



## Business Impact

Grocers are becoming increasingly aware that developing meaningful customer insights and the ability to deliver lights-out, customer-centric marketing programs are key factors in differentiating winners from losers in the grocery sector.

## Challenges

- Increased competition.** With more channels offering food-related merchandise, it is harder than ever to compete for customers.
- Pressure to compete on price.** Today's economic conditions make customers more price-sensitive, and it's hard to resist the pressure to lower prices.
- Customer-savvy competitors.** Many large competitors are already using customer-centric programs to drive trip frequency, basket size and margin; it's a matter of keeping up or losing out.
- Being data rich, information poor.** Loyalty programs provide volumes of customer data, but it's difficult to create dynamic customer segments to create customized marketing.
- Arduous processes.** Marketing systems aren't set up to make use of customer insights in an automated, lights-out manner.
- Difficulty sharing information.** Reporting processes are unable to deliver timely, relevant information to internal users and external partners.

## How can grocers deliver lights-out, customer-centric marketing to drive profitability?

### YOUR GOAL: Retain and expand customer base and increase market share

Retailers across the board are facing more challenges than ever, and no segment is feeling this more than grocery. Changing customer demographics, greater price sensitivity, super-efficient mega-merchants and a proliferation of alternative channels all mean a need for greater customer-centricity. Today's economic turmoil has also given rise to a growing level of uncertainty as to what the future holds in such a hypercompetitive and evolving marketplace.

Competing on price alone is no longer a viable option due to the growing popularity of mega-merchants and dollar stores. Instead, grocers are finding that they must identify and meet the fast-changing needs and wants of different customer segments in order to stay competitive in today's consumer-centric market. That means understanding customer behavior and engaging in more personalized customer interactions across all touch points in order to create an emotional response that drives loyalty by causing customers to see you not as "*the* store," but as "*my* store."

### THE SAS® SOLUTION

While most grocers have a wealth of data, they typically lack the time and resources necessary to incorporate detailed insight into customers and promotion efforts in a sustainable fashion. To stay competitive, you need a way to evolve existing first-generation loyalty programs into a next-generation customer-centric marketing strategy.

SAS approaches the problem by delivering software and services that enable grocers to:

- Create a repository of consolidated, high-quality data** by integrating information from loyalty programs, transaction files, demographic appends and vendors into a single version of the truth.
- Gain valuable customer insights and identify meaningful segments** using industry-leading customer analytics to predict purchase behavior, create marketbasket analysis and identify customers who are at risk of shopping the competition.
- Engage in automated, lights-out marketing** with easy-to-use interfaces that enable marketers to quickly create personalized offers.
- Provide marketers, merchants and vendors with daily access to customer and promotion information** using tools that are customized to the skill sets and information requirements of various users.

SAS gives you the ability to quickly and easily understand customer behavior and automate delivery of more relevant and personalized communications that improve the effectiveness of your promotions and drive increased sales. SAS can deliver a complete set of customer-centric marketing solutions to you today.



## THE SAS® DIFFERENCE: Greater efficiency, customer insight and financial success

Only SAS combines the power of business analytic applications with proven retail expertise to help grocers fuel top- and bottom-line growth. With SAS, you get:

- **Effectiveness.** SAS is a recognized leader in providing sophisticated and scalable analytics for identifying strategic customer segments and recognizing those customers who are most likely to respond to marketing efforts. SAS Analytics are incorporated into scalable, customer-centric marketing solutions that enable the lights-out automation required for a sustainable process.
- **Ease of use.** An interface designed specifically for marketers lets them easily target offers based on customer insight. Users can establish rules to further enhance outcomes from automated marketing routines that encourage optimal customer behavior.
- **Integration.** Only SAS provides a robust, flexible platform that enables your IT staff, and your marketing optimization processes, to take advantage of existing technology investments, which decreases your total cost of ownership.

SAS has worked with leading grocers and retailers for more than 30 years to develop solutions that enable a deeper customer understanding and more effective customer interactions.

### CASE STUDIES

#### ■ A Large Grocery Chain

The company sought to overhaul its data warehouse and campaign management infrastructure to meet growing loyalty marketing needs and shift from a product-centric to a customer-centric marketing strategy; however, existing processes did not tightly integrate with its customer analytics. Using SAS, the company created a more integrated, streamlined system with a lower cost infrastructure that enabled delivery of more targeted offers and increased response rates. As a result, the company expects a 3-5 percent increase in revenue.

#### ■ An International Marketing Consultancy and Services Company

The company needed a platform for providing customer insights and marketing services to grocers and other retailers. It chose SAS for its scalability, flexibility and ability to manage and store large volumes of customer data. The SAS solution resulted in faster results and better use of customer data assets to pursue new business opportunities, improve loyalty, increase customer spend and drive profits. The company's largest grocery client is experiencing a 40 percent redemption rate on targeted offers and has increased sales by 5 percent.

#### ■ A Large Canadian Grocer

Increased competition and eroding margins created a need for greater customer retention and increased loyalty. That meant the company needed greater customer insight to drive better merchandising decisions and offers that would increase customer wallet share. SAS helped the grocer understand customer segments and buying patterns by analyzing all point-of-sale and customer data – which will provide a 3-5 percent increase in customer spend.

#### ■ SAS® solution overview

##### Consolidated, high-quality data

What if you had a single source for integrated, high-quality data and could eliminate costly third-party vendors as the gatekeepers of your most important information asset?

##### Strategic segmentation and predictive behavior analysis

What if you could improve the effectiveness of promotions through a deeper understanding of customer buying behavior, including identifying lost and/or declining buyer behavior patterns that you could then target with programs designed to drive them back into your stores?

##### Automated, lights-out marketing

What if you could market to customers – in an automated, lights-out manner – with targeted offers that would drive increased sales without eroding your margin?

##### Customized reporting

What if you could arm your marketers and merchants with reports that pinpoint which offers were most profitable and what customer segments were most attracted to those offers?

### SAS FACTS

- SAS has been in business since 1976 and today has customers at more than 45,000 sites worldwide.
- SAS customers make up 96 of the top 100 companies in the 2007 FORTUNE Global 500®.
- CRM magazine has named SAS the leading provider of CRM analytics for four consecutive years.

Learn more about SAS® software and services for grocery at:  
[www.sas.com/industry/retail/grocery/](http://www.sas.com/industry/retail/grocery/)



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