



Free Range: Capturing the New Breed of Grocery Consumers

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The shift in the grocery retail industry is undeniable, and many grocers are in a fight to survive. Today, we turn to two Alliance Data experts to share their take on the industry, and why the word 'customer' is now the buzz word, and even the rallying cry, of grocers.

Jeff Berry is Senior Director, Research and Development, at [LoyaltyOne](#), where he manages research initiatives in North America and internationally. With more than 15 years of experience in loyalty marketing, analytics and customer engagement, Jeff manages and directs the development of LoyaltyOne's thought leadership content including research and best practices for global loyalty marketers.

Bob Moorhead is Vice President, General Manager at [Epsilon](#) where he provides strategic guidance and program operations for loyalty, CRM and digital marketing programs. Bob is also a regular contributor to [Loyalty 360](#).

How is the grocery retail landscape bringing a renewed focus on the customer?

Jeff Berry, LoyaltyOne: Today's retail landscape is evolving, but not every retailer is responding with the necessary flexibility to survive and thrive. The retail industry is growing ever more intense and diverse. Traditional retailers must now compete with alternative formats, such as ultra-low-cost retailers like Aldi; and with specialists, like Whole Foods and Trader Joe's. Amazon now ships groceries and is opening more distribution centers closer to main population centers. Add dollar stores and big box players to the mix, and the marketplace of just a decade or two ago seems cast in the amber of mom-and-pop grocers with their wooden placard signs. And yet, many retailers [still question the need to adapt](#). The truth is that for today's retailer, the moment of evolution is here and now, and the most adaptable solution is customer-centricity. For retailers bent on advancement, the question isn't should we, it's how do we?

Bob Moorhead, Epsilon: A significant challenge for any retail marketer is creating a customer experience that allows them to gain and maintain loyalty. Economic conditions and the channels used to communicate impact how loyal a consumer is to the brand and today customer-centricity is more important than ever in putting a renewed focus on the customer. Recent [research conducted by Epsilon and Wylei Research](#) found that 47% of consumers are loyal to their grocery retailer. And 51% of consumers reported that grocery retailers provide the most relevant communications to the consumers' needs. Loyalty is likely high in this segment due to familiarity with the store layout, brands or products offered, as well as the prevalence of loyalty programs in grocery retail. Consumers benefit the most by being loyal to only one grocery retailer. But, new entrants like Amazon, and online services are creating challenges for grocery retailers.

To continue to focus and put the consumer first we are seeing grocery retailers continue to invest heavily in data analytics to understand customers, and also implement multi-brand loyalty programs – bring banking options in store and creating experiences through beer kiosks and offering childcare and basic health services. These strategies will help grocery retailers build and [maintain](#) loyalty with a renewed focus on the customer.

How do you start making customers the center of your strategy?

Berry: The quick answer is that you listen — listen to all the data customers provide to you about their shopping habits — and that you then reach out to customers in a way that recognizes what they really want and need. Today's retailers are under intense pressure to deliver a [differentiating retail experience](#) to shoppers, and listening to customer data can provide the solution.

Companies that do this well are able to think about how [pricing](#), [promotions](#), and [assortment](#) all coordinate together to meet the needs of individual customers. Companies are able to execute actions that best satisfy shopper needs in a relevant and timely fashion.

Climbing your way through retail strategy, planning and execution is impossible without the right tools and trusted guides. LoyaltyOne's Precima provides tailored, data-driven solutions that drive sales, boost profitability and build customer loyalty. It takes a partner like [Precima](#), one that has the tools, expertise and experience to guide your teams through the most difficult and rewarding challenges of pricing, promotions, assortment and [marketing](#).

Moorhead: Focus on the data and on the in-store shopping experience. Consumers in both the U.S. and Canada are most loyal to grocery retailers but marketers can't lose sight of continuing to enhance the [customer experience](#). This can be fostered by creating omnichannel experiences that make the shopping experience more convenient for consumers. For example, online ordering and curbside pickup is one strategy that we've seen grocery retailers implement to offer convenience to customers. Additional convenience features include how consumers can now avoid the long deli lines and can enter their orders at the self-help kiosk; and, they can pay for their groceries in the self-checkout lanes if they're in a rush. Marketers need to understand that convenience is key for consumers!
