they can be scanned at the cash desk directly from the smartphone. The Breuninger Card Partner Program is also digitized within the app and frees customers from the need to pick up the print version at the customer service. Additionally, as already mentioned, the app pictures also the Breuninger online shop and enables integrated mobile shopping (E. Breuninger GmbH & Co., 2016c; Wunderlich, 2015).

Although the Breuninger Card can be used within all available channels as a payment method, there are some perks of the Breuninger Card loyalty program that can until now only be used in the physical stores. "Selection shopping" provides consumers with the possibility to take items of their choice home for up to 14 days, so that customers can take time to make a decision and pay later. This service, for instance, is available in the Breuninger stores, but not online or in the mobile app (E. Breuninger GmbH & Co., 2016m).

Within their loyalty program Breuninger is using smartphones also as a tool to communicate with consumers. On the one hand, push notifications are sent from the mobile app to consumers informing them about new campaigns and special offers as well as Breuninger News. These messages, sent to the individual consumer, however, are not personalized. If possible each customer is assigned to a favorite Breun-

inger store and receives information related to that particular store as well as information about campaigns and news that apply equally to all Breuninger stores and the online shop. For instance, push notifications are sent in order to remind customers of the sale coupons, cyber sales or in-store events (E. Breuninger GmbH & Co., 2016c). As far as it becomes evident in existing publications and from testing, customers don't receive any push notifications connected to their personal purchases or other personal content, such as information about their shopping baskets.

On the other hand, Breuninger recently tested the application of the instant-messaging service Whatsapp as a tool to give style advice to interested customers. Customers could contact a number within a defined time period via Whatsapp and ask questions about certain looks or products (E. Breuninger GmbH & Co., 2016a). In doing so, Breuninger connects the digital channels (online and mobile) with the advantages of in-store sales associates and digitizes the construct personal shopping advice. However, the service is not connected to an individual customer's account and for this reason primary suitable for answering specific questions concerning products and looks.

### **1.3.2 Social Media**

Breuninger aims at making its customers engage and interact with the brand Breuninger on all available channels in order to build customer loyalty. Hence, the retailer offers points of interaction also on various popular social media channels.

On Facebook and Instagram, Breuninger provides its fans and followers with information about fashion and lifestyle, reveals new trends, shares pictures about new products and brands, gives impressions directly from the Breuninger stores and reports live from events and fashion shows. However, for Breuninger Facebook and Instagram are not only just ways to share content with its customers, but rather channels through which the retailer can interact with them. Thus, Facebook and Instagram are also used to provide customers with special deals or engage them in sweepstakes (E. Breuninger GmbH & Co., 2016k).

The communication within these channels is not only directed specifically at Breuninger Card members, but by rewarding real engagement, for example, when customers are liking or sharing pictures, the retailer drives customer loyalty. Only recently, customers could win an exclusive designer bag for showing real engagement

on Facebook and Instagram. The only task was to become a follower of Breuninger on Facebook and Instagram and share a certain picture and title it with a defined hashtag. The winner was drawn out of all participants (E. Breuninger GmbH & Co., 2016a). The post under the defined hashtag has been shared 8.878 times (E. Breuninger GmbH & Co., 2016g).

As a complement to those activities, Breuninger connects different channels with its social media activities by combining offline and online customer interaction. With this approach, Breuninger focuses on building omnichannel loyalty. For instance, Breuninger used the in-store event “Vogue loves Breuninger” in Stuttgart to make customers engage with the brand on several channels. Goodie bags were hidden everywhere within the store in Stuttgart and customers had to find them, take a picture of them and share it on Facebook or Instagram with the hashtag “#Goodiebaghunt”. For each bag one winner was drawn (E. Breuninger GmbH & Co., 2016a). The result of this campaign was that customers were truly dealing with the brand Breuninger offline as well as online by spending time in-store searching the goodie bags, while at the same time connecting with the brand on Facebook or Instagram.

As a matter of course, Breuninger uses its social media fanpages also to promote the Breuninger Card. Campaigns that are exclusively for card members are posted on the fanpages, which are available for all customers (E. Breuninger GmbH & Co., 2016a). Thereby, Breuninger gets the chance to attract non-card customers with its exclusive offers and win new customers for the loyalty program. Furthermore, as on social media platforms everything is about sharing, the use of social media channels allows Breuninger to approach new customers through the personal networks of loyal customers that engage with the brands and share the content, such as the exclusive Breuninger Card campaigns.

On Twitter, Breuninger posts short tweets that are linked to the posts on Instagram or Youtube. At special live events or fashion shows Breuninger also posts pictures directly on Twitter in order to keep the community up-to-date. However, Breuninger does not focus on real engagement on this channel. Although Breuninger motivates its customers via Twitter to come to certain in-store events, no real customer activity, such as on Facebook or Instagram, is demanded (E. Breuninger GmbH & Co., 2016d). On Google+ Breuninger publishes similar posts like on Instagram. Youtube is used by the retailer as a fashion channel, where customers can find Breuninger Fashion TV and Breuninger Tutorials (E. Breuninger GmbH & Co., 2016k).

As a conclusion, Facebook and Instagram are the core social media platforms for Breuninger. The burden of proof is demonstrated by the amount of followers each channel presents. While Breuninger has 37,9k followers on Instagram and 191k likes on Facebook, the retailer has only 1733 followers on Twitter and 300 followers on Google+. Moreover, due to today's status, Breuninger has not been active on Google+ for 6 weeks (E. Breuninger GmbH & Co., 2016a, 2016b, 2016d, 2016g).

### **1.3.3 Direct Mail**

Besides via social media and smartphones, Breuninger communicates with its loyalty program members mainly via direct mailings. These direct mailing campaigns include all communication activities, which are aimed at building direct contact with the recipients as well as initiating a dialogue between the company and the customers by addressing them on a personal level (Hofbauer & Schöpfel, 2010, p. 178). Customers are addressed in a more targeted way and more individual with regard to their personal needs and by means of coupons or other response elements they are motivated to initiate a dialogue with the company. Breuninger forwards its direct mailings to its customers via postal service and in recent times, primarily via E-mail newsletters.

The aim of Breuninger's online dialogue marketing is a customized address during the whole customer lifecycle in order to build customer loyalty. In doing so, 2hm Business Services, a communication agency located in Mainz, assumes the operational campaign management that is needed for a target-group-specific E-mail marketing (2hm Business Services GmbH, 2015).

In this respect, the focus is on informing Breuninger's online shop customers, store-customers and omnichannel customers via E-mail marketing about special online shop advantages, news and trends as well as about events and campaigns in the Breuninger stores. Besides for these marketing campaigns, the E-mail marketing tool is also used to send notifications for Breuninger Card customers, such as the online invoice, automatically (2hm Business Services GmbH, 2015). The expansion of the online sales, the increase in frequency within the Breuninger stores, the rise of the attractiveness of the Breuninger Card as well as the customer relationship management during the entire customer lifecycle are paramount within the strategic E-mail marketing of Breuninger (2hm Business Services GmbH, 2015).

The mentioned aims of Breuninger's E-mail marketing – the expansion of the online sales, the increase in frequency within the Breuninger stores, the rise of the attractiveness of the Breuninger Card as well as the customer relationship management during the entire customer lifecycle – reveal that the retailer focuses also in the matter of its E-mail marketing on an integration of the different channels (2hm Business Services GmbH, 2015). Topics related to the stores as well as topics related to the online shop are taken up in the newsletters and furthermore, each product that Breuninger shows in its newsletter is linked to the online shop, where customers can directly buy it. From time to time, Breuninger does also integrate its other touch-points in the newsletter. Thus, the Breuninger Card Partner Program, the Breuninger Digital Magazine as well as the Breuninger Mobile App have been an integral part of the newsletter campaigns.

The Breuninger Newsletter is sent out several times per week and is segmented into a Card-version and a Non-Card-version as well as in a male and a female version. As far as can be seen, Breuninger customers that also buy in the brick and mortar stores are assigned to their favorite store and thus obtain, if available, a special store version that promotes campaigns or events in that particular Breuninger store (E. Breuninger GmbH & Co., 2016o, 2016p)

However, considering several examples, the personalization of the Breuninger newsletter doesn't go beyond age, gender, product group preferences and customer loyalty program membership. The newsletter recipients are divided into several segments that receive different newsletters. In spite of this segmentation, the mailings hardly contain any personal elements, such as individual product recommendations based on the customer's favorite brand or recommendations based on the past purchase behavior (E. Breuninger GmbH & Co., 2016q, 2016r; Liesaus, 2014).

#### **1.3.4 In-Store**

As Breuninger has originally started with brick and mortar stores, the in-store touch-point still plays a dominant role within its omnichannel loyalty strategy. On the one hand, the Breuninger stores are still the most relevant place for customers to apply for the customer loyalty card and for the retailer itself the best way to win new loyalty card members through the effort of the salespersons in-store (E. Breuninger GmbH & Co., 2016e).



On the other hand, various other processes and services exist in-store that help the retailer to build customer loyalty. One of them is the approach of “CRM at the POS”, which is a big step in the direction of omnichanneling. As already mentioned, the customers of Breuninger are divided into different segments and corresponding to these segments they obtain defined advertising activities. Additionally, in-store shop-assistants have at Breuninger the possibility to update or complete customer data. Hence, if for instance, a salesperson in-store finds out the name of the customer’s dog during a sales conversation, he can update it in the database (Liesaus, 2014). Having in mind that each salesperson serves a lot of different customers everyday, this process helps the employees to be able to know their customers without having to memorize all the gathered information. However, the existing publications don’t give a clear answer to the question if conversely, salespersons have total access to the customer data already stored in the CRM database, such as, last purchases within all available channels, spending behavior or preferred designers and brands. Liesaus (2014) summarizes that Breuninger has a good mentality and CRM approach – the data are already there, but due to the limited access, sales associates and customers don’t profit from them so far (Liesaus, 2014).

Furthermore, as a part of the omnichannel development, salespersons at Breuninger were already equipped with tablets in order to offer the omnichannel service “Breuninger In-Store Order Service”. The Breuninger In-Store Order Service describes an order from the online shop for a customer at the POS. This process is applied when a customer is interested in an article, which is in-store already out-of-stock in the required colour or size. In that case, the salesperson checks via his tablet if the desired article is still available in the online shop and if yes, conducts the order together with the customer. In doing so, the customer is provided with the advantage that he can pick up his product at the Breuninger Click and Collect Counter within the next day or receives his order directly at home (E. Breuninger GmbH & Co., 2016h).

Moreover, Breuninger offers the omnichannel service click and collect within its physical stores in order to increase customer satisfaction and build customer loyalty. This service describes the free delivery of an online shop order to one of the Breuninger stores, where customers can pick it up later on (E. Breuninger GmbH & Co., 2016l).

Despite the ongoing digitalization of the fashion retail industry, Breuninger has not lost track of the importance of the human touch within its customer loyalty programs. Hence, beside all these innovative omnichannel services mentioned before, Breuninger also focuses on emotionalisation in order to retain its customers. So, customers can use the in-house shuttle service before and after their shopping, are welcomed by their sales associate with a glass of champagne or are invited to the special in-store events Breuninger performs every year (E. Breuninger GmbH & Co., 2016l).

**Table 2: Omnichannel Loyalty Program Breuninger**

<b>Omnichannel Loyalty Program</b>	<b>Breuninger</b>
<b>Name of the loyalty program</b>	Breuninger Card
<b>Year of introduction</b>	1959
<b>Accepted channels of the customer loyalty card</b>	<ul style="list-style-type: none"> <li>- Breuninger stores</li> <li>- Online shop</li> <li>- Mobile app</li> </ul>
<b>Other points of acceptance</b>	Breuningerland Sindelfingen Breuningerland Ludwigsburg
<b>Payment function</b>	✓
<b>Typical point system</b>	✗
<b>Physical Version of the loyalty card</b>	✓
<b>Mobile Version of the loyalty card</b>	✓
<b>Capable of being integrated into Apple Pay or Google Wallet</b>	✗
<b>Touchpoints used to achieve omnichannel loyalty</b>	
<b>App</b>	✓ <ul style="list-style-type: none"> <li>- Overview of all purchases made with the Breuninger Card</li> <li>- Mobile Shopping</li> <li>- Digital coupons</li> <li>- Information about the Breuninger stores</li> <li>- Mobile customer loyalty card</li> </ul>
<b>Social Media</b>	<ul style="list-style-type: none"> <li>- Facebook</li> <li>- Instagram</li> <li>- Google+</li> <li>- Twitter</li> <li>- Youtube</li> </ul>
<b>Newsletter</b>	✓
<b>Print-Mailings</b>	✓
<b>Clienteling</b>	(✓) <ul style="list-style-type: none"> <li>- Salespersons can add data to the database, but they don't have full access to all data available</li> </ul>
<b>Special in-store services</b>	<ul style="list-style-type: none"> <li>- Click and Collect</li> <li>- Breuninger In-Store Order service</li> <li>- Shuttle service</li> <li>- Personal shopping</li> </ul>

## 2 Discussion

The loyalty program of Breuninger was originally established through the Breuninger Card in 1959. As a matter of fact, today's Card still bears the tradition and heritage of the pioneering Card. The same applies to the services, such as the payment function of the Breuninger Card or the selection shopping, which are benefits provided to loyalty card customers since the introduction of the Breuninger Card. However, the industry's evolution from multichannel to omnichannel retailing does not stop at Breuninger. The Breuninger Card has been adapted to the omnichannel paradigm step by step. Considering all developments, Breuninger's biggest step in the direction "omnichannel" was probably the release of the new Breuninger App and the digitalization of the Breuninger Card, because thanks to these developments, the Breuninger Card is now usable smoothly across all available channels. Customers can use its payment function in-store as well as online and mobile and there is no more need for them to carry the physical card around. The Breuninger Card is now always on the customers' fingertips, enables mobile payment and it has not only been expanded to mobile, but rather enables customers to choose when and where they want to access and use the loyalty program. Thereby, the Breuninger Card meets the requirements concerning omnichannel customer loyalty cards, illustrated in current literature (Boces, 2016; Warner, 2014; Wunderlich, 2015) and hence, now fulfills the characteristics of an omnichannel loyalty strategy.

The introduction of the new mobile app simultaneously solved the issue of "mobile payment". Using a QR code that has to be scanned at the cash desk to digitize the Breuninger Card (Wunderlich, 2015) is not a new or ground-breaking technology, but precisely may be the reason why the introduction of this method proved to occur seamlessly and without any difficulty, whilst being accepted by the customers. Nowadays the usage of a QR code in a transactional consumer payment context is well accepted (Wunderlich, 2015). Thus, it can be concluded that while others work on complex mobile payment solutions for a very long time, Breuninger did with its new mobile app and mobile payment function set up a truly customer-oriented solution that is to be understood simply and provides ease of use.

However, the lack of compatibility of the mobile Breuninger Card to mobile wallets, such as Apple Wallet or Stocard, could prove to be critical in the future as these transactional systems are likely to establish much further within the next years. To integrate a customer loyalty card into these apps, the retailer's app must be compat-

ible or the physical customer loyalty card must be scanned via a barcode. As both options are not the case (the Breuninger Card doesn't have a barcode), it is not possible to integrate the Breuninger Card into other mobile wallets. Due to the huge amount of loyalty program apps, customers may expect in the future that customer loyalty cards can be integrated into mobile wallets together with all other customer loyalty cards to reduce the amount of installed apps on their phones. Hence, it is recommendable for Breuninger to think about the possibility to open up the Mobile Breuninger Card also for mobile wallets, such as Apple Wallet or Stocard. Other fashion retailers, such as Peek&Cloppenburg, Engelhorn or Eckerle are already part of Stocard (Rösch, 2014).

Besides the Breuninger Card, there are several other touchpoints that Breuninger uses as means to achieve customer loyalty. In this context it is essential to draw conclusion on whether these touchpoints contribute to make the customer loyalty program of Breuninger omnichannel capable and if they are able to build omnichannel loyalty.

From a customer's point of view, the Breuninger App's ability to gain complete insights on all purchases made with the Breuninger Card, regardless of the channel, is very useful. Indeed, this function is very good, because Breuninger connects offline with online data and provides the consistency customers expect. Moreover, the digitalization of the coupons and promotions gives customers a huge benefit as they now have the coupons always right where they are and are not longer dependent on carrying the print versions around. From a consultant's point of view, it can be summarized that these services really represent the omnichannel thought, because they connect online with offline data and enable customers to choose when and where they want to access the loyalty program or redeem their rewards, like it is also claimed in current literature concerning the topic omnichannel loyalty programs (Boces, 2016; Warner, 2014).

Despite this smooth utilization of the Breuninger Card within the different channels, there are some aspects concerning the digitalization of the Breuninger Card loyalty program that are not that perfectly integrated yet and therefore, they have to be evaluated in a negative way. For Breuninger Card customers it is not possible to make use of selection shopping online or in the mobile app. This difference between the service offer connected to the Breuninger Card online and offline could definitely lead to customer complaints, as they always see the brand and not a single channel

within the brand. As a consequence it is possible that customers don't understand why they can benefit from certain services in-store, but not online. Concerning this aspect, Breuninger should definitely think about aligning its service offer linked to the Breuninger Card online and offline.

Also with regard to the utilization of smartphones as communication tools between Breuninger and its customers, there is so far unexploited potential. Breuninger approaches its customers via push-notifications sent through the app and reminds them of general Breuninger campaigns, however, these notifications are hardly personalized. Thus, these notifications don't do much in order to deepen the relationship between retailer and customer. In literature there are several suggestions how to use smartphone technology as a means to achieve customer loyalty. Possible solutions are, on the one hand, real-time communication, in which defined triggers of the customer lead to an immediate response of the retailer or, on the other hand, B2C messaging via an instant messaging tool, such as Whatsapp. Moreover, location-based communication, which allows marketers "to contact customers with offers or incentives based on their present physical location and time" (Loyalty Partner Solutions, 2014, p. 5) provides an opportunity to use smartphone technology within customer loyalty programs. The advantage of this location-based communication is that it reaches loyalty program members "right where they are, at the right place, at the right time" (Loyalty Partner Solutions, 2013, p. 5). This aspect, to reach loyalty program members in their everyday-situations, "on the go" and with truly relevant content is essential for successful omnichannel loyalty programs. Thus, in the light of the above discussion, it can be concluded that in the context of customer communication via smartphone Breuninger still has unexploited potential. For the retailer it is advisable to think about smartphone technologies, such as real-time or location-based communication as new ways to address member customers more personalized and with the right content at the right time.

Also the consideration of Breuninger's social media strategy reveals that the retailer focuses on connecting its different channels and creating a consistent brand experience. The striving towards omnichannel becomes obvious when considering Breuninger's activity via its Facebook and Instagram accounts. Offline and online activities are either synchronized, connected or capitalized on each other on these platforms, whilst engaging customers across various channels to achieve omnichannel loyalty. Breuninger's use of social media is strongly built around the aim to reward real engagement. This approach is very good, as it is also in accordance with current find-

ings from literature, which state that most traditional loyalty programs reward simply the spendings of a customer, whereas omnichannel loyalty programs use, among others, social media platforms to reward real engagement and drive customer loyalty (Loyalty Partner Solutions, 2014, p. 5; Smith, 2015; Warner, 2014). Thus, for Breuninger social media represents a vital touchpoint that has great potential to build omnichannel customer loyalty. However, Breuninger should also consider the success of each of its social media channels. Regarding all platforms, it can be summarized that for Breuninger Facebook and Instagram are the strongest ones, as they really demand for customers' engagement. By contrast, Twitter and Google+ rather inform customers than really engage them. As a consequence, within these media it is more difficult to build real customer loyalty. Hence, a question that is intruding is "what social media platforms offer Breuninger the biggest potential in the future to build omnichannel customer loyalty and on which ones should Breuninger concentrate its efforts?". In order to answer these questions a more thorough analysis of the different platforms, especially with regards to reach, followers, sharings, etc., is necessary.

The direct mailing strategy of Breuninger has to be evaluated critically, because the retailer is increasingly focusing on communication via E-mail, whereas the publications from Boces (2016) and Herzberger (2016) state that communication via E-Mail is regarded as the loser among digital channels, as customers are spammed by advertising mails and more often than not don't read them at all and immediately delete them (Boces, 2016; Herzberger, 2016). Moreover, the missing personalization of the Breuninger Newsletters has to be noted. Customers nowadays don't want to be approached with the same offers regardless of "gender, age, points balance, customer value, shopping behavior or other segmentation criteria" (Loyalty Partner Solutions, 2014, p. 2), rather they prefer truly customized offers. Indeed, Breuninger divides its customers into several segments (E. Breuninger GmbH & Co., 2016o, 2016p; Liesaus, 2014), however, the newsletters, even those sent to card members, hardly contain any individual and personalized elements. Thus, right at the moment, with regard to the lack of personal content, the E-mail marketing strategy of Breuninger is not perceived as a successful tool to achieve omnichannel loyalty. Looking ahead, Breuninger should invest some effort in the question, "how its E-mail marketing could be improved to address customers more personalized and in order to contribute to build omnichannel customer loyalty?".

An aspect concerning omnichannel customer loyalty programs that, from an external

point of view, Breuninger performs very well is the incorporation of emotion and the human touch into its stores as well as into the digital world. The in-store services, Click and Collect and the Breuninger In-Store Order must be assessed positively, as they connect Breuninger's offline and online channels and bind customers to the company by offering an additional service. The Breuninger In-Store Order bares the advantage that customers can be served even if the desired article is not stocked in-store. Thereby, customers can be bound to the company and are not lost to the competition. Through the offer of Click and Collect, customers are lured into the stores, herewith increasing the possibility to generate additional sales through competent sales associates at the Click and Collect Counter.

The Breuninger approach to clienteling could be developed much further. Although sales associates can add customer data to the database, they don't have full access to all customer data stored. Consequential, salespersons can't profit from the advantages clienteling promises, such as being prepared for each customer and offering him customized shopping assistance based on the purchase data and personal data stored in the database (Liesaus, 2014). On the basis of all available evidence, it seems that CRM data are only used little to not at all at the POS. Possible reasons could be technological ones or ones concerning data privacy. However, clienteling has huge potential to achieve omnichannel customer loyalty, as the direct access to the data stored in the CRM database, such as last purchases, size or favorite color, enables retailers to deliver the personalized service, customers expect. Furthermore, it is an important step in the direction of omnichanneling, as it consolidates customer data and interactions across all digital and physical touchpoints (Hodel & Prof. Dr. Janz, 2015; LaRobardiere, 2015; Rhodus, 2015). Thus, an obvious question is "should Breuninger invest in the development of clienteling in the future?" and if yes, "what aspects have to be considered in this context?"

Furthermore, Breuninger offers simple services, such as a glass of champagne for regular customers or a shuttle service, that have a huge impact on customers' satisfaction and therefore also on customer loyalty. Thus, in the matter of customer service, other retailers can definitely learn from Breuninger.

### *Research Limitations*

On the whole, it was possible within this research paper to show how Breuninger expanded its customer loyalty card to mobile and how the company adapted its



loyalty strategy to the omnichannel requirements. However, this research had also some limitations. First of all, the case study was based on a literature review, considering only the latest and very latest English and German-speaking publications concerning Breuninger and did not include any empirical research. Thus, the findings did not contain any insights from test purchases or surveys and were strongly depending on the knowledge about the loyalty program of Breuninger that has already found its way into literature or online publications. As Breuninger is continuously working on the improvement of its loyalty strategy, it is self-evident that not all recent developments are already examined in the current stage of research. Secondly, there was no budget available for the purchase of literature, what did also narrow the scope of the findings of this research. Moreover, the findings of this paper were limited by the restricted data access. The case study should not be written by the collaboration of Breuninger and thus, it did not contain any internal data and was reliant on the information Breuninger published about its omnichannel loyalty strategy. In future research, these limitations could be overcome by integrating empirical testing, based on the findings of this paper, into the research method in order to prove the results in a practical context and to cover also the most current developments. Furthermore, it would be imaginable to conduct that research again, this time in cooperation with Breuninger. This approach would allow an increased data access as well as enable a research budget. Breuninger could also benefit from a thorough analysis of its omnichannel loyalty strategy, as it could uncover improvement potential or problem areas.

### *Research Implications*

In summary, it can be concluded that in various aspects, Breuninger managed to adapt its customer loyalty program to the omnichannel paradigm. By comparison, Breuninger is the third best omnichannel retailer in Germany, right after Marc O'Polo and Fashion ID (Damm, 2015).

Breuninger's competitors may find key learning as regards to how to digitize an existing customer loyalty card and to implement mobile payment using an uncomplicated and intelligent solution that is mainly driven by a consistent customer orientation. Furthermore, Breuninger is pioneer regarding the incorporation of emotions and the human touch into its strategy despite the ongoing digitalization. The retailer shows successful that with services, such as click and collect, in-store order service, a glass of champagne or a shuttle service, an advanced level of omnichannel customer

loyalty can be achieved.

Nevertheless, also Breuninger still has unexploited potential or rather aspects that have to be improved. Looking ahead, in order to realize its full potential and to improve its omnichannel loyalty program, Breuninger should consider the following questions:

- Should Breuninger open up its mobile Breuninger Card also to existing mobile wallets such as Stocard or the Apple Wallet?
- Should real-time and location-based communication be part of Breuninger's communication strategy in order to build omnichannel loyalty?
- What social media platforms offer the biggest potential for Breuninger in the future and on which ones should the retailer concentrate its efforts?
- How can Breuninger improve its E-mail marketing strategy in order to address customers more personalized and to achieve omnichannel customer loyalty?
- Should Breuninger invest in the development of clienteling in the future? And if yes, what aspects have to be considered in this context?

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