

Large Brazilian Retailer: Achieving Customer Relevance Through Analytics



High performance. Delivered.

Summary

One of Brazil's largest retailers sought Accenture's expertise to reposition itself in a rapidly evolving market. Accenture helped the retailer devise a five-year strategic plan to deliver a better customer experience and attain greater customer relevance. Together, the retailer and Accenture set up a cross-function business intelligence unit that would help the company use analytics to capture actionable customer and transaction data to provide a 360-degree view of the customer and deep insights into customer behavior. Leveraging Accenture Interactive's deep marketing analytics experience, the company was also able to channel marketing insights to create new, innovative store concepts that will help rejuvenate its brand and boost sales.

By harnessing its customer data and attaining greater customer insight, Accenture Interactive has helped the company deliver an improved and relevant shopping experience to its customers, achieve greater market responsiveness, strengthen its brand image and make more informed business planning decisions.



Business challenge

Over the past decade, the retail market in Brazil has evolved considerably. During that time, the retailer has grown fourfold, reflecting its ability to restructure and benefit from the rapid GDP growth in Brazil. But the accelerating pace has presented a number of marketplace challenges. Hypermarkets are becoming more powerful, and new, strong local and international competitors are making inroads, focusing on particular categories such as electronics and home appliances.

Given their product focus and scale, many of these retailers have been able to offer customers very competitive deals.

Furthermore, as Brazilian customers' purchasing power increases, their expectations of the customer experience, products and services, shopping convenience, and flexibility between channels have also evolved. Retailers needed to have an understanding of these changing needs and desires to differentiate themselves with increasingly demanding consumers.

Despite its impressive growth, the retailer recognized that it needed to position itself strategically in this rapidly evolving retail landscape to anticipate these changes and capture a greater share of burgeoning Brazilian spending power. Having grown its own electronics business, the company found itself increasingly leveraged through financing contracts for higher ticket items, and losing its local relevance as it developed a scalable retail model to gain efficiencies and profitability.

Drawing on its unique strengths—breadth of merchandise, innovative products and services, local relevance and customer service—the company determined to establish a better and deeper understanding of today's customer. Executives wanted to improve the way they gathered or interpreted customer and transaction information to give them the insights they required to understand and anticipate changing needs.

The company sought Accenture Interactive's help to improve its customer insights and accomplish the following:

- Put the customer at the heart of its business
- Use analytics to gather customer data and turn insights into actionable plans
- Create campaigns and merchandising precisely targeted to its best customers
- Power innovation to appeal to customers in a variety of local markets, as well as develop new services, products, formats and channels
- Understand the big picture and fine detail

Accenture's pragmatic approach was a key differentiator for the retailer. The focus on accomplishing initial quick wins coupled with a long-term customer strategy using cutting-edge analytics tools helped the client realize immediate benefits and a vision of the road ahead.

How Accenture helped

In 2008, Accenture assisted the company in developing a strategic plan for the next five years with the goal of delivering a better customer experience and greater customer relevance by capturing actionable customer information. The project team defined the business challenges in each category, concentrating on understanding the customer, brand empowerment, image improvement, category balance, local relevance, and managing geographic and customer segments.

As a result, Accenture Interactive helped the retailer design and implement a cross-function business intelligence unit within its marketing division to create a truly customer-infused company that incorporates customer needs, wants, behaviors and attitudes into every business decision. The unit captures customer and transaction data to provide its marketing, commercial, sales and merchandising organizations with a 360-degree view of the customer and deep insights into customer behavior.

Specifically, the new intelligence unit offers the commercial organization customer insights into shopping behavior, merchandise preferences, trends and store performance on a number of dimensions that could then be used to inform assortment, staffing arrangements, customer profiling, loyalty schemes and competitive analysis. The intelligence unit also serves as the company's arsenal to make better informed decisions in business planning and monitor employee support.

Based on the marketing analytics insights coming out of the business intelligence unit, Accenture Interactive has helped the company achieve some quick wins and maximize the return on its marketing investments. For instance, the team assisted the retailer in analyzing the data from its 15 million loyalty cards to develop

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a deeper understanding of customer profiles and market trends. Thanks to the loyalty card analysis, the retailer improved its customer segmentation and created targeted campaigns for high frequency, cross-category loyalty card customers. Accenture Interactive also helped the company apply econometrics to gauge the effectiveness of advertising campaigns, measuring the return on investment of specific campaigns and media mixes. Based on this analysis, the company changed its family-based marketing to focus on the audience associated with the biggest buying power.

The retailer has also asked Accenture to help it create new store concepts to further its innovative marketplace positioning and brand. The marketing insights from the intelligence unit have helped in the creation of new shopping mall store concepts as the company expands into new formats. Similarly, using customer, sales and marketing analytics, Accenture Interactive helped tailor a new store concept for its town and city center stores. The team also produced informative and accessible analytical dashboards and productivity maps based on readily available customer data to help determine the types of merchandise, interactions and experiences key customers were looking for.

High performance delivered

By teaming with Accenture, the Brazilian retailer has been able to harness one of its greatest assets—its customer data. With deeper customer insight, Accenture Interactive has helped the company deliver an aspirational and relevant shopping experience to its customers, combining good value products with service excellence both in existing stores and in new online and offline locations.

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Armed with descriptive data and rich analysis, the company's leadership and regional managers can determine their most valuable customers, what they are buying and why, how they are responding to campaigns, and the merchandising strategies most likely to add value to the most baskets. The intelligence unit has also helped to increase sales and profitability, improve the transparency of marketing investments, and make decisions to drive customer loyalty and growth. As a result, the retailer is well positioned to develop capabilities that can incorporate customer financial data to create a true 360-degree view of the customer.

The new capability has enabled the company to attain greater market responsiveness and enhanced creativity. Not only has the business intelligence unit helped it achieve greater customer relevance, improve speed to market and further strengthen its brand image, but it has positioned the company to take advantage of more innovative programs, like new store concepts, that will help provide its customers with service excellence.

For further information, please contact:

José Goncalves

jose.a.goncalves@accenture.com

About Accenture Interactive

Accenture Interactive offers a comprehensive suite of contemporary marketing services and software to CMOs and brand leaders to drive up marketing performance, drive down the cost per interaction and create relevant consumer experiences on a massive scale. By fusing consumer analytics, technology platforms, and world-class marketing talent, we help the world's leading brands understand the big picture and the fine detail, and enable campaigns targeted at the most profitable segments. Visit us at www.accenture.com/interactive.

About Accenture

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