Context:

World-class business and travel essentials since 1975

TUMI is a luxury luggage and accessories brand, founded in the US in 1975. The brand is sold in over 260 stores from New York to Paris to London and Tokyo, as well as the world's top department and specialty stores and travel retail in more than 75 countries. TUMI constantly stays ahead of the curve with its innovative products, creating world-class business and travel essentials..

In Southeast Asia, TUMI operates as a part of Valiram Group. Valiram is Southeast Asia's leading luxury goods and 360° retail specialist with presence in Malaysia, Singapore, Indonesia, Australia, the Philippines, Thailand, Russia, Macau and Vietnam. Operating more than 350 stores, the group represents 200+ brands such as Bath & Body Works, Kate Spade New York, Michael Kors, and Victoria's Secret across various categories, from fashion and accessories, timepieces and jewellery, perfume and cosmetics to confectionery and dining concepts.

TUMI focuses on providing creative ideas for personalization and accessorizing, offering an exclusively luxurious experience. The brand wanted to achieve the same level of differentiation during the shopping experience for its customers by increasing engagement and developing loyalty. Being a high end brand, TUMI was also facing challenges with respect to getting the first time customers back to their stores, and wanted to entice these customers to do repeat purchases.

Covid-19 had further diminished the brand's margins as less people stepped out of their homes to shop, bringing the overall consumer sentiment down. The remaining shoppers continued their purchases through digital channels. So the brand's challenge was to provide a robust and seamless digital journey for the customers, apart from finding a smart way to retain customers. TUMI needed to consider an omnichannel experience that would combine both online and offline worlds.

The key objectives Valiram Malaysia wanted to achieve were:
- An omni-channel loyalty program to address the digital customers' needs
- Extremely personalized, connected, and contactless loyalty program
- Customer accessibility to loyalty information at any time
- Gain deeper customer understanding with a complete 360° view
- Deeper insights into business – customers, products, promotions, and store
- 1:1 targeted communication with the customers

Strategy:

To understand the problem at hand better, strategize and implement a robust omnichannel loyalty and customer engagement solution, TUMI partnered with Capillary to use its AI-powered product suite. The aim was to deliver an innovative, data-driven customer experience and build stronger customer relationships while leveraging the digital wave to increase sales.

Some of the strategies devised were:

1. A Real-time Loyalty Program

To increase the repeat sales, a loyal customer base was required to be developed so that one time purchasers could be converted into brand advocates. A robust and contactless loyalty program was the need of the hour to provide a safe in-store experience and a digital mechanism to add points to the customers account when they shop online. Some of the key considerations were:

- An easy registration process with multiple options available to the customers for registering in-store or through digital mediums
- A tier-based program to promote the high value shoppers to next tier
- Increased benefits in each tier that would encourage the shoppers to move to the next tier
- Special rewards on occasions like birthday
- Exclusivity to the members

2. Deeper Customer Insights

To encourage the customers to revisit the brand again and shop, a deep-level analysis of customers' purchase behavior, product affinity, transactions behavior and data from other touchpoints was captured at one place to derive actionable insights out of it. These insights on the active, dormant and lapsed period of customers were then used to segment the whole customer base and to target customers based on their shopping motivations and interests to derive the maximum value.

3. Engagement

Personalized Campaigns

Building an emotional connection with the customers through personalized campaigns by offering each customer a truly unique, intimate customer experience was another winning strategy employed by the brand. After TUMI deployed Capillary's Campaign Manager Solution to segment of customer data and map salient customer purchase patterns, the brand used automated, yet personalized, messages to build customer relationships. The offers were either for special occasions like birthdays and anniversaries, or they encouraged customers to shop during seasonal sales.

Recommendation Engine

The digital journey of the customers was further enhanced to offer the right product recommendations based on their shopping behavior and purchase history. For this, a deeper level of customer information was required to target each customer with relevant offers that would strike a chord with them and they end up buying more products than what they intended to, increasing the average transaction value and higher revenue from ecommerce.

In a nutshell, the TUMI team with the help of Capillary technologies was able to achieve:
- An extremely personalized and connected loyalty program
- Real-time access to loyalty information at any time using just customer's mobile number
- Leverage CRM Data to develop deeper customer insights
- Target customers with 1:1 personalized recommendations

Activity:

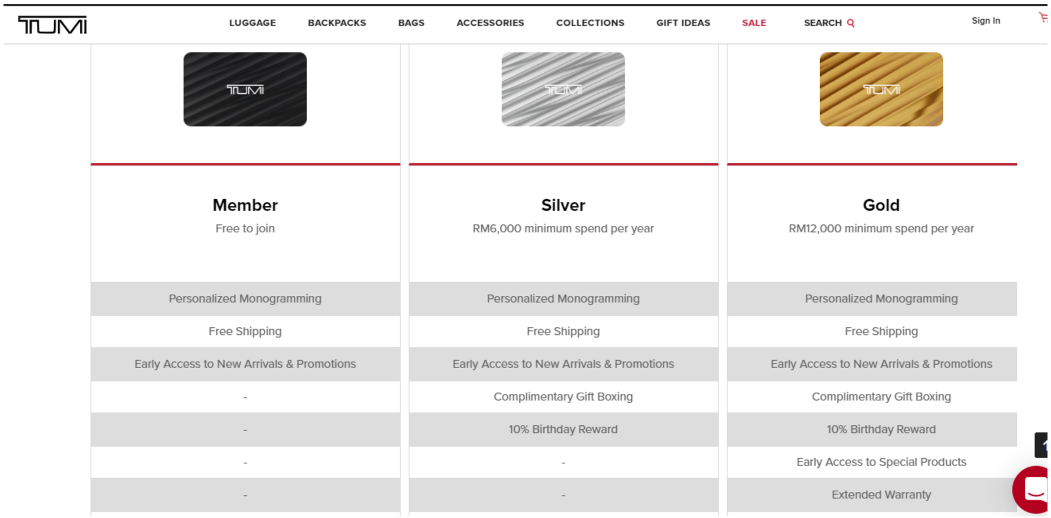
1. Loyalty Program:

TUMI wanted to design the perfect loyalty program structure which was accessible and omnichannel. A carefully designed consistent experience was delivered to the customers by providing them timely and real-time rewards as a part of their journey. The key to creating the loyalty program was a tier based approach where the customers can be moved from one tier to another based on their annual spend with the brand.

Tier-based Loyalty Program

By partnering with Capillary, TUMI launched its mobile-based loyalty program - TUMI Exclusives Club - for all customers. The program offers personalized rewards and privileges in real-time and comes with an easy signup and verification process both on the online website and in the store. The program has been designed in a unique way based on the annual spend of the customers and offering the rewards based on the tier they are a part of. This motivates the shoppers to purchase more and move to the next tier to enjoy more benefits.

In addition to this, the brand wanted to improve the program's effectiveness with regular monitoring and tweaks so that new customers can bring more revenue. This enabled customers to log in and view their loyalty status in real-time.


TUMI
LUGGAGE
BACKPACKS
BAGS
ACCESSORIES
COLLECTIONS
GIFT IDEAS
SALE
SEARCH
Sign In

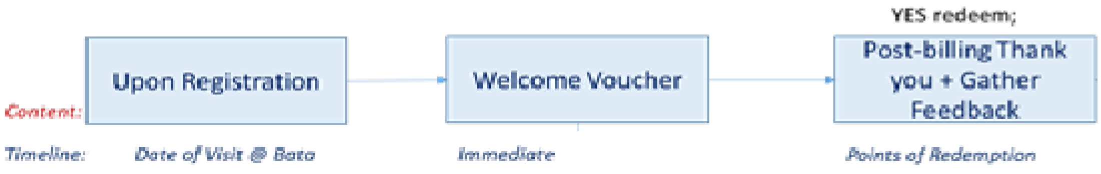
Member Free to join	Silver RM6,000 minimum spend per year	Gold RM12,000 minimum spend per year
Personalized Monogramming	Personalized Monogramming	Personalized Monogramming
Free Shipping	Free Shipping	Free Shipping
Early Access to New Arrivals & Promotions	Early Access to New Arrivals & Promotions	Early Access to New Arrivals & Promotions
-	Complimentary Gift Boxing	Complimentary Gift Boxing
-	10% Birthday Reward	10% Birthday Reward
-	-	Early Access to Special Products
-	-	Extended Warranty

There are three tiers in the rewards program - member, silver and gold:

- Member tier perks include personal monogramming, free shipping and early access to new arrivals and promotions
- Silver tier perks include complimentary gift boxing and a 10% birthday discount, apart from the lower tier perks
- Gold tier perks include early access to special products, extended warranty and 5% privilege discount, apart from the lower tier perks

While customers can join the gold tier after a minimum purchase of SG$4000 per year, silver tier customers must have a minimum purchase of SG$2000 per year. The member tier can be freely joined by anyone, including first time buyers. Customers must stay in a tier for at least 12 months before the next upgrade, to avoid misuse of the program.

Easy Registration Process


YES redeem;
Upon Registration
Welcome Voucher
Post-billing Thank you + Gather Feedback
Content:
Timeline:
Date of Visit @ Bato
Immediate
Points of Redemption

Since the loyalty program is built as an omnichannel one, there are more than one convenient ways to sign up and become a member. On the online platform, customers can easily sign up through the ecommerce website with a few clicks. To make the registration process easier from

TUMI's outlets, there are a range of registration options that the ground staff can help the customers with including through IPAD, QR Code, and transaction POS.

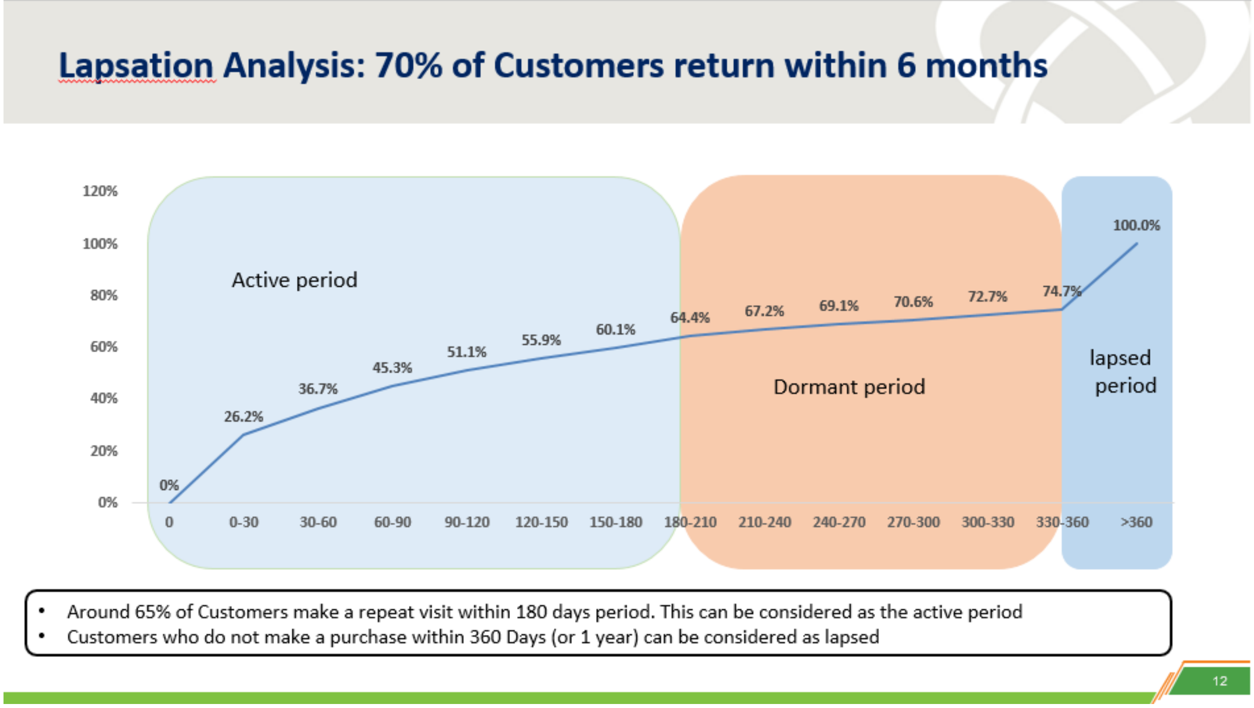
2. Deeper customer insights:

TUMI identified their most valuable customers by segmenting their customer base based on the last time they shopped with the brand and their frequency of shopping. With the help of Capillary Insights+, TUMI was able to analyse customer's profiles, spending amount and demographic factors to identify ideal times to target them with the right offers.

Lapsation Analysis

The brand first conducted a lapsation analysis to understand the repeat customers over a period of 1 year. The shoppers were divided into various categories based on their repeat purchase behavior within this time period. The customer base was categorized into three periods - active, dormant and lapsed. While the active period can be defined as the initial phase when the customers were most likely to make their second purchase with dormant showcasing the reduced interest over the next 5 months and finally the customer churning in the lapsed period of last month of the year. Customers who have not purchased for a period of one year are considered to have lapsed.

The data showed that 70% of customers were making their second visit within the first 6 months. This also helped the brand understand that to convert all first time buyers to repeat purchases, they need to be brought back to the store for their second visit within the first 6 months. The effectiveness of offer campaigning during the active and dormant periods has a huge role to play to convert all first time buyers to repeat purchases.

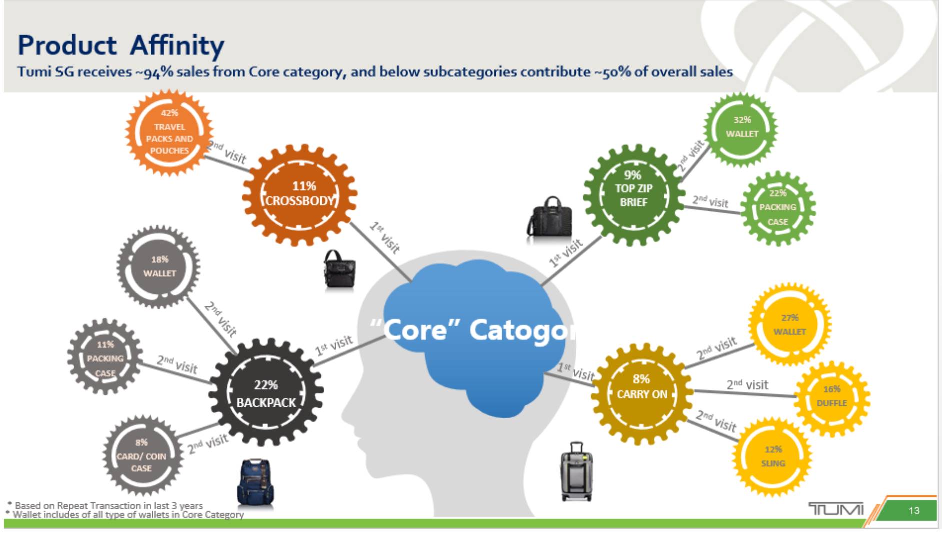


Lapsation Analysis: 70% of Customers return within 6 months

- Around 65% of Customers make a repeat visit within 180 days period. This can be considered as the active period
- Customers who do not make a purchase within 360 Days (or 1 year) can be considered as lapsed

Product Affinity Model:

An algorithms based model was developed to understand the customers' interest to purchase the second product based on their first purchase. The analysis was done on the core category, which is the most-purchased products in TUMI. For example, if a consumer buys a backpack on the first visit, he or she is likely to buy a wallet, packing case, or a card/coin case on the next visit. Similarly, purchase of a carry on luggage may be followed by a wallet, duffle bag or a sling bag on the next visit. This analysis gave TUMI an idea on personalized offers on the appropriate products.



Product Affinity

Tumi SG receives ~94% sales from Core category, and below subcategories contribute ~50% of overall sales

42% TRAVEL PACKS AND POUCHES
2nd visit
11% CROSSBODY
1st visit
18% WALLET
2nd visit
11% PACKING CASE
2nd visit
22% BACKPACK
1st visit
8% CARD/ COIN CASE
2nd visit
“Core” Catogo
32% WALLET
2nd visit
9% TOP ZIP BRIEF
2nd visit
22% PACKING CASE
1st visit
27% WALLET
2nd visit
1st visit
8% CARRY ON
2nd visit
16% DUFFLE
2nd visit
12% SLING
TUMI
13

- * Based on Repeat Transaction in last 3 years
- * Wallet includes of all type of wallets in Core Category

3. Engagement

Recommendation Engine:

Apart from the personalized offers, the online platform has a robust recommendation engine by creating a unique profile for each customer. Using these profiles, the engine suggests the right product promotion to be sent for each customer across various online and offline channels. The bundled offers will be shown to the customers when they add products to the cart, helping the brand in cross-selling products from different categories based on customers' interest.

Communication channels:

The TUMI team decided to use Email and SMS as the main communication channels with customers.

- These are the cost-effective channels when compared to other social media channels
- Very flexible, fastest way to reach and has a mass appeal among customers
- TUMI customers already receive the e-Bill through SMS or email so the familiarity of the channels is high

Personalized Campaigns:

Mclaren Rev it to Win it Campaign:

While personalization gave an emotional touch, TUMI also introduced gamification elements to bring excitement into customer engagement. To boost sales in the TUMI Mclaren collection, the brand partnership came up with an interesting spin the wheel campaign called Mclaren Rev it to Win it. All customers who visited the website on receiving communications spun the wheel and received exciting prizes such as SG$200, SG$100 or a chance to win a Mclaren Velocity backpack.

10% birthday reward campaign:

Customers in the silver and gold tiers receive a special reward on their special day. Customers' DOB data was collected during the registration of the loyalty program, therefore providing an opportunity to make the customer feel special on their birthday.

TUMI Exclusives campaign:

The TUMI EXCLUSIVES CAMPAIGN includes an exclusive 10% off on full priced styles. This offer is sent out bi-monthly or quarterly for the elite customers in the silver and gold tier of the loyalty program.

Response (July1, 2020 - June 30, 2021)

Loyalty Program

- With Capillary’s data-driven loyalty marketing, TUMI managed to gain over 31K+ loyal members in their database
- TUMI registered a total of over MYR 66M+ loyalty sales
- Currently 20% of the TUMI’s total revenue comes from its customers registered with its loyalty program
- The loyalty campaign helped TUMI achieve a conversion rate of 91%.

Customer Engagement

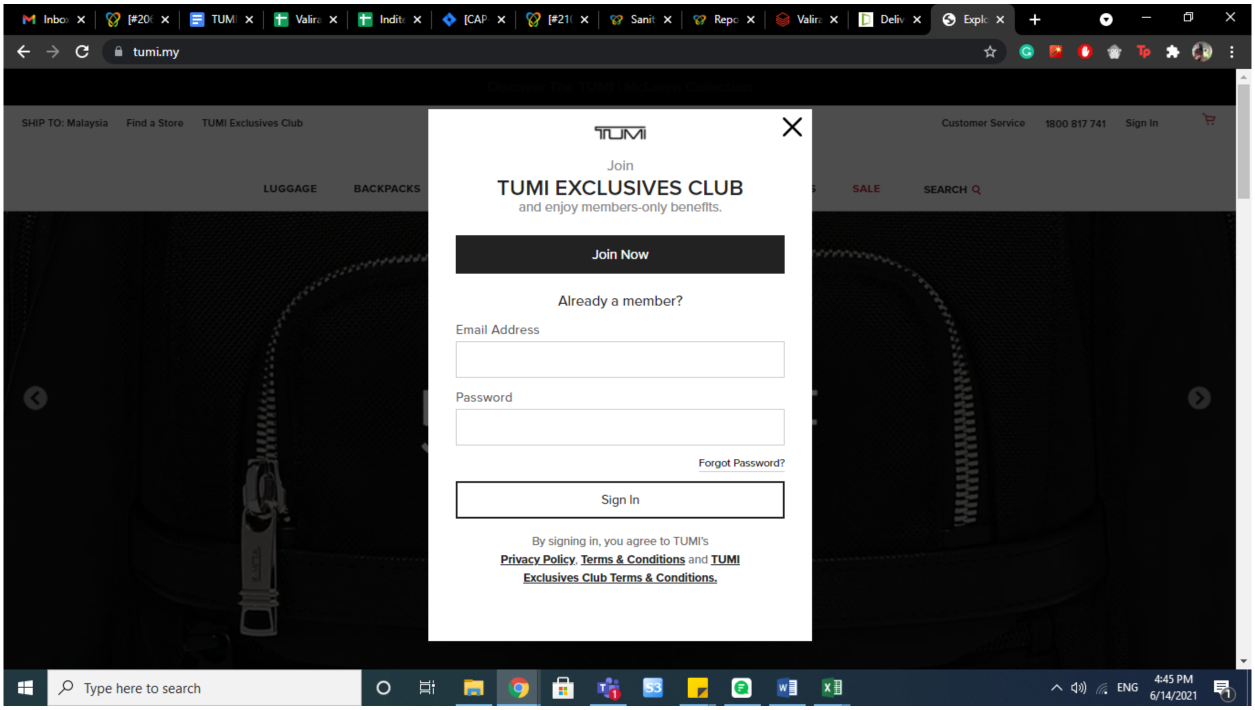
- During the COVID crisis, from April 1 to September 30, a total of 7.7K customers were engaged and made purchases worth 11M+ with the brand

Personalized Campaigns

The greatest achievement for the brand was driving online and offline sales during the COVID crisis with personalized campaigns:

- The Mclaren campaign resulted in the participation of 61,000 customers with a 4X ROI
- The TUMI EXCLUSIVES CAMPAIGN led to an ROI of 9x.

Number of campaigns executed - 79
Communications Sent all through these campaigns- 206091
Total campaigning cost concurred - 1471500
Total responder sales/Communication cost : ROI: 14x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Join

TUMI EXCLUSIVES CLUB

and enjoy members-only benefits.

Join Now

Already a member?

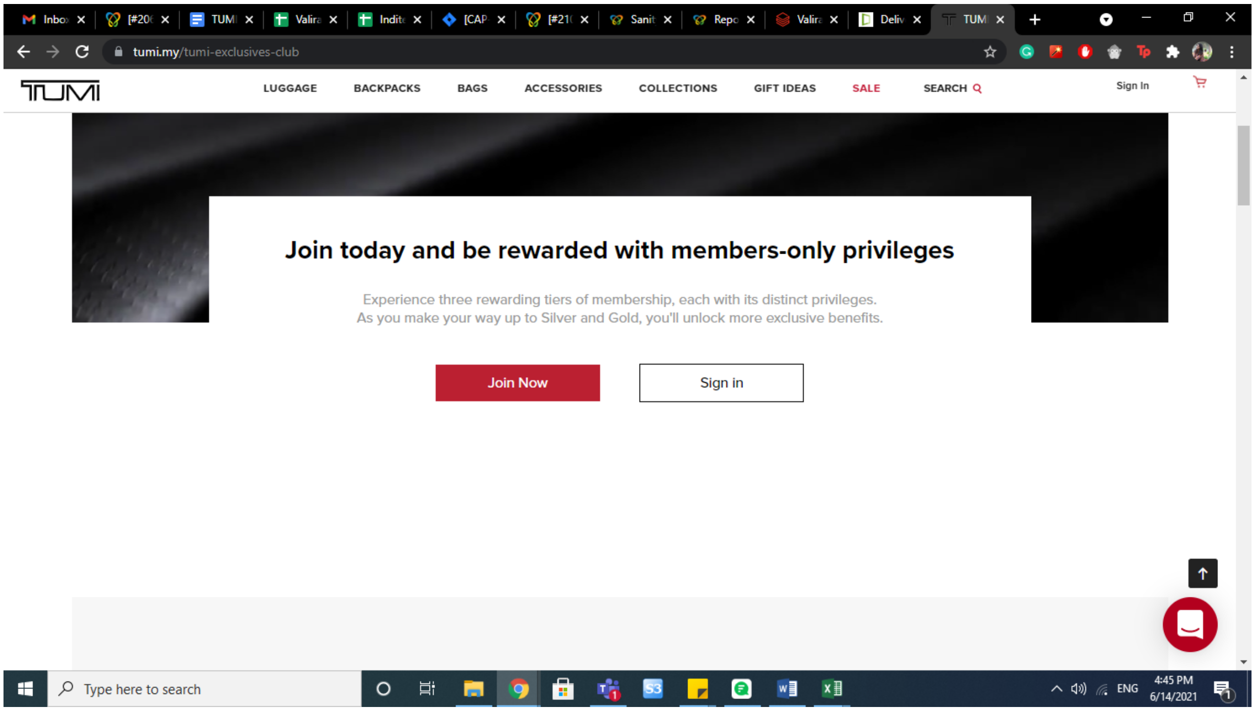
Email Address

Password

Forgot Password?

Sign In

By signing in, you agree to TUMI's **Privacy Policy**, **Terms & Conditions** and **TUMI Exclusives Club Terms & Conditions.**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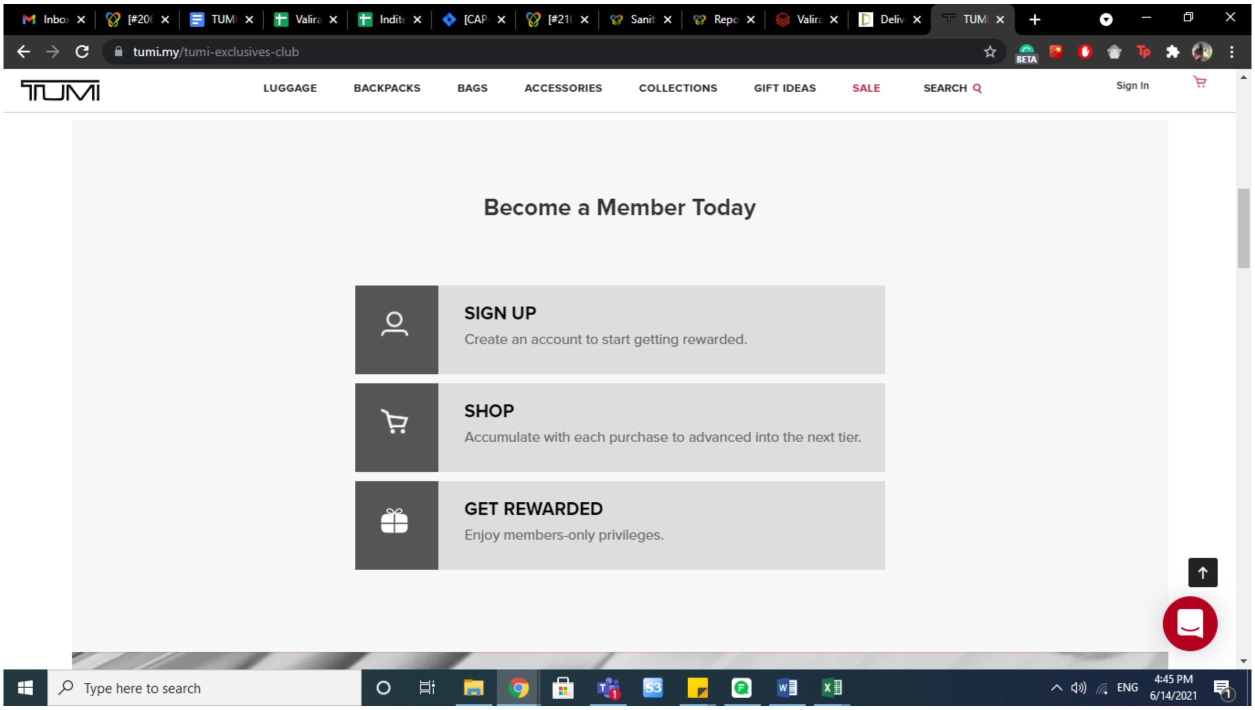
Join today and be rewarded with members-only privileges

Experience three rewarding tiers of membership, each with its distinct privileges.
As you make your way up to Silver and Gold, you'll unlock more exclusive benefits.

Join Now

Sign in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Become a Member Today

SIGN UP

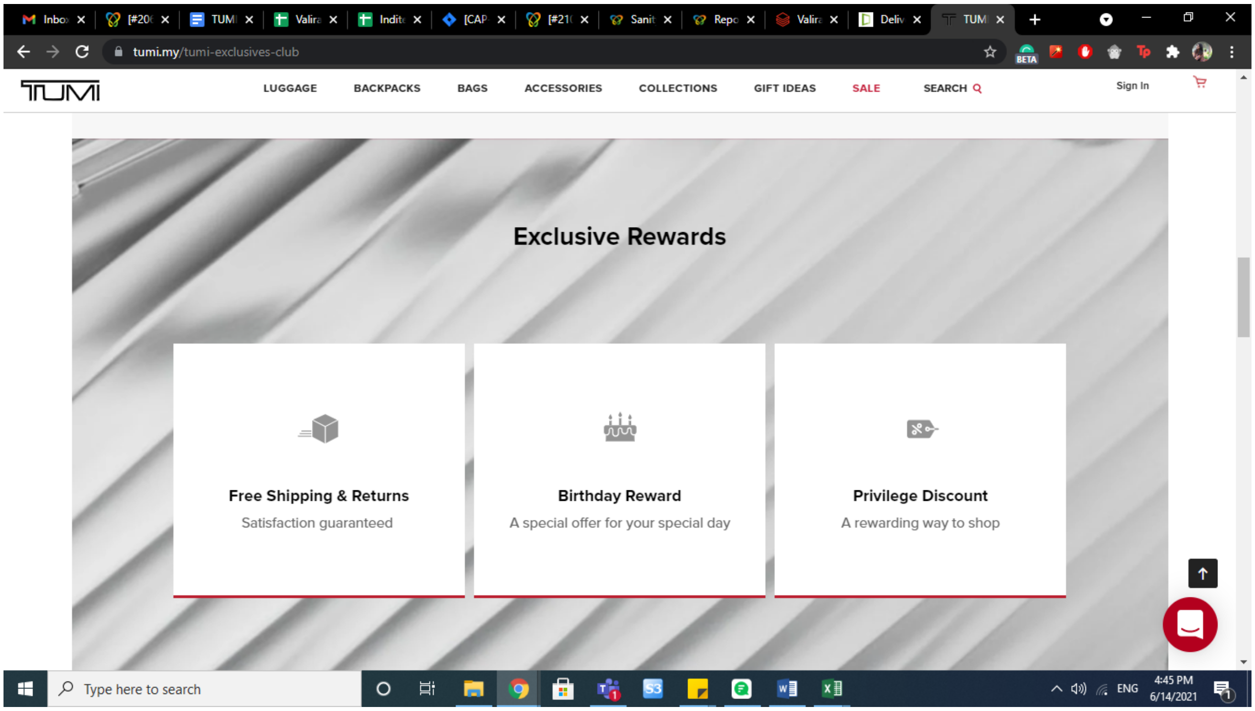
Create an account to start getting rewarded.

SHOP

Accumulate with each purchase to advanced into the next tier.

GET REWARDED

Enjoy members-only privileges.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Satisfaction guaranteed

Birthday Reward

A special offer for your special day

Privilege Discount

A rewarding way to shop