

CASE STUDY

A LARGE AMERICAN SUPERMARKET CHAIN

SEGMENT | Grocery

PRODUCT | Customer Data Platform, Customer Journey Orchestration

CHALLENGE | Poor customer engagement and low conversions from marketing campaigns due to lack of insights-driven personalized, omni-channel marketing.

RESULTS

- **100% increase** in digital account growth
- **4X increase** in mobile app usage
- **3% increase** in revenue
- **35%** of offers redeemed
- **2 hours** to create promotion from 8 days

ALGONOMY

“Our partnership with Algonomy and use of their customer analytics solution to power our digital engagement and personalization platform, has helped us deliver the kind of contextualized digital experiences and interactions that consumers are expecting from their brands of choice. And most importantly, we’re seeing these efforts translate into incremental sales and profits for our retail clients. At the end of the day, that’s what it’s all about.”

– Randy Crimmins

Chief Strategy Officer at Relationship (Algonomy Channel partner for Grocery clients in U.S.)

The customer is one of the largest privately-owned retail chains in New England and has been in operation since 1930s. Headquartered in Massachusetts, the grocer is listed in Forbes Top 500. In addition to Grocery, the company covers pharmacy, prepared foods, and fresh foods.

The grocery chain struggled with how to implement and sustain a data-driven, targeted marketing strategy. In their earlier state, they at best sent weekly email flyers to their customers on all the offers without any customization based on customers past purchase and preference.

- Multiple channels were deployed, however, there was no integration among digital systems leading to lack of unified customer experience across channels.
- They were unable to run multi-channel campaigns and email campaigns were run manually with no holistic understanding of performance.
- There was no personalization and targeting capabilities on e-commerce and mobile app leading to low (~10%) digital penetration and engagement.

Algonomy, along with their specialist partner Relationship, deployed a Customer Data Platform at the American Grocer to create a unified view of customers across online and offline channels. The CDP’s intelligence layer supported by machine learning algorithms helped create granular customer segments by applying RFM modelling, understand customer journeys, identify products of interest, and utilize propensity models to gauge likelihood to respond, buy & churn. Armed with deep customer insights, the grocery chain adopted a personalized marketing approach that was curated to each customer’s preferences, transactional behaviour, lifecycle stage, and promotional activity. The recommendation engine was crucial to enable this, and business could easily set rules such as: only pick offers that are active in customer’s home stores, offer deep discounts for acquisition targets, lower discounts for ‘reward’ category and only recommend products on offer. The CDP enabled a test & learn environment to measure and change course to ensure success.

Shift to data-driven marketing to increase customer share of wallet



Acquire

Introduce existing customers to new categories they currently don't buy.



Reward

Provide relevant incentives to engage, increase purchase frequency and upsell.



Retain

Win back customers who discontinued buying certain category, or reduced frequency of purchase.

Using predictive modelling, the grocery chain was able to enhance its targeting resulting in improved response rates and revenue. The CDP enabled recommendation algorithms to personalize offers and products which was orchestrated through their weekly newsletters to customers.

AI was applied to automate and optimize performance and contact governance. The platform enabled display of high affinity items on shopping list, recommend items for substitution, value, or nutrition switch outs. The client could automatically load and apply offers on customer's shopping list based on loyalty program. Real-time triggers based on activities such as app launch, add to cart, app uninstall, etc. were enabled.

Algonomy's CDP enabled better targeting for weekly newsletters while orchestrating them in a single, consolidated template, through automation. The client was able to drive personalized communication to loyalty account customers as well as personalize advertised products and digital coupons to all customers based on their purchase behaviour. They could dynamically personalize e-mail look and feel, images, products, and best-fit offers, to make best use of limited real-estate. Additionally, promotion content was versioned based on the home store of the customer.

Algonomy's integrated engagement platform with machine-learning based algorithms helped the client personalize customer engagement across touchpoints – email, app push notifications, SMS, ecommerce, and more.

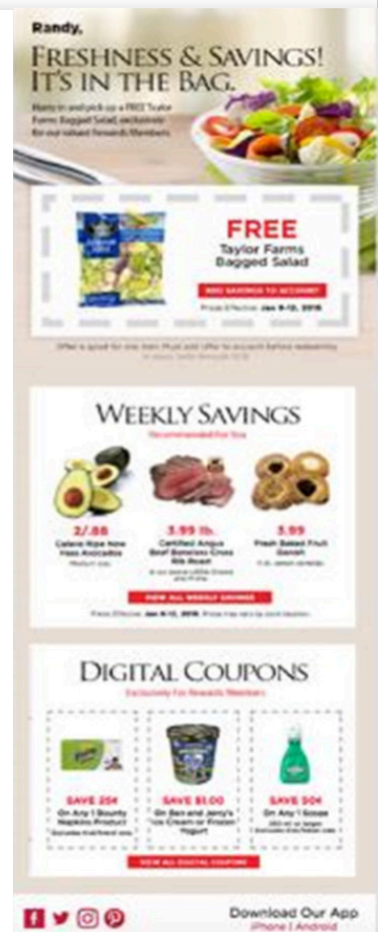
Targeted Segment →

Personalized Offers & Content →

Recommended Items →

Recommended Digital Coupons →

Consolidated weekly e-newsletter



ALGONOMY

Algonomy (previously Manthan-RichRelevance) is a global leader in algorithmic customer engagement powering digital first strategies for retailers and brands. With industry-leading retail expertise connecting demand to supply with a real-time customer data platform as the foundation, Algonomy enables 1:1 omnichannel personalization, customer journey orchestration and customer analytics. Headquartered in San Francisco and Bangalore, our global presence spans over 20 countries. To learn more, please visit algonomy.com.