

Marc O'Polo for Members – A Customized Omnichannel Loyalty Solution. A Case Study.

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Abstract:

This case study describes the emerging customized omnichannel loyalty solution of Marc O'Polo from a customer's perspective. After the introduction of Marc O'Polo and their general omnichannel strategy, the loyalty program is described in detail, like Marc O'Polo for members and the mobile app, social media, direct mail and in-store capabilities. A discussion chapter closes the case study with research implications and open questions for Marc O'Polo.

Keywords: Marc O'Polo, omnichannel, customer loyalty, case study, mobile app, social media, direct mail, in-store

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1 Marc O’Polo for Members – A Customized Omnichannel Loyalty Solution

1.1 About Marc O’Polo

In 2015 Marc O’Polo launched its new CRM and loyalty program Marc O’Polo for Members with the intention “to intensify the brand experience both online and in store, independent of the specific channel” (Wolf, 2015) and to continue the merging of the offline and the online business (elaboratum, 2015; Jobstmann, 2015; Wolf, 2015). The new system is already proving to be successful as it has already recorded 100.000 registered members only four months after its launch. This figure is supposed to be rising steadily (Wolf, 2015). According to several publications, Marc O’Polo is taking up with its loyalty program Marc O’Polo for Members a leading role in the fashion industry concerning the implementation of omnichannel processes (elaboratum, 2015; Wolf, 2015). In the light of these findings, it is worth analyzing Marc O’Polo with regard to the topic “Customer Loyalty Programs in Fashion Retail – A Change from Multichannel to Omnichannel” and paying special attention to the question “What benefits and features offers the new loyalty program Marc O’Polo for Members to its customers in order to achieve omnichannel customer loyalty?”.

Marc O’Polo is a premium fashion brand that was founded in Stockholm in 1967 and is today headquartered in Stephanskirchen, Germany. The brand is the epitome of contemporary modern casual wear and the core of its brand identity is a clear preference for natural materials. The assortment of Marc O’Polo comprises premium casual wear and accessories for men and women and ranges from clothing to shoes, eyewear, bags and bed linen (Marc O’Polo Einzelhandels GmbH, 2016a; Wolf, 2015).

The products of Marc O’Polo are distributed internationally through round about 2785 stores and retail partners. As of 2015, Marc O’Polo is available in 106 own stores, 173 franchise stores, at 1196 retail partners and in 1311 multi-brand stores (Marc O’Polo Einzelhandels GmbH, 2016a; Wolf, 2015). In total, the brand is represented in approximately 30 countries worldwide, “amongst them Germany, Austria, Switzerland, the Netherlands, Belgium, Sweden, Finland, Norway, Ireland and France as well as China, Russia, Poland and various countries in Eastern Europe” (Wolf,

2015). Moreover, Marc O'Polo distributes its products through its own online shops as well as a mobile app in Germany, Austria, Belgium, France, Switzerland, Sweden and the Netherlands (Marc O'Polo Einzelhandels GmbH, 2016e; Wolf, 2015). Worldwide, the company employs nearly 2000 employees.

Marc O'Polo has reported a turnover of € 412m in the financial year 2014/15, which is an increase of 5,4% compared to the previous year. The turnover of the whole brand, including all licenses, amounted € 464m in the same year. However, due to investments in the international expansion and expenses for the CRM and the new loyalty program, the result was lower than in the previous year. Concrete figures concerning the result were not mentioned (Probe, 2015).

1.2 Omnichannel Strategy of Marc O'Polo

Based on a strong competence in brick and mortar fashion retailing, Marc O'Polo launched its online store in 2003. According to Jana Hildebrand, Director Sales Support at Marc O'Polo, within this multichannel strategy, both channels, online and offline, were operated and managed separately (Böttcher, 2015). With the implementation of RFID technology, the relaunch and the international rollout of the online shop in November 2014, as well as with the introduction of the new CRM and loyalty program Marc O'Polo for Members in 2015, Marc O'Polo is now focusing on an omnichannel strategy in order to come closer to the goal of offering its customers a consistent and seamless brand experience across all channels (Lettow, 2015). Several channels and services are part of this omnichannel strategy and are applied in order to meet the individual needs of each customer.

A fundamental channel of the omnichannel strategy of Marc O'Polo, is still its brick and mortar business. As already mentioned, the company distributes its products through own stores, franchise stores, retail partners and multi-brand stores (Marc O'Polo Einzelhandels GmbH, 2016a; Wolf, 2015). Despite the ongoing digitalization, Marc O'Polo expedites its store expansion. Only in 2014, the company opened stores in China, Russia, Croatia, Switzerland and Germany (Wollenschlaeger, 2014). In 2015, Marc O'Polo established a new store in the Czech Republic and further openings are planned (Sieper, 2015).

As already mentioned, an online shop is as well part of the omnichannel strategy of Marc O'Polo. The company has invested a single digit million amount in the expansion of its online business and its closer interlinking with the offline world. The result is a platform with an improved navigation and shorter loading times as well as with a responsive web design that enables purchases from all devices. Moreover, the connection of online and offline inventories sets the basis for cross-channel activities (Böttcher, 2015; Howest, 2014). Since January 2014, Marc O'Polo supplies its own stores as well as its retail partners with products that are equipped with RFID technology. Thus, logistic and store processes are optimized, missing articles are detected earlier and gaps in the inventory can be closed faster (Marc O'Polo Einzelhandels GmbH, 2016h). Due to the RFID technology, the products are now always "online", can be tracked online and offline and can be traded across all channels. Furthermore, salespersons have the possibility to use these RFID-chips to check the inventory of articles in other stores as well as online and immediately order them there, if a certain article, demanded by a customer, is out of stock (Böttcher, 2015).

As of 2015, Marc O'Polo generates 10-11% of its turnover online. As it is quite difficult to acquire new retailers in developed markets, such as Germany, in the future, the turnover of Marc O'Polo will be increased mainly through better services, more traffic in the online shop, more frequency in the stores and an increasing conversion rate. In order to achieve this, synergies between the different channels will be exploited and the online shop will be used to lead customers to the stores and the other way round, brick and mortar stores will guide customers to the online shop (Böttcher, 2015). To implement this strategy, customers can make demands on omnichannel services, such as Click and Collect, Reserve and Collect and In-Store Order Service (Lettow, 2015). As at Marc O'Polo these services are only accessible for loyalty program members, they are analyzed in detail in the following chapter.

As a matter of course, the omnichannel strategy of Marc O'Polo also includes a mobile application. The app depicts the online shop, digitizes the Marc O'Polo customer loyalty card, offers a store finder as well as information about exclusive specials for members and provides users with a Barcode and QR scanner. Furthermore, it gives customers an overview about purchase processes that are still in progress and allows loyalty program members to take a look at their accounts.

In order to complement these channels, Marc O'Polo informs customers by the means of its newsletter about current offers, news and inspirations and promotes

campaigns that are implemented online or in-store (Marc O’Polo Einzelhandels GmbH, 2016g). Twice a year, the Marc O’Polo diary is published. It contains stories about famous people that stay in contact with Marc O’Polo and represent its life-style. The diary is exclusive for loyalty program members (Marc O’Polo Einzelhandels GmbH, 2015). Marc O’Polo is also present on the most important social media platforms, Facebook, Instagram, Youtube, Pinterest, Twitter and Tumblr. The company uses these platforms predominantly to promote outfits and products as well as promotional campaigns (Marc O’Polo Einzelhandels GmbH, 2016e).

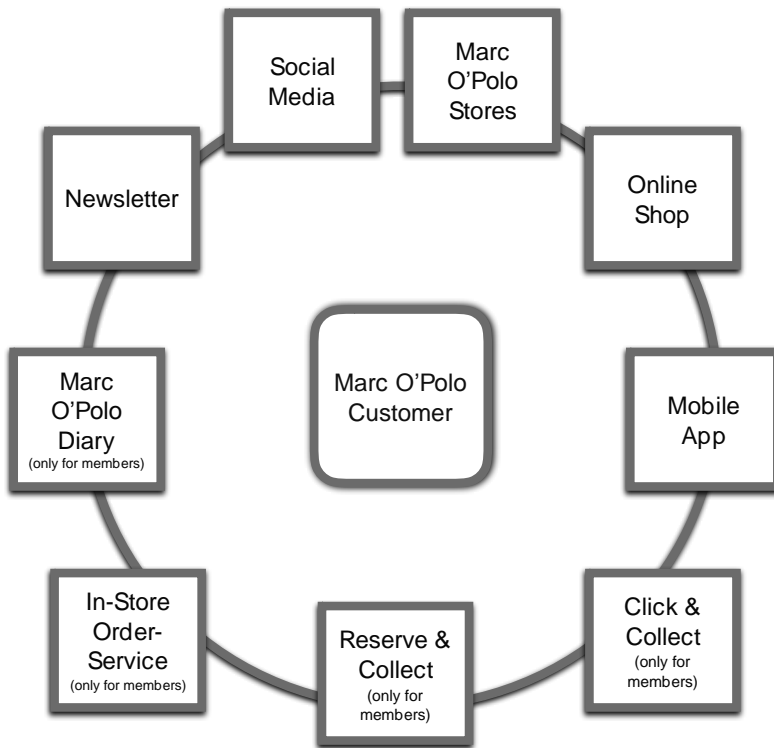


Figure 1: Omnichannel Touchpoints And Services of Marc O’Polo
 Adapted from: (Marc O’Polo Einzelhandels GmbH, 2015, 2016e)

Through the application of all these connected channels and services, Marc O’Polo aims at providing customers a seamless and consistent brand and purchase experience, no matter whether they are connecting online or offline with the brand

(Lettow, 2015). What attracts attention is that a lot of the offered omnichannel services are linked to the loyalty program Marc O’Polo for Members and thus, they are only open to program members. How the loyalty program Marc O’Polo for Members is put together in detail and what benefits and features it offers for consumers in order to achieve omnichannel loyalty is analyzed in the next chapter.

1.3 Loyalty Program of Marc O’Polo

1.3.1 Marc O’Polo For Members & Mobile App

With the program “Friends of Marc O’Polo”, which existed until the beginning of 2015, Marc O’Polo already offered a customer loyalty program, however, according to Hildebrand, the program was more a classical customer file than a true customer loyalty program (Jobstmann, 2015). As it was usual within multichannel customer loyalty programs, data from different channels was stored in separate silos. With this background, for Marc O’Polo it was not possible to connect data from the online shop with data from the stores and thus, the purchase behavior of the customers was not known sufficient (Jobstmann, 2015). Due to this problematic, Marc O’Polo couldn’t engage its customer with the right content at the right time on the right channel and was not able to achieve omnichannel loyalty. Consequently, there was the need for a solution that has the potential to deepen the integration of the own stores with the franchise partners as well as the online shop. The most important prerequisite for this solution was that the different systems – from the cash register system to the merchandise management system to the system of the online shop – are connected to each other very tightly (Jobstmann, 2015; Kolbrück, 2015).

The solution Marc O’Polo found was “Marc O’Polo for Members”. For the loyalty program, which is until now only implemented in Germany, “the customer data from the online shop and the branch network are combined centrally in a customer database” (Wolf, 2015). Thanks to a special mobile loyalty solution its possible to connect the cash registers of the stores and the franchise partners with a standard-interface without having to adapt the systems individually. Whether digital or physical loyalty card, both can be scanned via tablet and the customer information are recorded, added or modified. Subsequently, the data is transmitted to the CRM system and the purchases of the customers are assigned to the customers’ accounts (Jobstmann,

2015; Kolbrück, 2015). The consistent and centralized customer records within the new loyalty program Marc O'Polo for Members ensure a new kind of transparency that provides customers with real added value.

A full service provider supplies Marc O'Polo with a customer-app as well as a salesperson-app and thus, provides Marc O'Polo with the possibility to offer its customers services across all touchpoints (Jobstmann, 2015; Kolbrück, 2015). Customers can directly enjoy the result of the new measures, which consist out of a wide range of omnichannel features, in form of personalized customer contact and optimized consultations.

Customers can apply for the customer loyalty program Marc O'Polo for Members either online, in-app or in one of the stores. As a welcome-gift, customers receive a € 25 voucher. The program is free of charge and a minimum age of 18 years is required (Marc O'Polo Einzelhandels GmbH, 2016d).

For customers, Marc O'Polo for Members provides special services and several omnichannel offers. Member customers are able to make use of Click and Collect. Thus, they can purchase online and pick their order up in-store. Furthermore, they can use Reserve and Collect, a service that enables them to reserve online and purchase in-store. Using Reserve and Collect, customers compile their shopping basket online and Marc O'Polo delivers it to a store of the customer's choice. On-site, customers can try the products on and benefit from personal advice of the salespersons. Moreover, an In-Store Order Service is part of the loyalty program Marc O'Polo for Members. If a specific article is not available in-store, salespersons can order it and the article is delivered to the store after some time. Additionally, loyalty program members receive news for members and can profit from a defined pre-sale period, where they can shop at reduced prices before the regular sale starts. Also a special members' hotline is available for the program members (Marc O'Polo Einzelhandels GmbH, 2015).

Besides all these services, comfort members, who have a higher status than basic members, are provided with a delivery service that delivers their purchases directly at their home after shopping. Comfort members benefit also from a free alterations service and are invited to exclusive Marc O'Polo events for comfort members (Marc O'Polo Einzelhandels GmbH, 2015).

Table 1: Loyalty Membership Perks Marc O’Polo for Members Basic and Comfort

	Card Perks
Marc O’Polo for Members Basic	<ul style="list-style-type: none"> - Exclusive offers for members - Click and Collect - Reserve and Collect - In-Store Order Service - News for members - Pre-Sale - Members’ hotline
Marc O’Polo for Members Comfort	<ul style="list-style-type: none"> - Exclusive offers for members - Click and Collect - Reserve and Collect - In-Store Order Service - News for members - Pre-Sale - Members’ hotline - Delivery Service - Free alterations service - Events for members

Adapted from: (Marc O’Polo Einzelhandels GmbH, 2015)

The member status is depending on the amount of points customers collect after their registration for Marc O’Polo for Members. At each purchase in one of the participating Marc O’Polo stores or in the online shop, customers can collect points. Per € 1 sales value, customers collect one point. Moreover, from time to time customers can collect extra points for participating in special campaigns, such as winning new customers for Marc O’Polo for Members or filling out a survey. The number of points customers collect at their purchases defines their status-level, which they have within the loyalty program Marc O’Polo for Members. Thus, the collected points are not redeemed like it is usual within classical points-collecting systems, rather these points ensure advantages, which comply with the particular status-level. Customers, who have collected 2500 points within one year receive the Marc O’Polo for Members comfort status and benefit from then on from special services for comfort members. The comfort status is valid for one year. After the expiration of this term, depending on the amount of new collected points, customers remain comfort members or are downgraded to the basic membership again (Jobstmann, 2015; Marc O’Polo Einzelhandels GmbH, 2016d).

Customers can look at their score online or within the app. In doing so, customers can see online an overview of their whole purchase history, connecting online and offline purchases. The mobile app displays always the current point score, in which all purchases are taken into account (Marc O'Polo Einzelhandels GmbH, 2016d).

In the course of the omnichannel development, Marc O'Polo forgoes the distribution of physical customer loyalty cards and focuses on the offer of its smartphone app for customers, which digitizes the loyalty card. As a general rule, the company does not distribute physical customer loyalty cards anymore. If customers insist on a physical loyalty card anyway, they can order one online, which is distributed to them within a time frame of four weeks. However, Marc O'Polo itself doesn't expect customers to show their customer loyalty card at their purchases, neither a physical one, nor a digital one. For Marc O'Polo it is sufficient if registered customers mention their name as well as their date of birth or city at the cash desk in order to collect points (Marc O'Polo Einzelhandels GmbH, 2016b). This easy procedure is possible, as the loyalty card of Marc O'Polo hasn't got a payment function or a mobile payment function and customers don't have to identify themselves. For customers, this process has the advantage that they don't have to download the app and have no need to carry a physical customer loyalty card around. Nevertheless, they can collect points at every purchase and really profit from the loyalty function of the program, as they just have to mention their names and the purchases are assigned to their customer accounts. On the other hand, also retailers can benefit from the increasing usage of the loyalty card function as they are collecting more valuable 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).

In addition, the mobile app provides members with an overview of current coupons and offers and of course, enables direct access to the online shop.

Regarding some other aspects, Marc O'Polo for Members is not completely digitized yet. Marc O'Polo doesn't use its app to communicate with its customers. Neither does the company send location-based push-notifications nor trigger-based messages to app users and program members via smartphones (Bach, 2015). As far as it becomes evident from existing publications and testing, customers don't receive any push notifications with their personal point balance or other personal content, such

as information about their shopping baskets or incentives based on their present location. Furthermore, there are no indications in existing publications that point out that Marc O’Polo uses smartphone technology for other ways of personal communication with its customer, such as for B2C messaging.

1.3.2 Social Media

As a part of its omnichannel loyalty strategy, Marc O’Polo uses the most important social media networks in order to inform its customers and stay in touch with them.

On Facebook, Marc O’Polo is the owner of a general Facebook fanpage that addresses all countries. This page primarily promotes the brand Marc O’Polo and has round about 380.000 followers. The page contains a direct link to the Marc O’Polo online shop and almost everyday, a new outfit post, tagged with a title that describes this outfit and sometimes a link to the online shop, is published on that page. However, the posts don’t contain any calls to action for the customers, such as “post your favorite Marc O’Polo Outfit on our Facebook page and win your personal Marc O’Polo voucher”. Thus, they don’t drive real engagement or interaction, receive only a few likes and customers or fans hardly comment on them. Besides the outfit posts, information about Marc O’Polo campaigns are published on Facebook. The focus of this general Marc O’Polo fanpage lies in transporting the brand identity to the Marc O’Polo fans and informing them about what is going on in the huge Marc O’Polo world. No information about certain stores or events are posted on that page and no information about Marc O’Polo for Members is provided (Marc O’Polo Einzelhandels GmbH, 2016b).

In an article from 2011, the former Director E-Commerce from Marc O’Polo stated that social media is not significant for the company, as Marc O’Polo is a sales organisation and not an editorial department that publishes several tweets and posts everyday. According to him, investing efforts in social media strategies in order to address customers more actively is overestimated (Klötting, 2011).

Now, in 2016, Marc O’Polo runs, besides this general fanpage, several other fanpages on Facebook that belong to single Marc O’Polo stores. Considering these pages, for example those of several German stores such as Stuttgart, Munich and Karlsruhe, it becomes obvious that some of them are provided with real content, while on others only the contact info and opening hours are published. The ones that are provid-

ed with real content contain on the one hand inspirational outfit posts like on the general fanpage and on the other hand particular topics and information related to the stores, such as in-store campaigns or events. Furthermore, they show campaigns concerning Marc O'Polo for Members. Only recently, some of the Marc O'Polo store fanpages advertised the Pre-Sale period, in which members could purchase the current collection with 30% off (Marc O'Polo Einzelhandels GmbH, 2016f).

Nevertheless, also on the single Marc O'Polo store fanpages on Facebook, the company does not demand real customer engagement. There are no calls to action, such as "post your favorite Marc O'Polo piece on our Facebook page and receive 200 extra points on your Marc O'Polo for Members account" or posts that require customer activity, neither online nor offline (Marc O'Polo Einzelhandels GmbH, 2016f). Moreover, the single store fanpages record only a small amount of followers. The store in Stuttgart has for example 191 likes on Facebook, the flagship store in Munich 87 and the one in Dusseldorf 44.

In summary, it can be concluded that concerning Facebook, Marc O'Polo is pursuing a strategy that is immature and inconsistent across the several fanpages.

On Instagram and Twitter, Marc O'Polo follows a strategy that is similar to the one on the general Facebook page. On these social networks, the company puts the focus on outfit posts and adopts seasonal topics. However, again marketers don't demand real customer engagement and there is a strong emphasis on inspiring customers (Marc O'Polo Einzelhandels GmbH, 2016b, 2016c).

Moreover, the company applies Youtube to post videos that show insights of the Marc O'Polo fall/ winter and spring/ summer campaigns and uses Pinterest to complement the campaigns with particular pin boards. On both networks Marc O'Polo doesn't give information concerning Marc O'Polo for Members (Marc O'Polo Einzelhandels GmbH, 2016d, 2016f).

As another social media network, Marc O'Polo uses the blogging platform tumblr. Similarly to a digital magazine, Marc O'Polo publishes here short articles that are equipped with pictures (Marc O'Polo Einzelhandels GmbH, 2016c).

1.3.3 Direct Mail

Direct mailing campaigns, called news for members, make up an integral part of the omnichannel loyalty strategy of Marc O'Polo. These campaigns include all communication activities, which aim 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 more targeted and more individual with regard to their personal needs and by means of vouchers or other response elements they are motivated to interact with the company. Marc O'Polo forwards its direct mailings to its member customers via postal service and via E-mail newsletters (Marc O'Polo Einzelhandels GmbH, 2015).

The news for members contain the Marc O'Polo diary, a magazine that is published twice a year and sent to member customers by postal service as well as the Members' Newsletter, which includes all insights and exclusive information to the members' program. It has to be mentioned that the Marc O'Polo E-mail newsletter for members is sent to its customers on a monthly basis and only for special events and campaigns, such as for Christmas specials or pre-sale events online or in-store, additional newsletters are forwarded to the program members (Marc O'Polo Einzelhandels GmbH, 2015).

The monthly news for members newsletter approaches member customers with a personal address and is of very high quality. Usually, it contains informational and visual content regarding current trends and looks as well as the latest Marc O'Polo campaigns. As the monthly newsletter is directed to Marc O'Polo members, marketers stuff it with special campaigns that are exclusively valid for member customers (Marc O'Polo Einzelhandels GmbH, 2016i). However, besides the personal address, the newsletters hardly contain any personal elements, although the company states within its privacy statement that on the basis of their personal data, purchase history and other collected data, members receive highly individualized information (Marc O'Polo Einzelhandels GmbH, 2016b).

A special characteristic of the news for members newsletter, in particular under the light of omnichannel loyalty programs, is that the company integrates omnichannel features in it. For instance, by clicking on a specific link within the newsletter, customers can directly order the promoted look via reserve and collect or click and collect. Thus, by applying such elements in the newsletter, Marc O'Polo directs its cus-

tomers cleverly to the online shop as well as in its brick and mortar stores and drives cross-channel behavior. Furthermore, every newsletter contains a header, in which all omnichannel features are listed. If customers click on one of the links, they get directly to the correspondent section in the online shop, where this particular omnichannel service is described and customer can make use of it. Moreover, in every newsletter Marc O'Polo pictures an outfit and gives customers the possibility to purchase the products immediately by integrating a direct link to the online shop (Marc O'Polo Einzelhandels GmbH, 2016i).

As Marc O'Polo is putting much effort into its omnichannel integration, also its extraordinary newsletters, which marketers send in order to promote special campaigns, aim at leading customers not only to the online shop, but also to the Marc O'Polo stores. For instance, the news for members advertise the pre-sale period not only online, but also in-store (Marc O'Polo Einzelhandels GmbH, 2016j).

Within its customer loyalty program, besides E-mail newsletters, Marc O'Polo communicates also via print mailings with its member customers. The company uses print mailings for its diary, for seasonal specials, to promote its welcome-letter to new members, as a communication tool for its pre-sale promotion as well as to send vouchers – linked to a certain occasion – to its customers. It has to be mentioned that all print mailings are of high quality and designed quite special.

In total, it can be summarized that Marc O'Polo makes use of direct mailings advisedly and customers are not spammed by an overuse of print-mailings and E-mail newsletters.

1.3.4 In-Store

For Marc O'Polo, the integration of the human touch is as important as the ongoing digitalization within its omnichannel customer loyalty program. Thus, not only new digital and online processes are introduced or improved, but also the working method of salespersons in-store is adapted to the new circumstances and the increasing customer demands for personalization and emotionalisation (Gillett & Shah, 2015).

One of the most outstanding processes that Marc O'Polo uses to combine digital and technological aspects with emotionalisation and the magic of the human touch is the application of in-store CRM or with other words: clienteling. For the company, this

means the comprehensive application of tablets as sales-support tools within all own Marc O'Polo stores and all franchise stores. Direct access to the CRM system via a sellers-app enables salespersons a 360-degree view of the customers (elaboratum, 2015). As already mentioned, this 360-degree view of the customers becomes possible by combining customer data from the online shop with data from the branch network centrally in one customer database (Wolf, 2015). Offering this in-store CRM, Marc O'Polo establishes a new dimension of advisory quality.

If a loyalty program member in-store tells the salesperson his name, shows the digital Marc O'Polo loyalty card in-app or the physical loyalty card, each salesperson gets access with its own login data to the sellers-app and thus, insight to all customer data as well as previous orders and purchases. Equipped with these data, salespersons get the chance to offer loyalty program members customized advice. For instance, if a female customer has purchased a blue skirt recently, the salesperson sees this information within the app and can offer the customer a handbag or a blouse that fits to exactly that one skirt. Furthermore, the app shows salespersons if certain processes are not completed yet, such as some trousers are still at the tailor's or a click and collect order is ready to be picked up (Bach, 2015; Jobstmann, 2015). Thus, through the relationships between sales associates and customers and the tailored interactions in-store, members receive personalized service and experience an emotional attachment to the brand. Simultaneously, Marc O'Polo has the chance to increase its sales, as customers are more likely to respond to customized offers (Cegid Retail Insight, 2016).

Besides with clienteling, Marc O'Polo incorporates emotionalization and the human touch into its omnichannel loyalty program by offering its member customers exclusive shopping appointments. In consideration of their personal timing preferences, basic and comfort members can arrange individual shopping appointments in participating Marc O'Polo stores (Marc O'Polo Einzelhandels GmbH, 2016).

Table 2: Omnichannel Loyalty Program Marc O’Polo

Omnichannel Loyalty Program	Marc O’Polo
Name of the loyalty program	Marc O’Polo for Members (basic and comfort)
Year of introduction	2015
Accepted channels of the customer loyalty card	<ul style="list-style-type: none"> - Own Marc O’Polo stores - Franchise stores
Other points of acceptance	x
Payment function	x
Typical point system	(✓) <ul style="list-style-type: none"> - Points are not redeemed for vouchers or rebates - Points define the status-level (basic or comfort) within Marc O’Polo for Members
Physical Version of the loyalty card	(✓) <ul style="list-style-type: none"> - Physical version is generally not distributed to new members anymore - Members can request a physical version, which is then distributed to them
Mobile Version of the loyalty card	✓
Capable of being integrated into Apple Pay or Google Wallet	x
Touchpoints used to achieve omnichannel loyalty	
App	✓ <ul style="list-style-type: none"> - Mobile shopping - Mobile customer loyalty card - Storefinder - Exclusive for members - Barcode and QR scanner - Overview of uncompleted orders
Social Media	<ul style="list-style-type: none"> - Facebook - Instagram - Pinterest - Twitter - Youtube - Tumblr
Newsletter	✓
Print-Mailings	✓
Clienteling	✓
Special in-store services	<ul style="list-style-type: none"> - Click and Collect, Reserve and Collect - In-Store Order Service - Personal shopping for members

2 Discussion

The loyalty program of Marc O’Polo was originally introduced with “Friends of Marc O’Polo” – a multichannel loyalty program, in which customer data coming from different channels was stored fragmented. However, the industry’s evolution from multichannel to omnichannel retailing doesn’t stop at Marc O’Polo. Thus, on the basis of all existing evidence, due to its structure, the existing loyalty program was not able to deliver the customer insights, Marc O’Polo needed to address its customers in a more targeted manner and with the right message at the right time on the right channel, as it is demanded in current scientific literature concerning omnichannel loyalty programs (Anderson, 2014; Hemsey, 2012, p. 4; Loyalty Partner Solutions, 2013, p. 2; Weber & Rossi, 2015). It can be summarized that today, “Friends of Marc O’Polo” is not a contemporary loyalty solution anymore, because it doesn’t meet the demands of customers who want synergy and service across all channels (Driscoll, 2013)

With “Marc O’Polo for Members” and several omnichannel features, Marc O’Polo adapted its loyalty program to the omnichannel paradigm and herewith, gets a big step closer to its aim of delivering its loyal customers a consistent purchase experience across all channels. It is very good that Marc O’Polo did a completely restructuring of its loyalty program and launched it under a new name, because it now meets several of the most important demands made on omnichannel loyalty programs (Anderson, 2014; Loyalty Partner Solutions, 2013, 2014; Weber & Rossi, 2015). Most significantly, Marc O’Polo for Members combines data from the online shop with data from the branch network centrally in one customer database (Wolf, 2015), what is according to Weber and Rossi (2015) an essential prerequisite in order to execute an omnichannel loyalty program (Weber & Rossi, 2015). Furthermore, the loyalty program is now accessible through all available channels and in agreement with Boces (2016) and Warner (2016), it enables members to choose when and where they want to access the loyalty functions (Boces, 2016; Warner, 2014)

As far as one can see, Marc O’Polo for Members is to some extent a typical points collecting system, as member customers collect points for every purchase. The only aspect that distinguishes the points collecting function of Marc O’Polo from other typical points and rewards systems is that at Marc O’Polo the points are not redeemed, but they define the status level of each member customer (Marc O’Polo

Einzelhandels GmbH, 2016d). This aspect has to be evaluated critically, because the Marc O'Polo approach to its rewarding system is not consistent with findings from current research, which claim that the idea behind omnichannel loyalty programs must be to bring customers to engage and interact with the loyalty program itself, instead of simply rewarding customers for spending money (Loyalty Partner Solutions, 2014). Based on these discrepancies and in order to increase customer engagement and involvement across all channels and to achieve omnichannel loyalty, for Marc O'Polo it is recommendable to rethink and restructure its entire rewarding process, considering also activities that go beyond purchase alone.

With the launch of Marc O'Polo for Members and its mobile application, Marc O'Polo simultaneously solved the issue of "digitalization of the customer loyalty card". In the face of the increasing flood of loyalty cards in the market, the digitalization of the Marc O'Polo customer card through a mobile app has to be evaluated in a positive way, because it reduces the amount of loyalty cards in a consumers' wallet. However, what could prove to be critical is that Marc O'Polo does not expect its members to show their customer loyalty cards, neither the physical one nor the digital one, in order to collect points, when they are making a purchase. For Marc O'Polo it is sufficient, if customers mention their personal data at the cash desk. Actually, this approach bares several advantages for customers, as they get rid of the annoying issue of carrying another customer loyalty card around or downloading another app. However, it is beyond any question that this approach inhibits the use of the Marc O'Polo mobile app and raises the question, why members should even download the Marc O'Polo app, if they don't need it in-store and can access their customer account or the online shop also via the normal browser on their smartphones, even in a responsive web design? It is likely that in this context, Marc O'Polo is not tapping the full potential, as customers' use of and engagement with the app would also bare further advantages. To quote an expert opinion, smartphones and mobile apps can serve as information and communication tools within omnichannel customer loyalty programs, by applying for instance, triggered or location-based communication (Loyalty Partner Solutions, 2014). For retailers these ways of communication have great potential, as they can reach loyalty program members in their everyday-situations, "on the go" and with truly relevant content (Loyalty Partner Solutions, 2013, p. 4). However, according to Bach, the company doesn't send location-based push-notifications or trigger-based messages to app users and program members via smartphones (Bach, 2015) and thus, does not provide its program members and app users with real added value. To conclude, one might say that

Marc O'Polo is not completely digitized yet and still has unexploited potential concerning the usage and functions of its mobile app and the utilization of smartphones as communication tools between company and customers. It is likely that mobile technology and mobile loyalty will advance further in the next years, thus, Marc O'Polo should rethink its strategy concerning its mobile loyalty app and card as well as the application of smartphones as communication tools.

The Marc O'Polo social media strategy could be developed much further. Even though, the statement of the former Director E-Commerce of Marc O'Polo, that social media is not significant for the company (Klötting, 2011), is already 5 years ago, one can see that also today, in 2016, Marc O'Polo is not applying a well-thought-out and consistent strategy concerning its social media profiles. Until today, social media is neglected in the big Marc O'Polo omnichannel picture. Indeed, against the statement from 2011, Marc O'Polo is now posting and tweeting on several social networks everyday and has even established a blog on Tumblr. However, with regards to achieve omnichannel loyalty, the pursued strategy is not really helpful, as it is completely omitting consumer engagement – the core element found in scientific literature concerning the entrepreneurial use of social media within omnichannel customer loyalty programs (Loyalty Partner Solutions, 2014, p. 5; Smith, 2015; Warner, 2014).

Neither on Facebook, nor on Instagram Marc O'Polo demands its customers for real activity. Rather, the focus on these platforms is on inspiring customers with outfit posts (Marc O'Polo Einzelhandels GmbH, 2016b, 2016c). Contrary to this one-way communication, scientific literatures bares several ways how to achieve omnichannel loyalty by the use of social media. To name just a few examples, within omnichannel loyalty programs, retailers can use social media platforms to reward real engagement or to combine the online and offline activities of customers. This can for instance, be implemented by promoting coupons for customers who check in in-store via Facebook, post a picture of their favorite outfit on Instagram and purchase for a certain value in-store (Loyalty Partner Solutions, 2014, p. 5; Smith, 2015; Warner, 2014).

Besides the lack of interaction, the inconsistent strategy on Facebook could prove to be another problem area concerning the social media strategy of Marc O'Polo. In addition to its general Facebook page, the company owns several other fanpages promoting the different Marc O'Polo stores. Whilst these pages show very varying

content – ranging from only the publication of the opening hours to information regarding in-store events and Marc O’Polo for Members – they are all omitting customer engagement and activity and gain only a small amount of Facebook fans (Marc O’Polo Einzelhandels GmbH, 2016f). It seems that these pages are missing a homogenous strategy, cannibalize each other and due to the omitted customer engagement, they don’t contribute to achieve omnichannel customer loyalty. Thus, it is recommendable for Marc O’Polo to redefine its social media strategy, with special regard to Facebook, in order to create a consistent brand experience and to drive omnichannel loyalty.

Findings from scientific literature concerning the use of direct mailings within customer loyalty programs suggest to apply these media advisedly, as customers are spammed with advertising E-mails and consequently, often immediately delete these mailings and don’t read them at all (Boces, 2016; Herzberger, 2016). With regard to these findings, the direct mailing strategy of Marc O’Polo is perceived as ideal, as the company makes use of its direct mailings cautiously and does not overwhelm customers with an overuse of newsletters and print mailings. The Marc O’Polo diary is published twice a year, the news for members newsletter is sent on a monthly basis and additional newsletters or print mailings are just distributed to customers for special events or campaigns (Marc O’Polo Einzelhandels GmbH, 2015). With this approach it is likely that the impact of the single mailings is raised.

The only problem that comes up with regard to the E-mail marketing strategy of Marc O’Polo is that besides the personal address, the newsletters hardly contain any personal content, tailored to the individual customer needs. Findings from literature suggest that whereas within multichannel loyalty programs, members were approached with the same offer regardless of “gender, age, points balance, customer value, shopping behavior or other segmentation criteria” (Loyalty Partner Solutions, 2014, p. 2), the magic word within omnichannel customer loyalty programs is now called “consumer relevance” (Herzberger, 2016; Loyalty Partner Solutions, 2014, p. 2). Thus, as loyalty members want to be addressed with customized offers and a more relevant and personalized communication, an advise for Marc O’Polo would be to think about how to design its monthly newsletter in a more targeted manner in order to achieve omnichannel customer loyalty.

An important finding concerning the analysis of the loyalty program of Marc O’Polo is that the company has a strong competence in combining digital aspects with the

human touch. Following literature, the incorporation of the human touch and the emotionalisation of the retail landscape are as important as the digitalization, because customers are looking for experiences characterized by human behavior and emotionalisation (Gillett & Shah, 2015; Ramos, 2016). With its approach to clienteling Marc O'Polo is taking up exactly these suggestions. By enabling its sales associates access to the CRM system via a tablet application, Marc O'Polo provides them with a 360-degree view of the customers and establishes a new dimension of advisory quality (Bach, 2015; elaboratum, 2015; Jobstmann, 2015). It seems that with its clienteling approach, Marc O'Polo lays the foundation for an omnichannel customer address and an optimized customer consultation, combining the magic of the human touch with the advantages of digitalization. Moreover, the data that is gathered in the centralized customer database and augmented by the sales associates in-store, does not only help to deliver an improved service in-store. Rather, this 360-degree insight about a particular customer allows Marc O'Polo as well to deliver tailored interactions also online as well as via mobile, contributing to the ultimate goal: achieving omnichannel customer loyalty.

Research Limitations

All in all, it was possible within this research paper to demonstrate and analyze how Marc O'Polo established with Marc O'Polo for Members an omnichannel customer loyalty solution and how the company adapted its loyalty strategy to the omnichannel paradigm. However, the research was also faced with some limitations. Firstly, the case study did not include any empirical testing and was written on the basis of a literature review, including only the most current English and German-speaking publications. Hence, the findings of this paper were strongly limited by the knowledge, regarding Marc O'Polo for Members, which has already found its way into latest scientific literature or online publications and did not contain any insights gained from test purchases or surveys. As the loyalty program was introduced only in 2015, it is obvious that until now, not all recent developments are already examined in the current state of research. Secondly, as there was no budget available that could have been spent on sources, not all existing publications were accessible in the framework of this research. Moreover, the findings of this paper were limited by the restricted data access. The paper was not supposed to be written by the collaboration of Marc O'Polo and thus, it did not contain any internal data and was reliant on the information Marc O'Polo published about its strategy. In future research, these limitations could be overcome by integrating empirical testing, based on the findings of

this paper, into the applied research method in order to test the loyalty program in a practical context and to examine also the most current developments. Furthermore, it would be imaginable to conduct that research also in cooperation with Marc O'Polo. This procedure would allow an increased access to all available data, especially concerning internal data, and would enable a research budget. Furthermore, also Marc O'Polo could benefit from a thorough analysis of its new customer loyalty program, as it could uncover strengths, opportunities or problem areas.

Research Implications

To sum it up, it can be concluded that in various aspects Marc O'Polo managed to establish an integrated and consistent brand and shopping experience across all channels and to launch with Marc O'Polo for Members a loyalty program that fulfills several of the characteristics that define a customized omnichannel loyalty program. By comparison, Marc O'Polo is the best omnichannel retailer in Germany, followed by Fashion ID and Breuninger (Damm, 2015).

Other retailers may find key learning from the omnichannel loyalty strategy of Marc O'Polo especially as regards how to implement clienteling and to establish a new dimension of advisory quality as well as customer service by targeted and centralized data collection. Furthermore, Marc O'Polo connects successfully its strong competence in brick and mortar fashion retailing with the chances of online and mobile commerce. By offering its member customers smoothly-working omnichannel services, such as click and collect or reserve and collect, the company generates synergy effects for all its channels and drives omnichannel loyalty.

However, there are also some aspects concerning the loyalty strategy of Marc O'Polo that could be developed much further. With a view to the future, in order to improve its loyalty program, to adapt it to the dynamic development of omnichannel retailing and to achieve an advanced level of omnichannel loyalty, Marc O'Polo should consider the following questions:

- How can Marc O'Polo change its points-collecting and reward-process in order to engage customers across various channels and to drive omnichannel loyalty?
- How can Marc O'Polo improve its mobile app and loyalty card strategy in order to increase customers' use of and engagement with the mobile app?

- Should real-time and location-based communication be part of Marc O'Polos communication strategy in order to drive omnichannel loyalty?
- How can Marc O'Polo improve its strategy on the most relevant social media platforms, with special regard to Facebook, in order to create a consistent brand experience and to drive omnichannel loyalty?
- How could Marc O'Polo optimize its E-mail marketing strategy in order to address its customers with a more relevant and customized communication?

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