



## Brazilian grocery giant stocks customer knowledge for successful promotionals

### ■ Industry

Retail

### ■ Business Issue

Use customer data to define the best product mix for each store, optimize pricing and promotions, and keep customer needs at the heart of all marketing campaigns.

### ■ Solution

SAS Campaign Management, SAS Marketing Automation, SAS® Enterprise Guide®, SAS Web Report Studio

### ■ Benefits

Number of campaigns increased from five to 18 a month, which results in an increase in sales by targeting customers who are most likely to buy a particular product.

After Brazil's hyperinflation period ended in 1995, retailers such as grocery giant Pão de Açúcar Group sought to guide their actions based on customer behavior. So they began storing data from commercial transactions and analyzing buying habits – and, as a result, placing a greater focus on customers.

The Pão de Açúcar Group uses SAS to streamline its campaign management processes and increase its knowledge of customer preferences, making the organization a model for the use of analytical intelligence in Brazilian retailing.

With 597 retail food stores, 74 gas stations and 142 pharmacies generating gross sales of US\$10 billion each year, the Pão de Açúcar Group is a formidable, familiar presence in Brazil.

#### Focus on the customer

Many retailers still rely on customer surveys that generate databases full of valuable information, which in turn gets lost or mishandled. Smarter companies organize information in analytical databases and create automated processes to increase customer response rates and to simplify decision making.

A common analytical practice is customer segmenting, where consumer groups are identified and classified based on consumption profile similarities, not just on characteristics such as age, gender, income or residence. This segmentation is widely used to define the product mix for each store, as well as for customer relations strategies.

A good example of the use of customer segmentation and basket analysis is Pão de Açúcar's Mais (More) customer-loyalty program, which identifies and analyzes the consumption profile of each consumer. For example, "Santos," a 40-year-old male customer, always buys bread, lunch meat and juice when he shops at 8 p.m. each Wednesday and Saturday. Using basket analysis, the grocer knows to include Santos in its next promotion for juice, because he is likely to respond favorably.

#### More campaigns, better results

In Brazil, the Pão de Açúcar Group has been a leader in activities that seek to increase customer knowledge and meet their needs. This goal led the company to continue investing in tools that provided a deeper and more analytical understanding of the customer.

When the grocer decided to expand the Mais customer relationship program to support this strategy, the CRM division implemented SAS Marketing Automation for campaign management.

According to Patrícia Harumi Tsuji, Manager of Market and Consumer Knowledge, Relations and Services for the Pão de Açúcar Group, "SAS Campaign Management helped with the design of our processes. Before, when a team member left the company, their knowledge was lost. With SAS Campaign Management, that doesn't happen anymore. If we want to review data next year, there's no problem – everything is centralized in the solution."

“Before SAS, we conducted five media campaigns a month. After we implemented it, that number has jumped to 18.”

**Patrícia Harumi Tsuji**  
Manager of Market Intelligence/CRM  
for the Pão de Açúcar Group

By implementing the solution, the department is able to achieve greater agility in a variety of activities, such as filtering clientele and analyzing direct marketing campaigns. Things that they used to do by hand are now automated. This saves time and creates a systematic manner of working. According to Tsuji, the SAS solution adds uniformity to their processes, creates patterns and automatically reduces the margin of error.

Tsuji focuses on how the organization uses SAS and develops studies for all its brands. “It’s a really crazy amount of information. To give you an idea, there were 6 billion data points stored last year, and we were only able to process them thanks to SAS solutions.”

In addition, SAS Campaign Management can dynamically format files that are shared with suppliers. The solution sends the files – such as direct mailings, e-mails and other customer relations tools – in the proper layout and in a shorter amount of time. “Before SAS, we conducted five media campaigns a month. After we implemented it, that number has jumped to 18,” Tsuji notes.

### Challenges for the sector

For Cristina Serra, Director of Market and Consumer Knowledge, Relations and Services, the sector faces certain challenges. One of these is figuring out who the consumer is.

“We really started to pay attention to the makeup of receipts when we got SAS. Then, we implemented SAS Campaign Management in order to integrate the whole analytical and campaign management component and handle it in-house; previously this was handled by our agency, not in our own offices. We wanted to centralize this knowledge, as well as design a campaign, select the clientele, put it into practice, manage it and evaluate its performance – and also learn from the past and apply what we learned to future campaigns,” explains Serra.

### IT as a strategic pillar

For Hugo Bethlem, Vice President of Supply Chains and IT for the Pão de Açúcar Group, technological innovation involves looking for solutions that create better returns for stakeholders in terms of productivity and data.

“We use SAS for all our comprehensive intelligence and analysis of register receipts, customer profiles and potential CRM activities that might be developed to increase sales with greater profitability,” he says. “We’re on an adventure; we’re on the lookout for new technologies that are just starting to emerge on a global level, let alone in Brazil, like handhelds were for in-home order deliveries in the 1990s.”



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