

CASE STUDY:

Chalhoub Group

Working with Salesforce has helped Chalhoub Group further improve focus on customer centricity

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It is very simple. In the long-term, customer obsession is the key difference between success and failure.

With the help of Salesforce, we are able to put our customers first every time.

*Kristof Lukovich, Chalhoub Group's Head of Digital,
Beauty Vertical*

When most people talk about Digital Transformation, it sounds like they're talking mostly about technology.

The truth is, it is really all about:



PEOPLE



ATTITUDES



BEHAVIORS



BELIEFS

With so much attention going to technology, it can be easy to forget that people need to fit into all of this. After all, a Digital Transformation can only be as successful as the culture behind it is effective.

Headquartered in Dubai, Chalhoub Group manages a vast portfolio of some of the - world's best-loved luxury brands, including L'Occitane, Dior, Tory Burch, Swarovski, Lacoste and the list is long. It's a big company and the go to expert partner for luxury beauty and fashion brands in the Middle East.

Kristof Lukovich, it's Head of Digital for Beauty Vertical, knew that the evolution of all these brands couldn't come from the evolution technology alone. For the Digital Transformation to take hold, to be effective and to last, he needed to bring in every stakeholder along for the ride to own this transformation together and work collaboratively for the same goal: delighting customers.

Overcoming The Fear of Failure

KRISTOF WAS DETERMINED TO PLACE CUSTOMERS AT THE HEART OF EVERYTHING THEY DID.

Making this happen meant going through a period of positive adjustment and the further enhancement of existing practices and mindsets.

One of the challenges was a regional specificity. While in the US, being direct, open to criticism, acknowledging feedback, being vocally self-critical and sharing failures/learnings is more embedded in the culture, it is somewhat less so present in the Middle East. And yet for successful digital initiatives, being able to move quickly, experiment, take decisive action and even pivot, a certain level of comfort with these cultural traits is indispensable. Equally, the luxury sector is all about perfection – a far-cry from the scrappy, agile and direct approach Kristof knew he needed to champion to drive further excellence towards the customers.

Digital Transformation requires a degree of boldness, experimentation and failure. To blaze this trail, Kristof had to show there was a better way. A way that is built on trust and positively involving all who wanted to be a part of the future success – without pointing fingers, and rather enabling the achievements of others as a servant leader.

“The obstacle was fear and inertia,” he said. “I had to show that making a mistake is perfectly fine – more than fine, it’s important as this enables the organization to learn and grow. To be successful in the digital space, you need rapid and continuous feedback.”



THAT’S HOW YOU WIN: YOU TRY AND TEST, YOU ANALYZE THE OUTCOMES, YOU LEARN, YOU ADJUST AND MOVE ON. KEEP REPEATING THIS IN FAST CYCLES, AND THE OUTCOME IS NOT A QUESTION.

A Customer-Centric Partnership

Before Salesforce, Chalhoub ran various initiatives through its centralized Group level legacy CRM set-up. While there was much good intention, the approach for a company this complex was not flexible enough, it was not close enough to the business. To effectively manage the relationship with the customer and ‘feel them’, the function needed to be embedded in the business.

“Attitudes, beliefs, habits – these all shape team culture,” explained Kristof. “For us, what we needed to regard as our cornerstone was this customer centricity, as it is the biggest determining factor between long-term success or failure.”

With this in mind, Chalhoub Group settled on Service Cloud, Marketing Cloud and Commerce Cloud to give its employees the tools to put customers first.

CLOUDS USED:



SALESFORCE PLATINUM PARTNER CHANGI HELPED BUILD THE FOUNDATIONS FOR THE NEW CUSTOMER EXPERIENCES.

The team together reviewed the available customer, transactional and product data to find the best way to create a single view of the customer and then build it in Service Cloud.

“You simply can’t address the sexier parts of marketing and communication – loyalty programs, newsletter and emailer campaigns, social media, automations, journeys, triggers – without having the right foundations in place. Probably there are less discussions about these key enablers, but we knew that it was our starting point” Kristof commented.

This wasn’t a one-off technology implementation, rather it was part of a larger change management undertaking. Changi were also there to help Kristof’s team and the wider group begin to make the most of their new cloud based tools.

“Changi helped us embed these into the Group’s natural business processes and create new services towards our customers and our brands. They continued to support us on our journey to become self-reliant”.

As Kristof put it:



CHANGI HAS BEEN WITH US AS AT EVERY STAGE OF GROWTH OF OUR DIGITAL MATURITY, AS WE LEARNED TO RUN IN NEW AREAS. THIS WAS DONE BASED ON A CO-CREATED STRATEGIC PLAN, AND WE HAVE HAD GREAT COLLABORATION AT EVERY PRE-ESTABLISHED PHASE.

Getting in The Habit of Moving Faster

Getting Service Cloud up and running was key to supporting Chalhoub Group’s digital transformation initiatives, providing the right data to feed the group’s marketing and eCommerce efforts at scale.

“We used Service Cloud to create a golden record of the customer,” said Kristof. “That’s been core to our ability to use Marketing Cloud for our marketing automations, the journeys, the emails, SMS and other notifications that we’re doing with our customers.”

Salesforce and Changi also allowed Chalhoub Group to embrace the agile mindset Kristof hails as so important for digital transformation.

“We don’t have to wait six months to integrate these solutions. Our CRM team in Beauty can now take a new brand on Service Cloud and Marketing Cloud live in a couple of weeks, supported by Changi in an agile manner if needed. That was impossible before, credit to the joint effort, the flexibility of Changi and the passionate work of our talented ladies in our CRM team.

“We started with our beauty brands, wanted to get it right first before opening what we built to help our sister verticals – Fashion and Joint Ventures Verticals. They have followed the example we established in Beauty and on an organizational level this opened up further synergies.”

Also, thanks to the Mulesoft implementation, Chalhoub Group can move quick and work on efficiencies at scale. They don’t have to bear the costs and time required to repeatedly rebuild integrations for every single brand separately.

“Service Cloud has become the default solution for our brands that have retail operations – which means Marketing Cloud has also become the default marketing solution” added Kristof. For a business the size and complexity of Chalhoub Group, this rate of adoption is a major strategic consideration.

Predicting and Meeting Customer Needs



Once the foundation were in place to start engaging with customers in new ways, through new channels, Kristof made sure the focus remained on the original goal – delighting customers.



Through analytics, customer interviews and engagements with the brands, the team set up specific, segmented and automated customer journeys that are unique to the many kinds of customers and products they’re dealing with.

For instance, “in Beauty I distilled the mindset of thinking in terms of ‘magnet products,’” Kristof explained. “If you put a certain product in your basket, what are those products that will complement that in your basket?”

UNDERSTANDING THIS DATA HELPS CHALHOUB GROUP MAKE RECOMMENDATIONS TO CUSTOMERS WHICH ARE CONTINUOUSLY GETTING MORE AND MORE ACCURATE.

Over time as Kristof explained, thanks to the implemented technology, processes and the trained team, this will move further towards personalized journeys and recommendations.

“The intent is not to create value sets, but rather to ensure that we continuously improve every day to help delight our customers who are also becoming more and more demanding” commented Kristof.

“The ultimate goal in luxury is to anticipate the customer’s wants and needs and respond to that in their favorite channel at the time when they want it, how they want it” said Kristof. “We want our customers to get delightful experiences with our luxury products at their fingertips. And this means we have to listen and adjust.”

“We need to allow our customers to tell us what is best for them, we need to actively listen”. A favorite example of Kristof is working more with WhatsApp as a business channel. The channel is a hugely popular among local customers, especially in Saudi Arabia– including also for customer care queries. Working with Changi, the Beauty Vertical quickly created a WhatsApp service channel for some of its brands. As Kristof commented, it is this mentality which helped the Beauty Vertical team be ready to take on the spike of customer support requests during COVID-19 without a drop in service level. “Our customers appreciated that we were able to maintain the same quality and excellence in serving them at all times”.

Realising The Value of Knowing The Customer

“The numbers are clear. Whenever we implement Commerce Cloud, we typically see a drop in bounce rate and site abandonment while also an improvement in mobile load time. In a region that’s mobile heavy, that’s already a win. We can calculate the financial value of that.” Commented Kristof.

“The ROI is positive and the numbers are going up. So we’re in a good place, but I want us to do even more.” Added Kristof.



Looking past COVID-19

Chalhoub Group know that more and more of its customers are buying online and engaging on multiple channels.

Because of COVID-19

“Even more brands are asking us to leverage Salesforce and help them create their respective successful digital strategy,” Kristof said. “The demand for digital transformation, the demand for the right tools to talk to customers and work with them, engage with them and do transactions through eCommerce has never been higher.



“Most companies are considering how to preserve cash, and being very careful about investments. But the one exception should be investments going into digital as the region will continue to move towards that direction at an accelerated pace. It’s a very, very exciting time.”



**SALESFORCE HAS HELPED CHANGE HOW WE WORK,
HOW WE SERVE OUR CUSTOMERS AND DO MORE
AND BETTER FOR THEM.
SINCE 2018 WE’VE EXECUTED HUNDREDS OF DIGITAL
INITIATIVES EACH YEAR FOR OUR BRANDS WHO
APPRECIATE THE VALUE OF A TRUSTED PARTNER
IN THE DIGITAL SPACE.**

Kristof Lukovich, Chalhoub Group’s Head of Digital, Beauty Vertical



Changi Consulting, LLC is a customer-centric consulting firm and a Salesforce Consulting Partner in the EMEA region. We build and deliver cloud-based solutions focused on helping you accelerate, automate, and optimize your operations.

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