

NuTech Solutions Customer Success Story



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Marek Kempka

Géant

Marketing Research Manager



Géant Polska Sp. z o. o.

Improving Marketing Strategy

Géant Polska benefits from advanced analytic information provided by NuTech Solutions' Intelligent Business Engines™ for Data Mining. The Engine helps analyze store purchase transactional data, as well as feedback from customer surveys.

Using NuTech's modeling software, Géant's enhanced understanding of customer behavior enables the company to modify marketing tactics and promotional campaigns to improve effectiveness.

Casino Guichard-Perrachon Group operates over 9,000 food retailing outlets in 15 countries, including Cash & Carry in the US. In 1996 the French company expanded its European presence, introducing their chain of hypermarkets, known as Géant, into the Polish market. Currently there are 19 Géant hypermarkets, located in the largest cities in Poland. The hypermarkets offer over 40,000 products including grocery, clothing, electronics, home equipment and furniture produced mainly by Polish manufacturers.

Challenge

The Polish retail market is still relatively new for Géant and demands significant marketing attention. The traditional narrow focus on satisfying customers' needs is no longer sufficient for companies that want to stay ahead of the competition. It is increasingly necessary for retail organizations to present interesting and innovative offers to their customers and to develop customer loyalty.

Géant recognized that such an advanced marketing strategy would require detailed and precise knowledge of their customers' habits. Specifically, they needed information about customers' behavioral dependencies and shopping patterns across the hypermarket locations. However, they also knew that traditional consumer research is not always



121 West Trade Street
Interstate Tower Suite 1900
Charlotte NC 28202
Phone: 704.943.5400
NuTechSolutions.com



able to provide this specialized information.

Therefore, Géant engaged NuTech Solutions to assist them with predictive data analysis. Of particular interest was measuring the accuracy of their ability to address specific customer characteristics in their marketing campaigns and the efficiency of their loyalty program. The program enables customers to earn points on their purchases at any of Géant's store locations and redeem those points for various goods listed in the rewards program catalog.

During the analysis, Géant's managers identified the key goals for the project as:

- ▲ customer segmentation,
- ▲ market basket analysis,
- ▲ promotions analysis for direct marketing and the loyalty program.

Solution

NuTech Solutions' Intelligent Business Engines™ for Data Mining provided Géant with the tool they needed for predictive analytics. Based on the data provided, NuTech was able to identify Géant customers' behavioral patterns, preferences and habits and even their hidden needs. Newly discovered consumer characteristics matched feedback from previously conducted customer surveys with a high degree of accuracy.

Using NuTech's modeling software to interpret this new customer information, the company was able to modify its marketing tactics and promotional campaigns and improve their effectiveness. Demographical Segmentation allowed Géant to identify a profile of a typical customer. As a result, they were able to develop specialized marketing approaches for separate classes of customers, characterized by similar profile and behavior. At the same time, Transactional Segmentation enabled the supermarket chain to identify and characterize its most profitable customer groups and concentrate the marketing efforts on them.

"NuTech's (market) basket analysis provided Géant with a means to better understand buyers' behavior, such as brand loyalty, groups of products that tend to be purchased together, and the way in which the introduction of a new

product influences sales of other products in the same category," said Géant's Marketing Research Manager, Marek Kempka. "This knowledge enables us to adjust our offer and its availability to all identified customer groups."

Results

Using NuTech's predictive analytics and customer segmentation tools, Géant is able to conduct analysis of purchasing behavior down to the individual customer as part of its investigation into the efficiency of the hypermarket's promotional activities. Marketing managers are not only able to evaluate sales growth during and following a promotion period, but can also identify the reaction of individual customer groups to the promotional campaign. Furthermore, they can determine those customers who remain loyal to the promoted product after the promotional campaign has ended, and those customers who switch back to their previously preferred products and brands.

Géant is also conducting detailed marketing campaign analyses using NuTech's Intelligent Business Engine, producing practical data points and profoundly beneficial models. Kempka explains that, "As a result of accurate identification of a target group, Géant can now reach customers with precision-tailored messages. This is very important, because it enables us to decrease campaign costs by more precisely targeting offers."

In addition, NuTech designed and implemented indexes, such as "Power index," "Family index" and "Promotion intensity." These products add the benefit of allowing the company to familiarize itself with any customer and trace the customer's value over time. "This is a very useful feature of NuTech's system. It makes it possible for us to react to the customers' changing needs, without the need to establish direct contact."

Overall, the implementation of NuTech Solutions' predictive analytics solution appears to be having the desired effects. "We are very satisfied with NuTech's system," explains Kempka. "Its implementation resulted in stronger customer satisfaction and loyalty."