You WANT *it* WHEN?

SAFEWAY GIVES NEW MEANING TO **SPEED** AND **AGILITY** WITH **DIGITAL MARKETING EFFORT**. > By Marc Millstein

When Albertsons acquired Safeway in early 2015, most of the corporate functions of the new entity fell to executives at the headquarters in Boise, Idaho. However, two areas of particular Safeway expertise rose to prominence and helped fuel a surge that transformed Albertsons into a leader in the digital and information technology arenas.

Soon after the merger integration was underway, Safeway's digital and IT departments saw a major opportunity to add value in the digital marketing area. They moved swiftly to implement a test program to cut expenses, hike conversion rates, increase speed and efficiency, and bolster sales. And they did it within a remarkably tight four-day start-to-finish deadline.

The test was not to see if the specific program worked. The team already knew it would—but only if they could meet the deadline. Instead the goal was to demonstrate to the folks at Albertsons, by performance, how leveraging digital could dramatically enhance results and bolster knowledge about customer interaction and drive longer-term loyalty.

When companies merge, some of the greatest areas of frustration and potential difficulties involve integrating technology, data and business processes. These are typically the areas that most harm expectations regarding timelines for improved performance, cost-cutting and improved efficiencies, and investor paybacks.

While the Safeway digital marketing test was fairly small in scale, the implications for best leveraging of any and all technology and digital resources and capabilities across the combined enterprise were huge.

"One of the amazing things that Safeway did before being acquired by Albertsons was to develop a personalized digital marketing program called 'Just for U.' We built an app completely personalized to each particular household based on shopping behavior at our stores," said Kristie Allen, director of personalization and targeting with Albertsons, a role she assumed in May 2016 after being named director of loyalty analytics and personalization following Albertsons' acquisition of Safeway.

THE POWER OF DIGITAL

Allen spoke at the recent Teradata Partners Conference at the Georgia World Congress Center in Atlanta. She discussed the benefits of digital and the steps her team

took to demonstrate the power of mobile apps, website and customer engagement. She also outlined the critical need in today's data-intensive world to swiftly and easily access historical customer, promotional and other key metrics from across the company. And she shared the importance of taking a risk at a crucial time and standing up and acting to make a key point even in the midst of a merger.

According to Allen, after Albertsons acquired Safeway, it became clear that there was significant room to leverage digital more intensively. To help prove the point, Allen's team undertook a self-imposed task to roll out a digital marketing program and then compare the results with those from a more traditional mass print, drop and mail couponing promotion due to launch in Northern California in just four days.

"A ton of money was being spent to do a promotion using our Big Book of Saving. We found out they were about to print 3,000 copies to place into each and every store, and then also mail the piece to 10 percent of the population of Northern California," Allen said. "Just think of the printing and mailing costs alone. It was going to be many millions of dollars, and so my team got a little upset. We know we could be spending that money much more efficiently by targeting the deals and communicating with the customers in a much more personalized way.

"Since this thing was going to launch in four days, we decided we would challenge ourselves to figure out how to e-mail all our Just for U customers with a customized version of the Big Book of Savings," she added.

POWERFUL ROI

The digital vs. print paper campaign yielded powerful ROI results, according to Allen. For example, she noted that an average of 50 digital e-mails were redeemed per store, compared with two print coupons per store, and

there was a $300,000 expense savings associated with not printing and distributing coupon books to stores and by mail. More coupon redemption dollars came from consumer packaged goods companies; the program was executed much faster, which led to major staff time savings; and there was much greater ability to target customers, according to Allen. As an added benefit, the team was able to collect new information to strengthen marketing optimization and accomplish other goals.

Executing a digital marketing program swiftly, by accessing all key data and variables about customers and stores throughout the company, took some improved analytics tools.

Safeway uses a central data warehouse, from Teradata, to store massive amounts of historical transactional information and serve as a foundation for in-depth analytics exploration and business knowledge. In addition, Safeway leveraged software from Alation that allowed the team to access detailed, related, and specific pockets of information required for optimizing this information. The Alation solution sitting atop the Teradata warehouse also, and just as importantly, enabled Safeway employees to delve into specific data files and add notes to ensure that employees working in different time zones, regions and continents could collaborate seamlessly. That continuity made all the difference in the team's ability to swiftly and successfully meet the tight deadline for launching and the analyzing the test program.

"We had multiple teams working. We had one team working to pull all the assets together to drive what it would look like on the website or in the e-mail," Allen said. "We had another team frantically working on images and verbiage and things like that. And then my team was working on how to sort and personalize the offers into each of those e-mails so that they were most relevant to those customers."

The Alation system was the key to allowing a coordinated effort over a short period of time, soon after it was implemented. This was the first use of the solution in a critical situation, Allen said.

"When I was calculating this ROI, it was based purely on time-saving from my team for creative queries, excluding the $300,000 [saved on printing and distribution]. My training time dropped by two-thirds and reduced ad-hoc queries by two-thirds," Allen noted. "Digital is much cheaper. It hardly cost us anything—four days of scrambling on our end, but almost no cost to get the promotions to the customers." **RL**