



Customer:

Long-established supermarket chain in major urban area

Challenge:

Producing and distributing an ad circular every week was its biggest marketing expense. But how was this contributing to sales, and how could the chain improve the circular's effectiveness?

Solution:

Measure best customer response to promos in circular (vs. cherry pickers) to maximize yield

Turning the Weekly Circular into a Business Driver

Most supermarkets feel that the only thing worse than producing that circular every week is *not* producing it at all and running the risk of torpedoing sales volumes and losing customers. But with competitive pressure tougher than ever – and brands looking for more volume and lift for their advertising dollars – this chain of urban markets came to YOU Technology with a mission: to turn the circular into a greater profit driver.



The TLog had answers they needed, but it wasn't talking

It's not hard to see when customers are responding to a promoted special: sales typically go up. For example, the promotion on ground beef was a big hit, driving a four-fold increase in sales! Less clear, however, is whether that short-term bump has a longer-term positive impact on the business – or even a net positive impact during the sale period.

YOU Technology framed the problem in somewhat different terms. "How can we use the most precious promotional resource you have – the weekly circular – to grow your business with your best customers?"

The answer to the question of course was in the cash register rings. But the chain's POS TLog didn't provide any means for differentiating between shopper segments. The chain turned to YOU's turnkey loyalty and shopper insight tools to capture and analyze data on individual customers' purchasing behavior. This data could then be used to recognize how different segments of the retailer's customer base – especially best customers – were responding to advertised specials.



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YOU Technology created a system of front page analysis reports for the retailer, letting it see key household profiles broken out by 7 spend levels. It included information on how many households were taking advantage of advertised specials, their total number of visits to the store, and percent of total basket dollars that were taken by discounts. More powerful than any one report was the ability to see trend data over time and the progress the chain was making as a result of the changes to its circular.

Knowledge is indeed power

The front page analysis proved invaluable to the retailer, bringing a new level of understanding to its marketing, merchandising, and pricing strategies. While helping the retailer hone in on the best practices for marketing to its best customers, the analysis also has provided a clear picture of what kind of promotions to avoid. Using this analysis, the retailer realized that the meat promotion mentioned earlier – the one that was a four-fold “success” – did so by bringing cherry pickers into the store, creating short-term spikes in sales but earning no sustained incremental business.

Today the front page analysis remains a vital merchandising tool, used not just by the retailer’s marketing department, but also by category managers and other departments, from produce to bakery, to gain insight into their customers. The expertise that YOU Technology brought to the table turned a nagging problem into a lever to create loyalty and win new business.

About YOU Technology: YOU Technology revolutionizes the way brands and retailers connect with consumers by delivering personalized communications in real-time and across a range of media. Customers such as Kroger, Lowes Foods, Shop ‘n Save, Dr Pepper Snapple Group, Unilever, and General Mills use YOU Technology for paperless digital coupons, interactive promotions, and end-to-end loyalty programs. YOU Technology offers its customers flexible quick-start options that make it easy to get started. For more information, visit www.you.net and find out how YOU can help...you.



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