

Willys+ Digital Loyalty Program Boosts Sales for Axfood

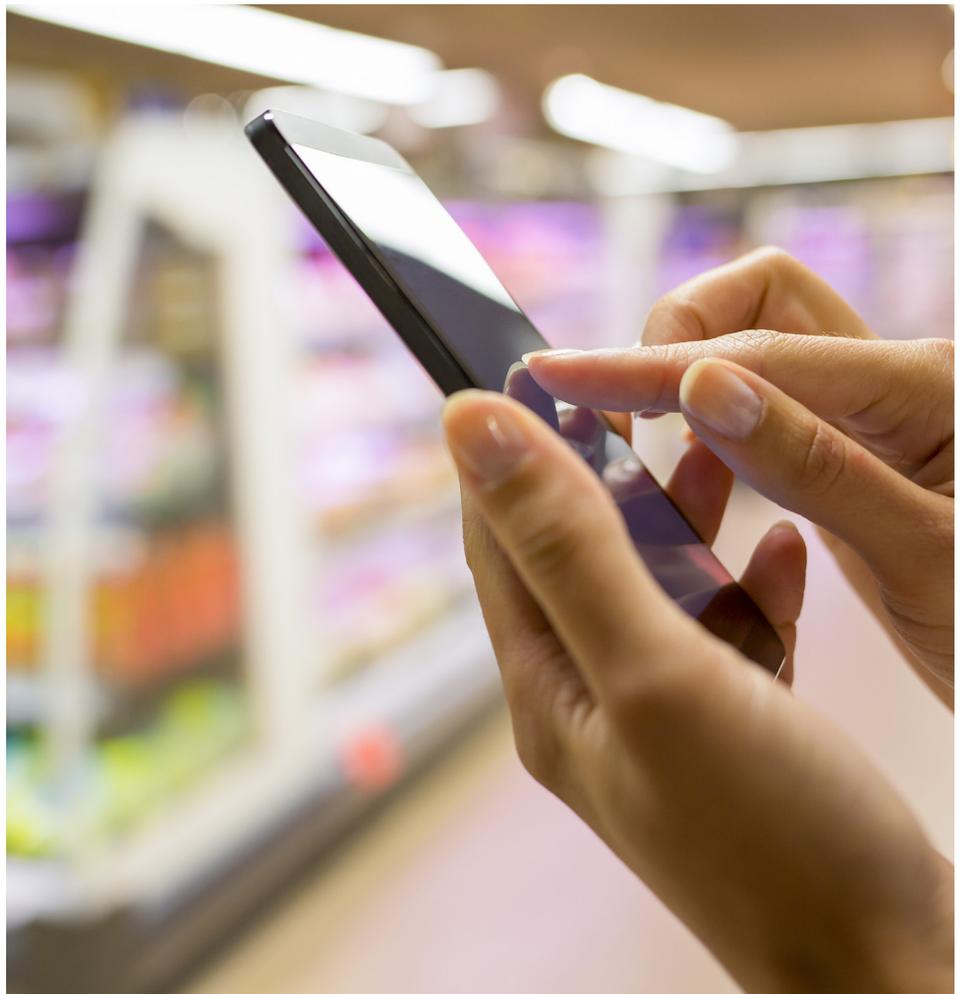
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Summary

Willys is Sweden's leading discount food retailer with 190 grocery stores across the country. Faced with increasing competition, the company turned to Accenture to help design and execute an innovative loyalty program to gain market share.

Client Background

Owned by Axfood, one of the country's leading food and wholesale group, Willys sought to increase sales and improve customer service. The Willys grocery brand, with its distinctive black and red logo, is well known in Sweden as is their slogan, "Sweden's most affordable bag of groceries." The company employs more than 5,000 people across the country. Their main consumer target: families with children. In 2013, net sales were 20,000 mSEK and operating profit 800 mSEK with about 10 percent market share.



Business Challenge

Although Willys dominated Sweden's discount food retail market, the company faced increased competition and needed to step up its game when it came to customer loyalty. Since Willys had no loyalty program they lacked the insights surrounding buying behaviors and preferences. Working with Accenture, Willys launched a pre-study to determine whether a discount retailer would benefit from creating a customer loyalty program. The results of that study showed a positive business case and also highlighted competitive threats for not acting. In 2010 the company decided to move forward.

How Accenture Helped

A strategy was created that called for a departure from traditional point-based programs. Through customer surveys and focus groups, Accenture, together with Willys, designed a loyalty program that differentiated Willys from its competitors, with their target group's needs as a point of departure. Called, "Willys+," the program strengthens the brand's mission to help families buy groceries at a lower cost. How? Willys+ offers loyalty customers steep discounts on items that together can be used to create family meals.

Another feature of the program: Willys+ is completely digital. Willys decided to use a website, mobile app, and push emails as the main channels of communication with customers. Through these channels shoppers receive offers along with information on how much they've saved through the program. Over time, based on their behavior and preferences, tailored offers are sent to customers responding to their individual needs.

Since the retailer opted out of plastic cards or paper coupons, Willys+ is environmentally friendly as well. To facilitate and increase the uptake of Willys+ discounted offers, customers are encouraged to link their

According to Patrick Grabenbauer, Willys' Director of Marketing and Communications, "What Accenture brought to Willys+ was a deep understanding of the retail environment combined with digital knowhow. The end result a much more powerful solution."

Kerstin Elvegård, Head of Customer Loyalty at Axfood adds, "Building loyalty is about gaining a deep understanding of shoppers. What drives them? Which channels do they prefer? This program has allowed us to gain the insights that keep customers coming back."

regular payment card to their membership. Or they can simply identify themselves in-store by providing their personal number or ID card.

To launch and sustain the program required organizational changes throughout every part of the organization. Accenture designed a plan that centralized components of the new capability such as database maintenance, system control and promotions. New processes and capabilities were put into place with corresponding IT systems to support them. To help ensure rapid uptake of organizational changes, 5,000 employees were trained in the concept of customer loyalty and in the technical aspects of the Willys+ program.

High Performance Delivered

Working side-by-side with Willys, Accenture was responsible for designing the overall loyalty program, executing the systems implementation based on Oracle Siebel, and running the application operations. The launch of the Willys+ program in February 2013 was successful resulting in one million customers becoming active members in the first six months. (The original goal was to attract one million members in three years.) For the same time period, the Willys+ app was downloaded a whopping 400,000 times. The program website got 900,000 visits a month and 800,000 loyalty members signed up to receive email offers.

And Willys+ strengthened Willys overall results in 2013, increasing net sales by 5.1 percent. Better still, nearly half of Willys' customers now identify themselves in store. That drives insights into their shopping behavior that allows Willys and Axfood to stay ahead of the game when it comes to pleasing customers.

The program garnered industry accolades as well. In fact, Willys+ won the bronze medal in the prestigious "Golden Key" award, an annual Swedish industry event that recognizes excellence in direct marketing. Willys+ received the honor in the category of "best customer loyalty program." The retailer's pioneering use of a completely digital program was one of the factors for the win.

About Accenture

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