



Business Impact

“The power balance has shifted from retailer to consumer, and it’s imperative that retailers analyze customers’ needs and plan their inventory and marketing approaches accordingly.

— Greg Girard, IDC Retail Insights

Challenges

- **Fully understanding, and acting on, customer information.** Without customer analytics, it is difficult, if not impossible, to understand who to target and how to communicate within each customer segment.
- **Aligning merchandising and marketing.** Today’s demand-driven grocery environment requires analytics to identify and segment your customers, effectively design merchandising and marketing programs that target your unique segments and drive higher incremental basket profitability and loyalty.
- **Obtaining shopper-centric insights.** Grocers need to establish a measurable approach to coupling shopper insights with merchandising and marketing decisions to create a sustainable competitive advantage through an improved shopper experience.
- **Executing on shopper insight.** Grocers require a common modeling and data platform to evaluate and execute targeted initiatives that enable grocers to understand and engage with customers in more relevant and meaningful ways.



How can grocers gain customer insights and deliver personalized promotions?

YOUR GOAL: Create customer-relevant promotions to improve loyalty and profitability

The battle for the consumer dollar in the grocery business is fierce. Online retailers, mega-discounters, drug and convenience stores, local markets and green retailers are all competing with traditional grocers. Customers are shopping more frequently, and nearly 75 percent of purchase decisions are still made at the shelf, providing grocers with an incredible opportunity to influence customers at the point of purchase and increase incremental purchases. As a result, promotional activity is increasing and grocers are recognizing the need to deliver relevant, engaging and targeted communications.

Today’s customers are more sophisticated and informed, so you need to know who they are, where and why they shop and what motivates them. Increasingly, you have to understand how they want you to interact with them, whether in-store, email, social or mobile. Analyzing the data complexities of customer transaction and loyalty card information, coupled with online behavior and social media sentiment, has made creating successful promotions a daunting task.

OUR APPROACH

In order to differentiate, increase market share and improve profitability, grocers need a high-performance analytical foundation to analyze their loyalty, market and transactional data. Customer analytics can provide detailed insight into your customers and their households. It provides grocers with an understanding of what consumers buy and why, and what motivates them to stay or leave. It enables effective segmentation based on lifestyle, lifetime value and shopping behavior. We approach the problem by providing advanced analytics and retail software to help you:

- **Better understand customer segmentation and trip analytics.** Your decisions become shopper-centric by using a closed-loop analytical and execution process that constantly refines segments and measures their market basket performance based on demand patterns. This leads to increased sales and margins.
- **Optimize marketing.** You can realize higher promotional response rates by targeting customers with the highest propensity to increase incremental spending. This improves customer loyalty and profit and maximizes marketing ROI.
- **Integrate consumer insights into promotions.** Having an understanding of how promotions affect each customer segment based on type, price and ad vehicle before promotion execution enables more effective targeting strategies for customer retention and migration, leading to more loyal customers.
- **Create what-if evaluations to enable high-performance promotion optimization.** Category managers and merchants are quickly able to evaluate the effect of cannibalization, ad placement and ad cost of multiple promotion options. They can easily determine how shoppers will respond and the resulting financial effects, enabling more profitable and predictable promotions.

SAS provides the most comprehensive and detailed customer analytics to understand your shoppers. Our platform enables you to target unique customer segments in personalized ways using circulars, promotions, digital marketing and social media channels.

THE SAS® DIFFERENCE

SAS has the grocery domain expertise and high-performance analytics to power customer-centric grocers. We give you the power to know your customers firsthand, without dependency on others. More than 600 retailers worldwide trust SAS, including grocers of all sizes, the major customer loyalty and analytics firms, and mega-retailers involved in grocery.

Only SAS enables you to:

- **Solve problems faster and in greater detail.** Identify profit opportunity gold mines with an accurate store/SKU forecast to feed replenishment requirements and improve in-stock positions to meet customer demand, increase sales and enhance customer loyalty.
- **Optimize promotions for high performance.** Evaluate the full effect of a promotion on customer segments. The effects of halo, cannibalization, affinity and other factors can be determined in advance, resulting in more effective and profitable promotions.
- **Gain customer insight.** SAS provides the ability to integrate customer insights in promotion decisions to enable creation of more targeted offers and accurately measure the resulting effect on profitability.
- **Capitalize on near-real-time offers.** You can offer mobile couponing to specific customers so that each offer is optimized for the customer's buying behavior and propensity to respond, increasing loyalty, redemption rates and ROI.

We can give you the power to increase sales, margins, and customer retention and loyalty via more effective promotions.

CASE STUDY

Situation

A leading North American grocery chain was facing increased competition and eroding margins. They wanted to enhance shopper insights and foster better decisions and sought SAS' help.

Solution

SAS delivered a solution that:

- Allowed the company to abandon manually updated spreadsheets and home-grown tools that encouraged reliance on intuition rather than analytics.
- Provided the leading technology necessary to establish rules and forecast demand to optimize promotions and pricing that led to greater profitability.

Result

- A 200 percent increase in shopper response rates.
- Offer redemption rates increased by more than 300 percent.
- Data can now be managed in one location for more consistency, which supports better decisions at the store level.
- Allowed the company to identify loyal shoppers, and helped provide better offerings to improve customers' shopping experience.

What if you could ...

- **Identify profit opportunity with more accurate store/SKU forecasts.** What if you could better predict replenishment requirements and improve in-stock positions?
- **Create higher-performing promotions.** What if you could more accurately account for the effects of cannibalization, affinity and other factors?
- **Integrate customer insights in promotion decisions.** What if you could create more precise offers and determine how your promotions will affect profitability?
- **Offer mobile couponing to specific customers.** What if each customer offer were optimized based on the customer's buying behavior and offer responsiveness?

You can. SAS gives you The Power to Know®

SAS FACTS

- Through innovative solutions, SAS helps customers at more than 60,000 sites improve performance and deliver value by making better decisions faster. SAS offers more than 35 years of data mining, predictive analytics and forecasting expertise.
- SAS customers or their affiliates represent 90 of the top 100 companies on the 2012 Fortune Global 500® list.

Learn more about SAS software and services for health insurance:
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