

One Retailer's Digital Journey

Price Chopper evolves from value-driven to experience-driven grocer, thanks to a new digital strategy.

By Lynn Petrak

Ironically enough, the impetus for one retailer's innovative deployment of a new digital strategy to more directly and effectively connect with customers came after a simple but serendipitous conversation.

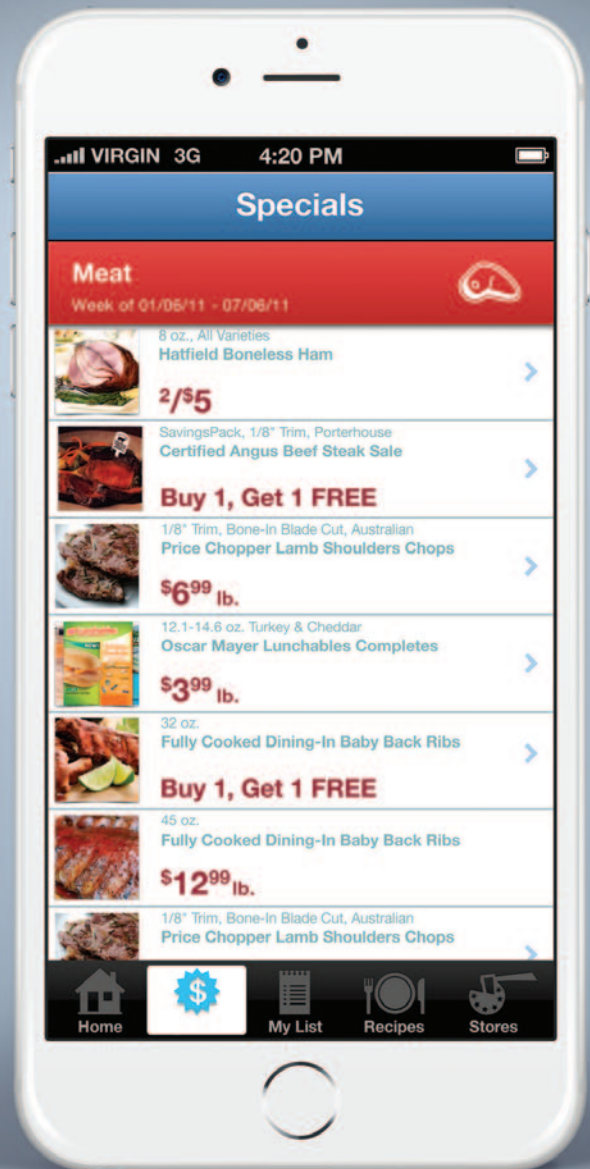
"I was on my way to meet with Glen Bradley, of Price Chopper, who wanted to interview me for a blog post he was writing on Big Data," recalls Sylvain Perrier, president and CEO of Mercatus Technologies Inc., a Toronto-based organization that helps North American grocers integrate with multiple technology patterns to improve shoppers' in-store and online-shopping experiences. "I had shared my thoughts on personalization and Big Data, and how personalization can drive a retailer to operate well against existing parties in the market. We were going back and forth on a whiteboard with ideas, and he said, 'Have you ever met the guys at Datalogix? Let me introduce you.'"

From there, the group went to a brainstorm dinner and came away with even more ideas. "It was very organic," Perrier remembers. "At no point did we ever say, 'Can we do this?' It was more like, 'How do we do this and make it measureable?'"

Over the next several months, Price Chopper Supermarkets, a chain of 130-plus stores in the Northeast that is a subsidiary of the Schenectady, N.Y.-based Golub Corp., and Mercatus, along with Price Chopper's analytics partner, Datalogix; digital coupon partner, Inmar; and e-mail management partner, Informz, embarked on a collaborative process that led to a new digital strategy for the grocery chain. The strategy included a digital platform that would allow for new mobile applications and a new website, among other elements.

Moving to digital in a different way wasn't done just for the sake of using advanced technologies, but to better connect with shoppers to deliver what they want, fitting Price Chopper's stated intent to move from being primarily a value-driven grocer to an experience-driven one.

"Price Chopper knows that the digital space is where our customers are trending towards for convenience and value. Therefore, we are working to transform our commerce, merchandising and advertising platforms to support a ubiquitous digital experience for our customers," remarks Thom Riley, senior applications architect and digital strategist for Golub Corp./Price Chopper. "It's no longer a matter of if, but rather how quickly, we can deliver a relevant,



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comprehensive digital experience that our customers are expecting and that they deserve.”

Bradley, the Price Chopper VP of marketing analytics, whose conversation with Perrier was instrumental in kick-starting the collaboration, agrees that digital is an effective way to deliver to increasingly discerning, tech-savvy shoppers, and reap the benefits. “We believe personalization is important today and will be even more so in the future,” he asserts. “Younger generations have come of age experiencing and expecting personalization in the digital world, and they extend that expectation to other facets of life. While digital is not the only area in which we use personalization, it is the fastest-growing in usage and capabilities.”

This Time, It's Personal

In that sense — and similar to the simple conversation that started the project — the embrace of new technologies, strategies and mindsets is enabling Price Chopper to achieve a most personal outreach.

“Personalization, done right, goes a long way to create consumer affinity. If you can get the right product in the hands of the right consumer at the right time, it goes a long way for a brand. What we see in grocery stores today is the real interception of commerce and experientiation,” observes Perrier.

Achieving personalization and enhancing consumer loyalty through digital tactics are forward-thinking, but not as daunting as they may seem,

he adds. “The big thing I've seen when I talk to many retailers in general is that when they hear about Big Data and personalization, they say ‘We can never do that!’, which isn't the case.”

Perrier uses the example of the way the Price Chopper project began. “When we first did this project with Price Chopper and Datalogix, it was like a back-of-the-napkin idea — it wasn't very complex. It's really about baby steps — you take steps towards something much bigger, and things

are more achievable when you look at the partner ecosystem approach. Bringing the right people to the table, with cohesion, really resonates with retailers,” he says.

Team Effort

As Perrier notes, the collaboration between Price Chopper, Mercatus and their partners was one of cohesion, and the project built through a series of steps that helped overcome challenges common to the retail landscape, such as limited resources, traditionally “silo-ed” knowledge, the need for agility, and the current fragmentation of many existing technologies.

It helped that Price Chopper already had employed digital in many ways and across various aspects of its business; to achieve one-to-one marketing, however, those digital capabilities had to be better connected on all ends. “For many years now, Price Chopper has taken a data-driven approach to marketing,” notes Heidi Reale, director of shopper and digital marketing for the grocer, adding that the digital space helps the company achieve its objective through the integration of key messaging, technology and data.

The partnership of Price Chopper, Mercatus and the other collaborators was a good one, according to the involved parties, because of their similar visions of how technologies could be leveraged with respective goals and capabilities.

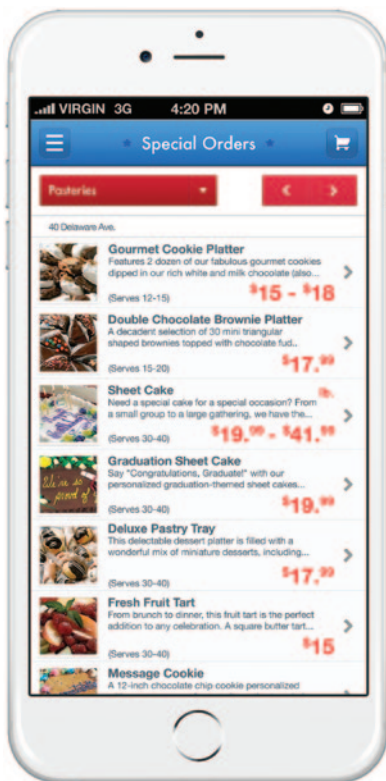
Price Chopper's leadership team consisted of IT, marketing, digital strategy, operations and analytics professionals; those professionals worked with the experts at Mercatus to address the challenges and opportunities unique to the grocery industry.

To achieve the goal of one-to-one marketing through this collaboration, the team determined that generating consumer insight was pivotal to improving shopper engagement and retention. To reach that insight, the team set forth on a series of defined steps, including discovery, implementation, e-commerce and personalization.

The discovery phase, according to Perrier, included the basics, like identifying Price Chopper's needs, appraising the environment, assessing opportunities and formalizing the retailer's digital road map.

Next came implementation, which included integrating functions from the grocer's third-party organizations like Datalogix, Inmar and Informz. That integration included effective data exchanges and communications among each organization's systems.

The crux of the implementation phase was the addition of Mercatus's Integrated Commerce Platform, which allowed Price Chopper to design and implement new mobile apps as well as a new website. Through those channels, shoppers will get useful tools to make their shopping experience easier and more relevant, by placing online orders for customized food items, and tailored deals based on shopping history delivered by emails and digital coupons,



IT'S PERSONAL
Price Chopper's integrated digital strategies and personalized outreach create an enhanced shopper experience.

including digital redemption. Other relevant features include the digital availability of weekly flyers, recipes, store locators and shopping list creation.

The next phase in the process was bolstering e-commerce capabilities such as the online ordering system for custom prepared foods. Integration between the grocer and its technology, data and delivery partners is enabling Price Chopper to offer a host of e-commerce features such as online payment, flexible billing options, and easier checkout and order management.

A crucial phase, and one built upon the other steps, was personalization. Price Chopper is currently moving toward greater customization through its digital strategy, after an initial test rollout. Hallmarks of such personalization include mobile apps, the website, in-store communications or other direct avenues.

To help with personalization, Inmar retooled Price Chopper's digital coupon program. As of early December, Inmar has taken over management of the digital coupon program for Price Chopper's shopper loyalty program, AdvantEdge. In turn, Price Chopper has access to Inmar's nationwide open network and its ability to deliver offers from the best-known and most popular brands.

The Next Level is Here

Golub Corp.'s goal in using new, integrated digital strategies and personalized outreach to shoppers at Price Chopper was to take things to the next level — which is already happening. Recently, Golub introduced a new banner for its stores, Market 32, to be rolled out across the chain's six states this spring.

Among other features, Market 32 is designed around an enhanced product mix, re-emphasis on customer service, and more foodservice options, along with core digital-based benefits like AdvantEdge card savings, weekly features and e-coupons.

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Meanwhile, other retailers can learn from Price Chopper's team effort to take its digital capabilities and vision to that (and other) new levels. Beyond challenges like the centralization of data, data integrity, and adjusting expectations about digital versus brick-and-mortar, there are many opportunities that grocers can take to build profitability and loyalty through a new or different digital journey. Taking advantage of them, say those involved in this particular project, requires alignment at the senior level, a strong digital foundation, and the recognition of the importance of a multiphased approach that allows for evolution and nimbleness based on other emerging

Golub Corp. Case Study: The Collaborative Team

The Golub Corp.: Based in Schenectady, N.Y., the Golub Corp. owns and operates 134 Price Chopper and Market 32 grocery stores in New York, Vermont, Connecticut, Pennsylvania, Massachusetts and New Hampshire. It is one of the nation's largest privately held corporations that is predominantly employee-owned.

Mercatus Technologies Inc. was the partner in the innovative digital strategy that Price Chopper embraced. Toronto-based Mercatus helped Price Chopper integrate with multiple technology partners to deliver exceptional in-store and online shopping experiences. Its team of experts collaborated with Price Chopper's technology partners, client data and current infrastructure to ensure existing systems, multiple channels and marketing technologies deliver strong customer engagements.

Datalogix, which provides core infrastructure for data-driven marketing by connecting offline consumer spending with online advertising, played a key role in the project in targeting and measurement. New York-based Datalogix took in Price Chopper's transaction, shopper and weekly circular data, processed them, and assigned personalized "deals" based on each week's circular that gave shoppers specials based on their previous purchase behavior and other factors.

Inmar, based in Winston-Salem, N.C., supports retailers with both traditional and digital promotions, using an array of tools and technologies. Inmar helped Price Chopper revamp its digital coupon program by executing custom integration with the retailer's POS system and adapting the retailer's technologies to work with Inmar's own unique business drivers.

Informz helped Price Chopper provide personalized coupons to customers, delivered through email. Saratoga Springs, N.Y.-based Informz's application programming interface (API) ensured that data and coupon links are in the same Price Chopper account, so personalized emails can be sent based on shopper history.

technologies and behaviors.

Perrier, for his part, says that the one-to-one ratio is a figure that matters in the future of food retailing. "Moving through the ranks now are progressive thinkers, and many retailers are looking to differentiate their brands and go after Millennials' wallet share. When you talk to them about personalization, everyone looks around the room and understands that this is the table stakes right now," he declares.

The key to winning, he adds, is a strategy that values group input. "I think of it as a puzzle," Perrier explains. "When we look at the entirety of a project being done, we see who works with whom to makes pieces of the puzzle fit. Ultimately, we want this to be a win for customers, and it's about how can we collaborate to make it happen." **PG**

For more about this project, visit Progressivegrocer.com/techcasestudy.