

LOYALTY PROGRAM

TEAM 6



QWASI
Innovation Realized™



OUR TEAM



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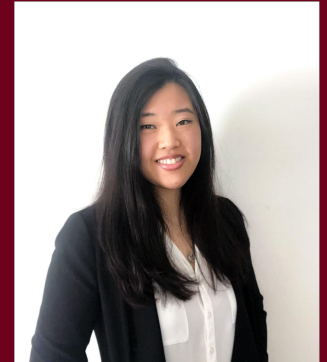
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01

VELUX BACKGROUND

Mission statement, Current target group

02

BUSINESS ISSUES & GOALS

Issues to resolve, Goals to accomplish

03

DATA ANALYSIS & FINDINGS

RFM Analysis & K-Means Analysis, Findings

04

RECOMMENDATION

Recommendation based on data analysis



01

VELUX

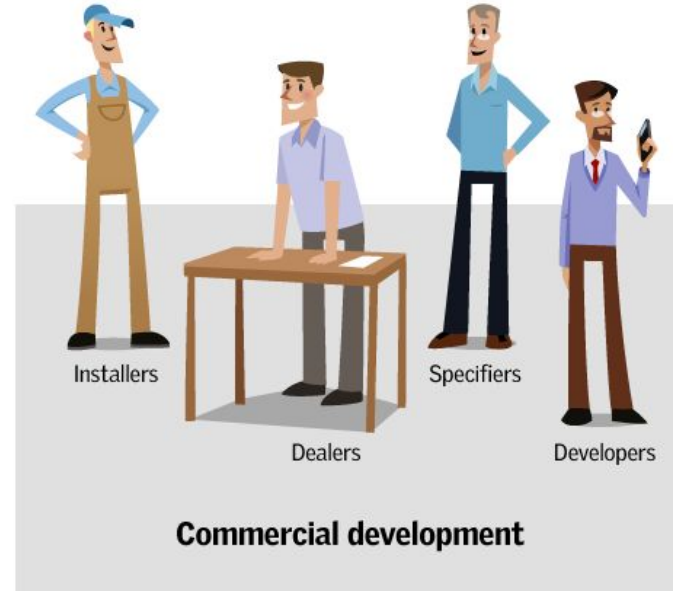
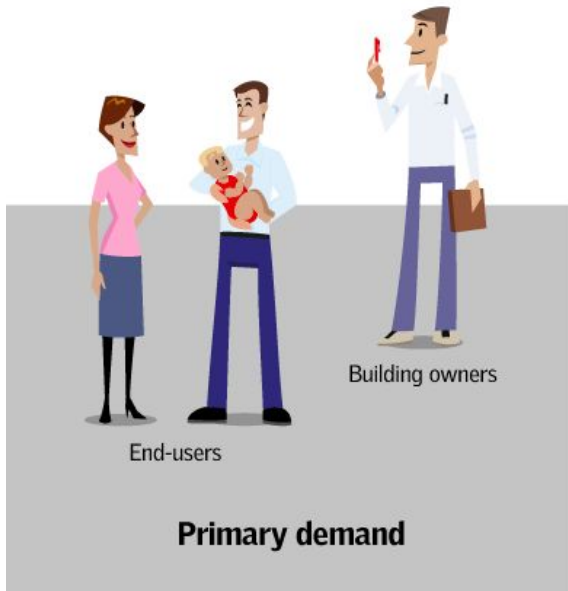


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For more than 75 years, VELUX has created better living environments by bringing daylight and fresh air into homes all over the world. Our products help to create bright, healthy, energy-efficient places to live, work, and play

VELUX Mission Statement

CURRENT TARGET SEGMENT





02

**BUSINESS ISSUES
& GOALS**

PROBLEMS & GOALS



Problem

How to ensure that window installers and dealers return to VELUX?



Goal

Appeal the repurchasing customers with constructive loyalty program

HOW TO REACH THE GOAL?

Find meaningful insights
with data analysis





03

**DATA ANALYSIS
& FINDINGS**



2015-2021

Date Range of Data Collected

13

Total Number of Segments

14

Total Number of Regions



HYPOTHESIS

The captivating loyalty programs will increase the frequency of purchase from the existing installers and dealers of VELUX.





METHODOLOGIES

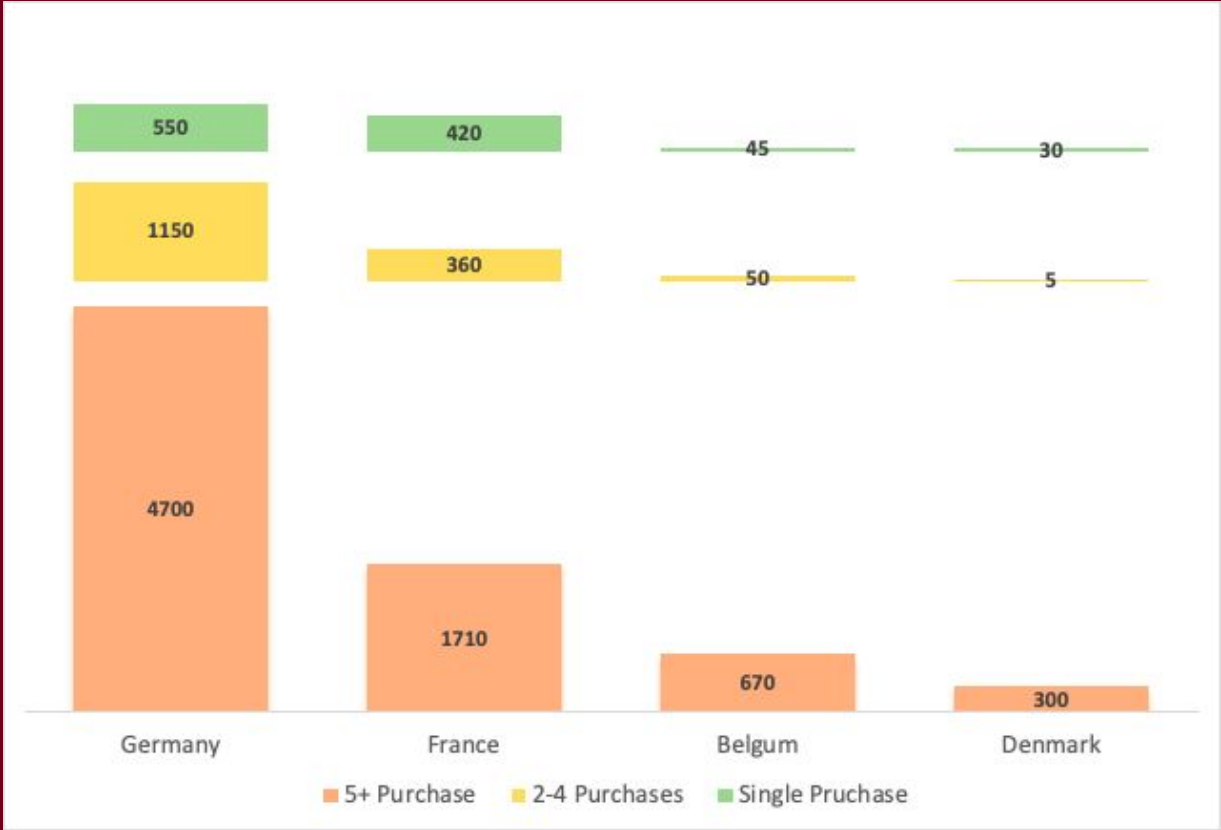
RFM Model

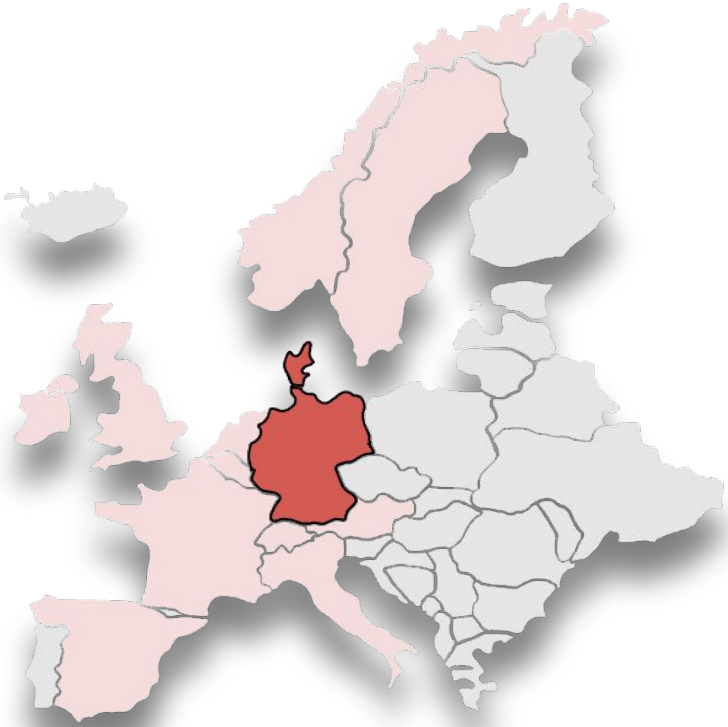
Find recency,
frequency, and
monetary of loyalty
program

K-Means Analysis

Why use K-means
analysis?

SUM OF PURCHASE LEVEL BY REGIONS





GENERAL CUSTOMER ANALYSIS

- Geographic Analysis
- Clustering analysis based on RFM model
 - Recency
 - Frequency of purchase
 - Total Points
- Captured the most valuable customers (**Key Accounts**) in each highlighted country
- Germany and Denmark stand out with the most profitable and loyal customers

General Reward Program Analysis

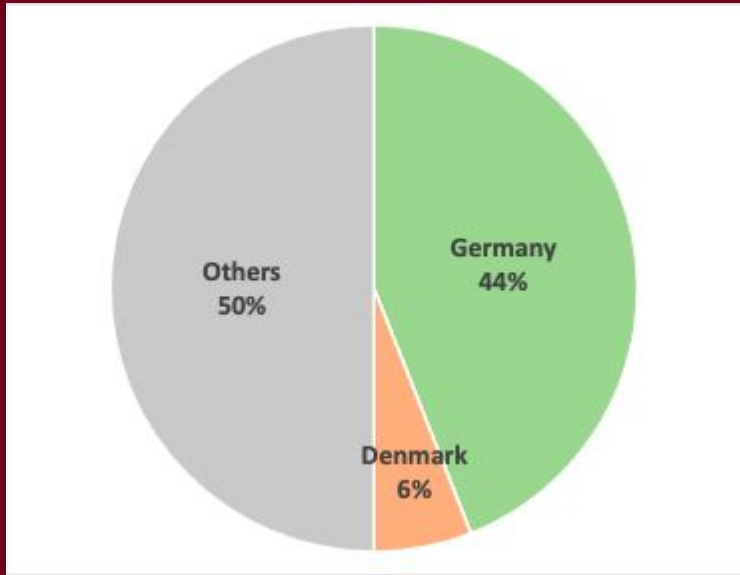
| Dependent Variable | Quantity | |
|----------------------|------------------|--------------|
| Independent Variable | Recency | 0.07 |
| | Reward Value | 0.357 |
| | SingleItemPoints | 0.442 |

Significance Level:

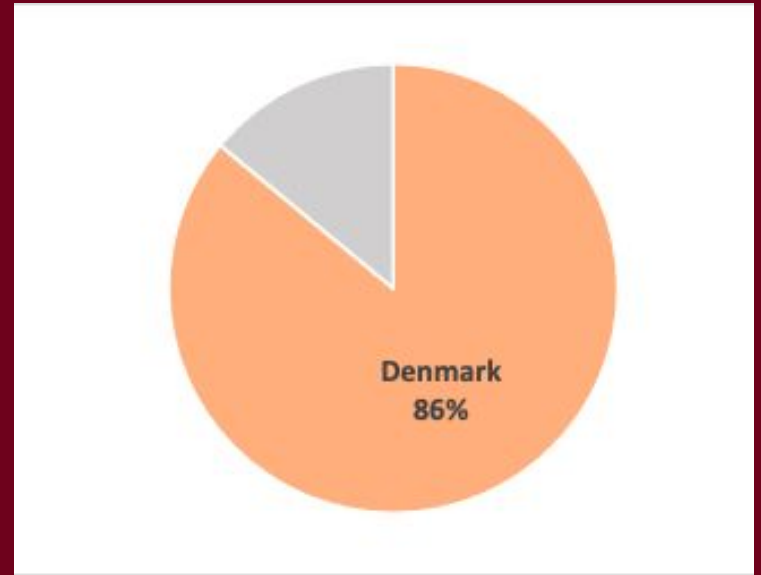
- Least Influence to Quantity
 - Recency
- Most positive Influence to Quantity
 - Reward Value
 - Single Item Points

| | Regional Analysis (Targeted Segment) | | | | | | | | | | | |
|--------------|--------------------------------------|--------------|--------------|----------|--------------|----------|------------|-------------|--------------|-------|--------------|-------|
| Region II | 4 | | 5 | | | | | | 10 | | 11 | |
| | Case | | Case | | | | | | Case | | Case | |
| Cluster | 6 | | 2 | | 4 | | 6 | | 6 | | 6 | |
| | Mean | Count | Mean | Count | Mean | Count | Mean | Count | Mean | Count | Mean | Count |
| Recency | 24.23 | | 30.00 | | 23.00 | | 25.42 | | 21.57 | | 21.27 | |
| Reward Value | 72 | | 25000 | | 50250 | | 806 | | 621 | | 844 | |
| Quantity | | 20101 | | 1 | | 1 | | 2541 | | 14 | | 45 |
| Country | Germany | | Denmark | | | | | | Norway | | Sweden | |

Unit Sales by Countries VS. Points Redeemed by Countries



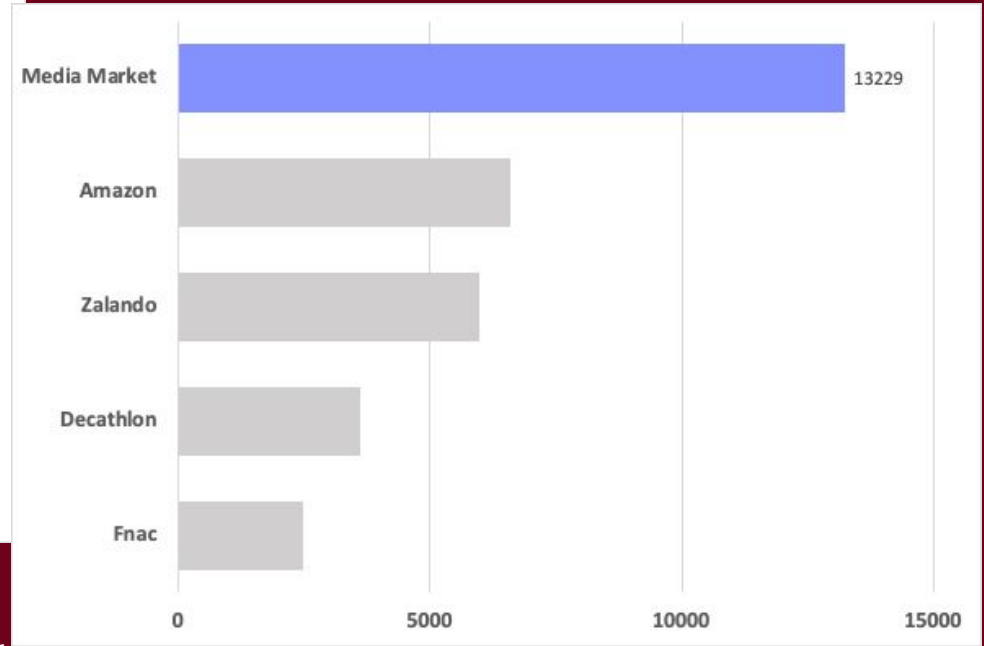
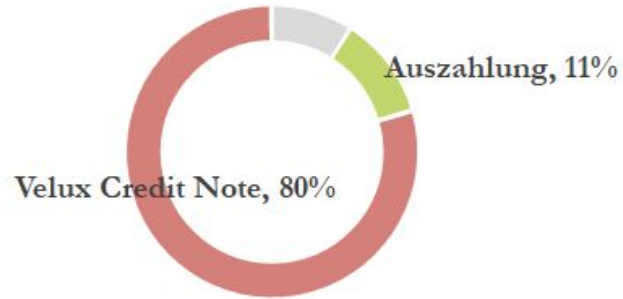
Unit Sales by Countries



Points Redeemed by Countries

| Partner Analysis | | | | | | | | | | |
|------------------|-------------------|-------|------------|-------|-------|-----------|---------|-------|-------------|-------|
| Partner | Amazon | | Auszahlung | | | | Zalando | | Media Markt | |
| | Case | | Case | | | | Case | | Case | |
| | 2 | | 2 | | 4 | | 2 | | 2 | |
| | Mean | Count | Mean | Count | Mean | Count | Mean | Count | Mean | Count |
| Recency | 28.04 | | 30.57 | | 29.00 | | 25.00 | | 24.33 | |
| Reward | 72 | | 689 | | 10100 | | 101 | | 74 | |
| Quantity | | 6892 | | 7 | | 1 | | 5981 | | 13229 |
| Partner | VELUX Credit Note | | | | | Decathlon | | fnac | | |
| | Case | | | | | Case | | Case | | |
| | 1 | | 2 | | 4 | | 2 | | 2 | |
| | Mean | Count | Mean | Count | Mean | Count | Mean | Count | Mean | Count |
| Recency | 23.00 | | 25.75 | | 30.00 | | 25.29 | | 22.90 | |
| Reward | 50250 | | 517 | | 25000 | | 57 | | 74 | |
| Quantity | | 1 | | 4 | | 1 | | 3625 | | 2470 |

Partner Reward Value Comparison

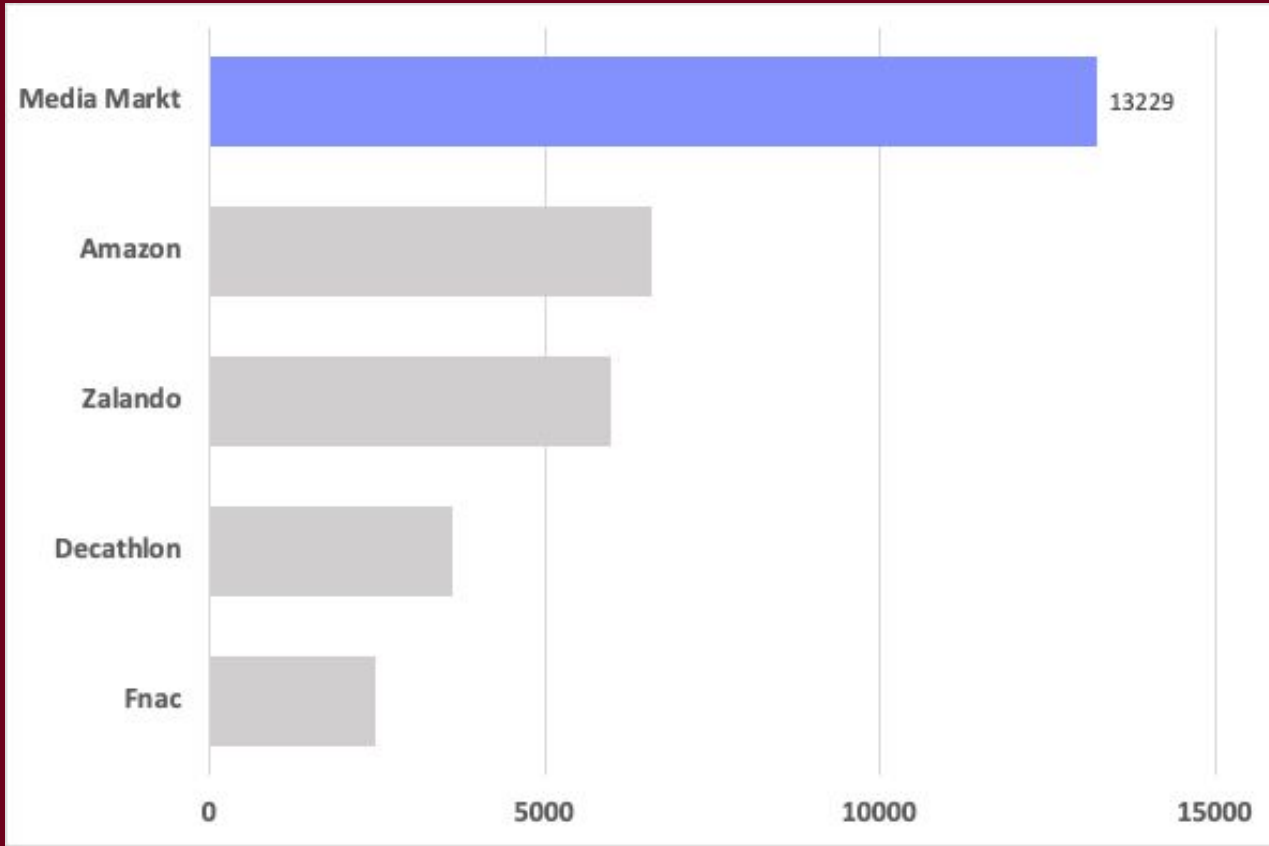


Hard Reward

- Fnac, Decathlon, Amazon, Zalando, Other
- Price Reduction (Quantity discount, e.g. 5% off for 2 or more purchase, 10% off for 5 or more..)

Soft Reward

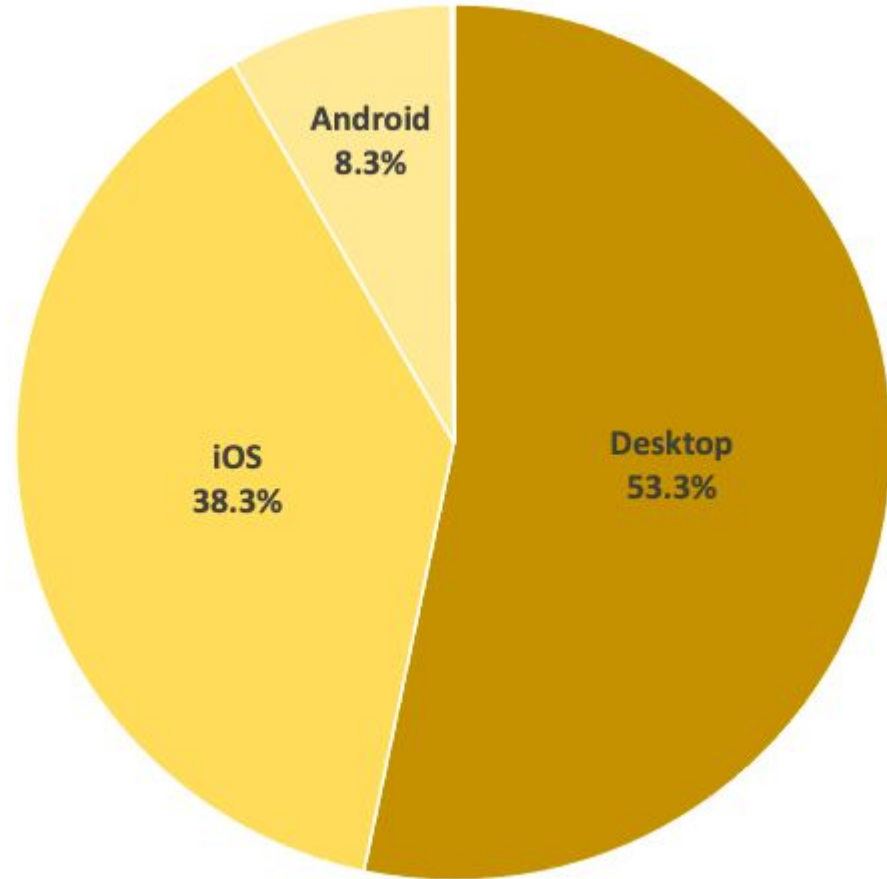
- Velux Credit Note & Auszahlung
- Maintenance Services:
 - Glass Cleaning (e.g. 1000 points for area cleaning)
 - Quality Test (e.g. 2000 points for area professional quality test)



PARTNERSHIP QUANTITY COMPARISON

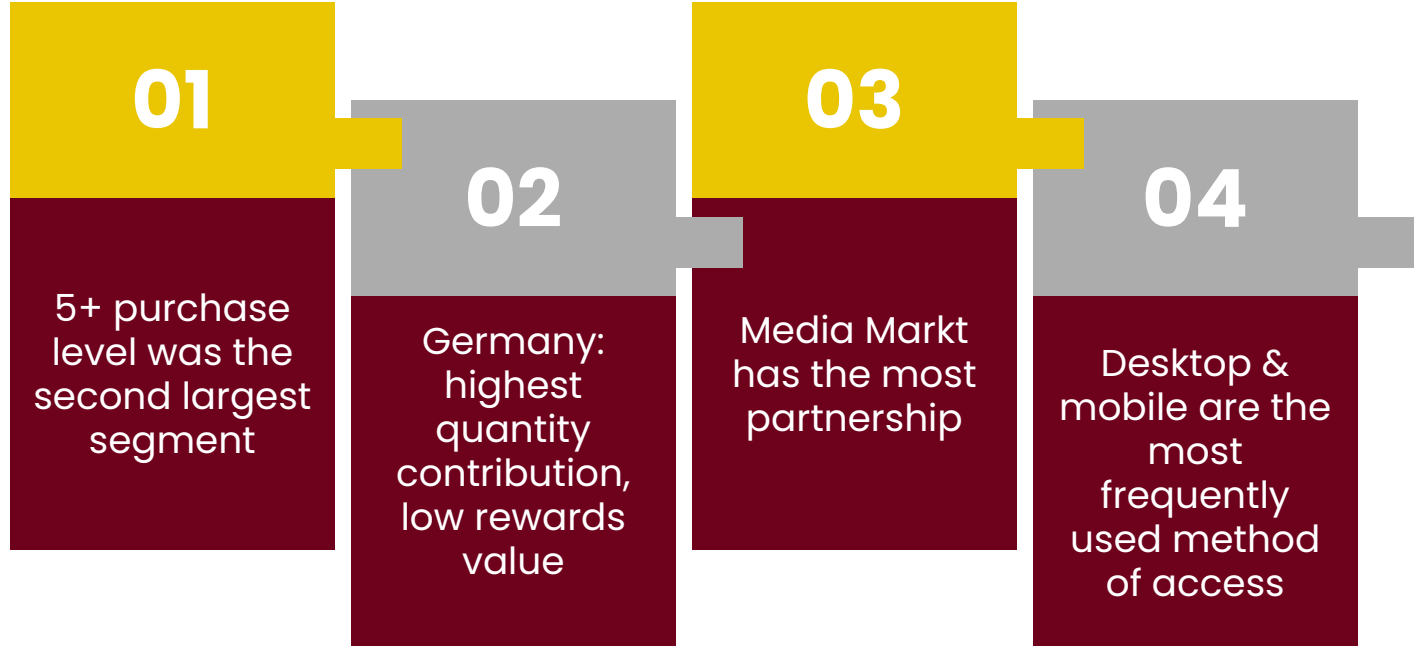


FREQUENCY OF ACCESS METHOD





FINDINGS





04

RECOMMENDATIONS



DOUBLE REWARDS

Customers receive double rewards for every 5th purchase.



EXTRA REWARDS AT SPECIFIC LOCATIONS

Buy at MediaMarkt in
Germany for extra rewards.

Media  *Markt*



VELUX Skylights AR

Visualize skylights at home

VELUX America, Inc.

★★★★★ 5.0 • 9 Ratings

Free

DOWNLOAD THE APP FOR POINTS

Download VELUX app and
create an account to
receive free rewards points



THANK YOU!

Do you have any
questions?