



Epicor Success Story

Klem's Tractor

Revamps loyalty program using Epicor solutions and gains more than 27,000 loyalty customers

Company Facts

- ▶ Location: Spencer, Massachusetts
- ▶ Industry: Farm and Home
- ▶ Number of Stores: 1
- ▶ Number of Employees: 100
- ▶ Web site: www.klemsonline.com



Success Highlights

Challenges

- ▶ Outdated loyalty program that wasn't well tracked

Solutions

- ▶ Epicor® Eagle®
- ▶ Epicor Eagle Loyalty Manager
- ▶ Epicor Eagle In-Store Gift Card
- ▶ Epicor Compass™

Benefits

- ▶ Company sells over 2,000 Klem's gift cards per year
- ▶ No associated processing fees with gift card transactions saves hundreds of dollars
- ▶ More than 27,000 loyalty customers enrolled in program
- ▶ Saves time, and accuracy of promotion administration increased

Founded in 1946 as a tractor dealership, over the decades Klem's Tractor has added lawn and garden supplies, pet supplies, hardware lines and sporting goods. The company's diverse product offerings mitigate competition from local big box retailers. "If you need it, we sell it," said Jessica Bettencourt, president of Klem's. Klem's is a modern, 75,000 square foot operation using the latest technology from Epicor to manage over 300,000 SKUs.

Customers enrolled in loyalty program powered by Epicor

Klem's began using the Epicor Eagle In-Store Gift Card solution in 2009, and within four months of implementation they sold 500 cards, with \$18,000 in revenue. "Now, we sell over 2,000 Klem's gift cards per year," said Bettencourt. "With the Epicor Eagle system, we have no associated processing fees with gift card transactions, saving us hundreds of dollars each year in activation and processing fees."

A successful loyalty program

The success of the Klem's gift card program prompted the business to add a loyalty program through Epicor as well. Implementing the Epicor Eagle Loyalty Manager application was easy for Klem's. "The process was very straightforward. Our existing high-speed credit card terminals work for gift cards and loyalty cards, too. Within a day and half we had the loyalty program

up and running, including all the reporting we'd need to track loyalty customers," said Nick Kachadoorian, IT, inventory and purchasing manager for Klem's. "The hardest part was determining what type of rewards, and at what levels, we would give to our customers."

In the time since Klem's first implemented its loyalty program, the company has gained more than 27,000 loyalty customers. "Loyalty has been working very well for us. It allows us to remain competitive in a difficult environment by identifying customers with repeat purchases—enabling us to market to them. We run loyalty promotions designed to keep our loyal customers coming to our store. We know they account for a significant percentage of our revenue," said Kachadoorian.

Klem's can now easily create automated programs tailored to its business needs. "Supermarkets set the standard for retail promotions with tailored coupons printed on receipts. We can now do that as well," said Kachadoorian. "We can track customer purchases by SKU and print progress against promotions, and have award coupons printed at the point of sale. The system also has an alert for the cashier to highlight those coupons and promotions. It's a huge leap forward. We can now implement more creative promotions that increase loyalty and revenue."

"We have just over 27,000 customers registered for the Klem's loyalty program powered by the Epicor Eagle Loyalty Manager solution," said Bettencourt. "It allows us to track customers purchases, giving us invaluable information for marketing purposes. It also provides for better customer service when there is a return, recall, or question about an item they may have purchased."

Epicor Compass delivers loyalty reports and coupons

Klem's has big plans for its loyalty program. "Since we can use the Epicor Compass application to filter purchases by product, quantity, and date, we can work with vendors to send vendor-specific coupons," said Kachadoorian. "We can launch targeted promotions for a specific brand or even product. That's a three-way 'win' for our customers, vendors, and us."

The company uses Epicor Compass reports to track points accrued by each member of the reward program. "I could use Epicor Business Advisor and Microsoft® Excel® to create reports, but with Epicor Compass, the reporting is even more automated. With a few clicks, I can generate individual letters containing a nice note and a reward coupon for all customers

that have attained a specified point level over a certain time," said Kachadoorian. "The coupon has a unique bar code so we can track redemption. At the point of sale, the cashier simply scans the barcode and our customer redeems their coupon."

Loyalty customer reports deliver keen insight into buying behavior. "With so many customers enrolled in our program, we can track frequency and size of loyalty customer purchases and really understand their buying behavior. We know who redeems coupons and can assess how long it takes customers to reach our current reward thresholds," said Kachadoorian. "Armed with that information, we can continually evolve the program to drive incremental revenue."

Hello automated tracking—goodbye spreadsheets

Armed with Epicor Compass, Klem's has been able to run daily queries to aid in tracking customer performance against various promotions. "For example, we had a fairly typical pet food promotion where after a customer purchased ten bags of pet food, they earned a free bag. In order to administer the program, we ran a daily Compass query that exported to a spreadsheet that highlighted customers that had reached the ten bag threshold. We then had to mail the customers a coupon for their free product and manually reset their purchase count to zero," said Kachadoorian. "Running that same promotion today is fully automated, complete with the coupon printing at point of sale when the tenth item is purchased. Epicor Eagle Loyalty has saved us five to ten hours each week and more importantly, our customers are happier."

Custom loyalty promotions drive revenue

Imagine the power of being able to work with vendors to create custom promotions, or the ability to take advantage of vendor promotions that were previously out of reach. "We work with hundreds of vendors and find that they are very willing to provide free products for promotions," said Kachadoorian. "We now create win-win promotions that increase our revenue from specific products, with very little manual administration. We also have better data on sales and promotion effectiveness from which we can do better targeted marketing to our loyalty customers. Going full circle, we can then get more customers into our loyalty program by communicating the breadth and quantity of promotions available, with no pesky punch cards."

"We know the Epicor Eagle Loyalty Manager solution has paid off in sales, improved customer service, and employee satisfaction," said Kachadoorian.

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit www.epicor.com.



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