



strategica

Building Asian Market Knowledge with Customer Data


Smart Horticulture Asia, Hong Kong
8 September 2016

Building Asian Market Knowledge with Customer Data | Smart Horticulture Asia, Hong Kong | Strategica Retail Innovation and Transformation

Why Are We Here Today ?

To slice through the basket

- + We are going to discuss many data considerations around the key elements of retail and how they might affect fresh
- + How this data might be captured, considered and interpreted
- + How it might be delivered in a customer context
- + So all stakeholders benefit
- + Without losing the basics of retail



© 2016 STRATEGICA PTE LTD. ALL RIGHTS RESERVED

2

Key Images - Connectivity

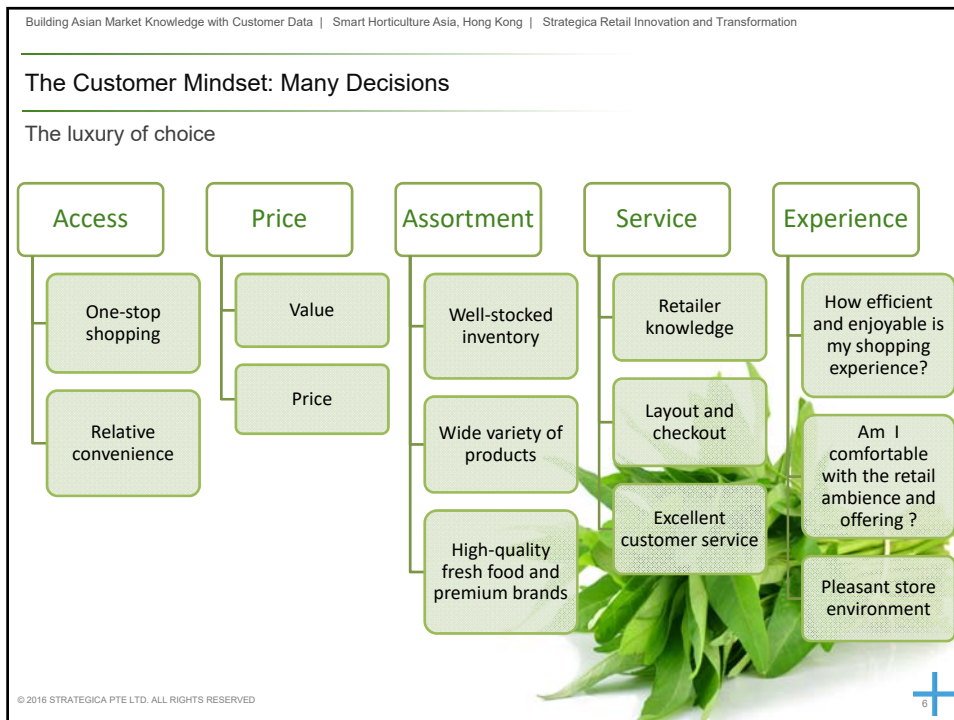
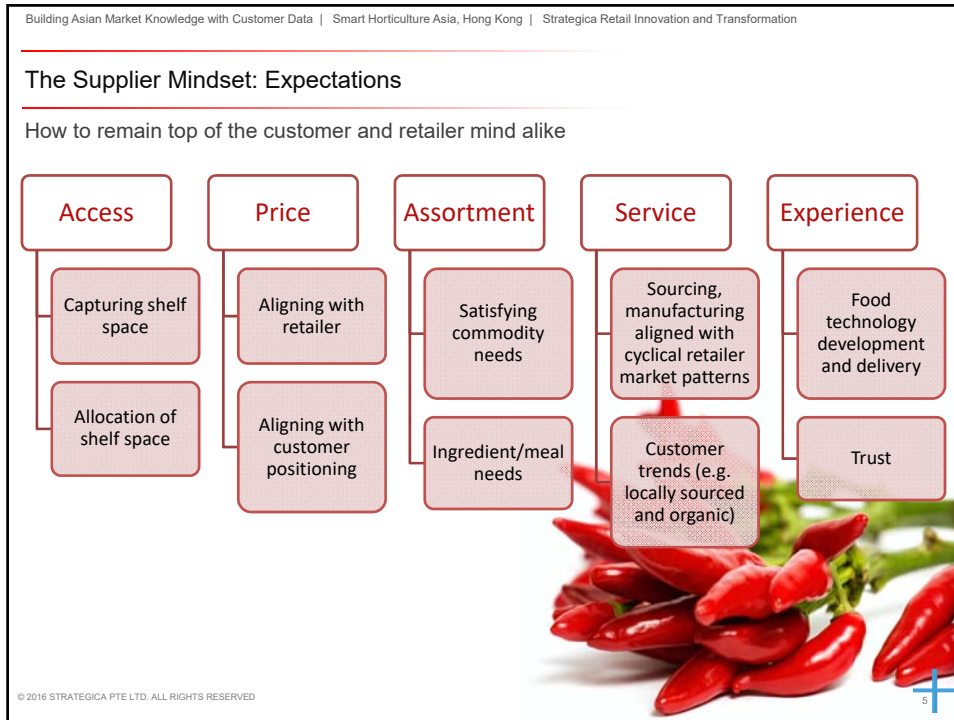
Convergence of data elements – from retail supply customer



The Retail Mindset: Key Elements or Strategic Drivers

Fresh affects all these retail elements to varying degrees

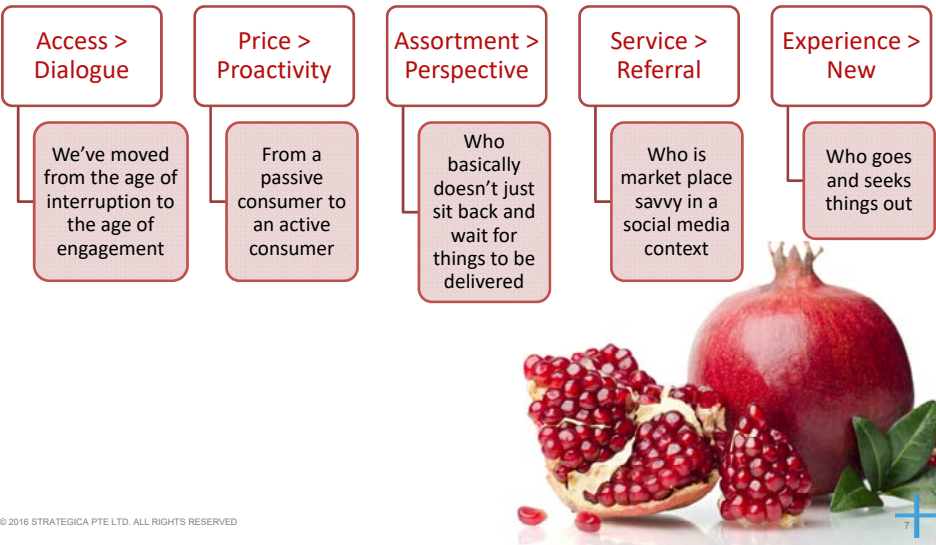




Building Asian Market Knowledge with Customer Data | Smart Horticulture Asia, Hong Kong | Strategica Retail Innovation and Transformation

But the Customer Mindset has Changed

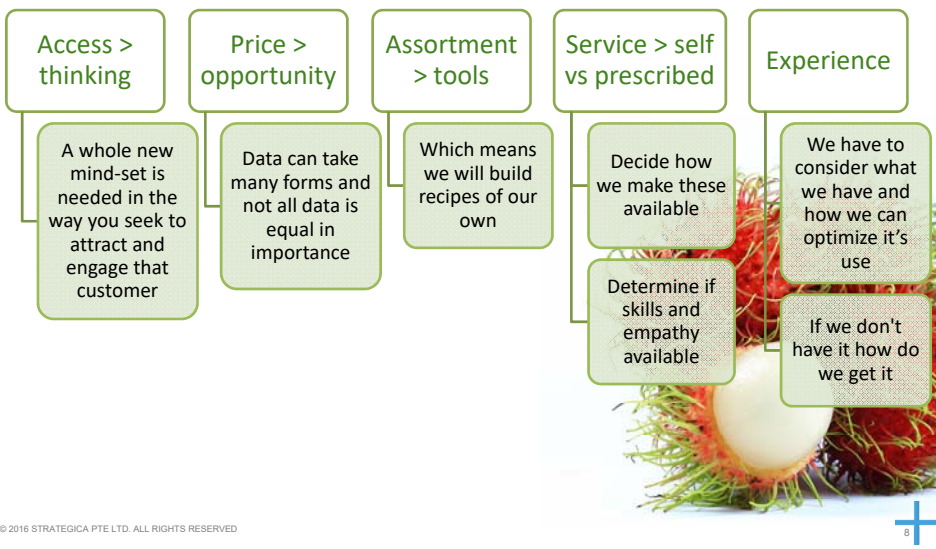
We have a new customer



Building Asian Market Knowledge with Customer Data | Smart Horticulture Asia, Hong Kong | Strategica Retail Innovation and Transformation

So What Does This Mean for Retailers and Suppliers?

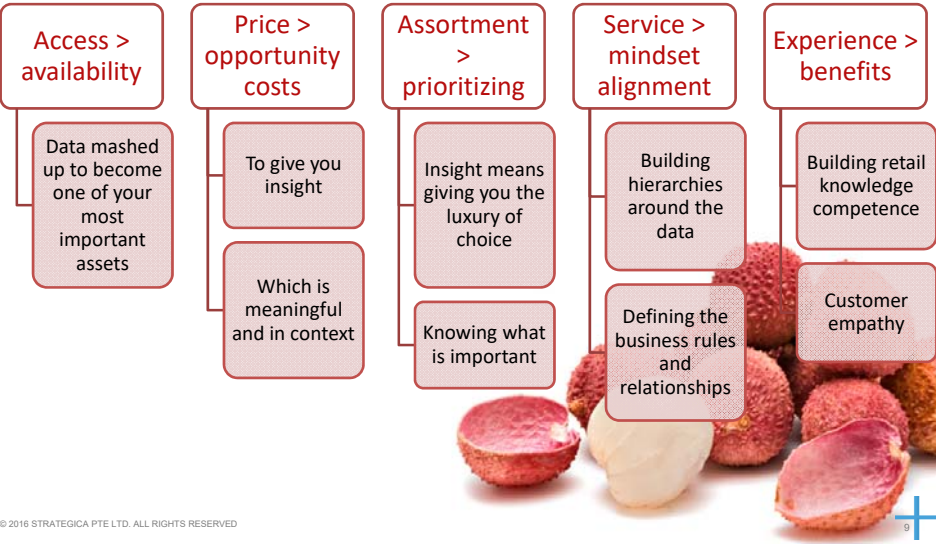
A new way to reach the customer



Building Asian Market Knowledge with Customer Data | Smart Horticulture Asia, Hong Kong | Strategica Retail Innovation and Transformation

What Recipes Am I Talking About ?

How do we rebuild and influence the customers decisions without being too disruptive?



Building Asian Market Knowledge with Customer Data | Smart Horticulture Asia, Hong Kong | Strategica Retail Innovation and Transformation

Why is Fresh Important?

Globalization assuring supply and cultural fusion



There Are Many Perspectives

From the basket



But Here is the Kicker

Retailers need loyalty programs

- + Loyalty programs are not about the customer being loyal to retailers but retailers being loyal to their customers
- + Being of service to the customer and giving customers the most relevant and optimal offering retailers can
- + So customers return more often to the retailer with better baskets
- + Functional loyalty meaning do this and get that; is moving toward
- + Emotional loyalty is what else do they care about i.e. synching with social media



Building Asian Market Knowledge with Customer Data | Smart Horticulture Asia, Hong Kong | Strategica Retail Innovation and Transformation

Suppliers Need Data That Influences the Consumer

Work on the retail supply chain data as a means of improving share

- + Copy how the retailer is assessing the SKU and the customer
- + Track how ordering patterns are changing
- + Improving promotions to ensure fewer gaps on shelves
 - Are these becoming increasingly timely and location driven?
 - How are these promotions being communicated to the customer ?
- + Less stock in warehouses/stores to lower wastage ?
 - Based on weather patterning
 - Will retailers share markdown and shrink data for your SKUs ?



© 2016 STRATEGICA PTE LTD. ALL RIGHTS RESERVED



Building Asian Market Knowledge with Customer Data | Smart Horticulture Asia, Hong Kong | Strategica Retail Innovation and Transformation

Off-Shore to Retailers [1 of 2]

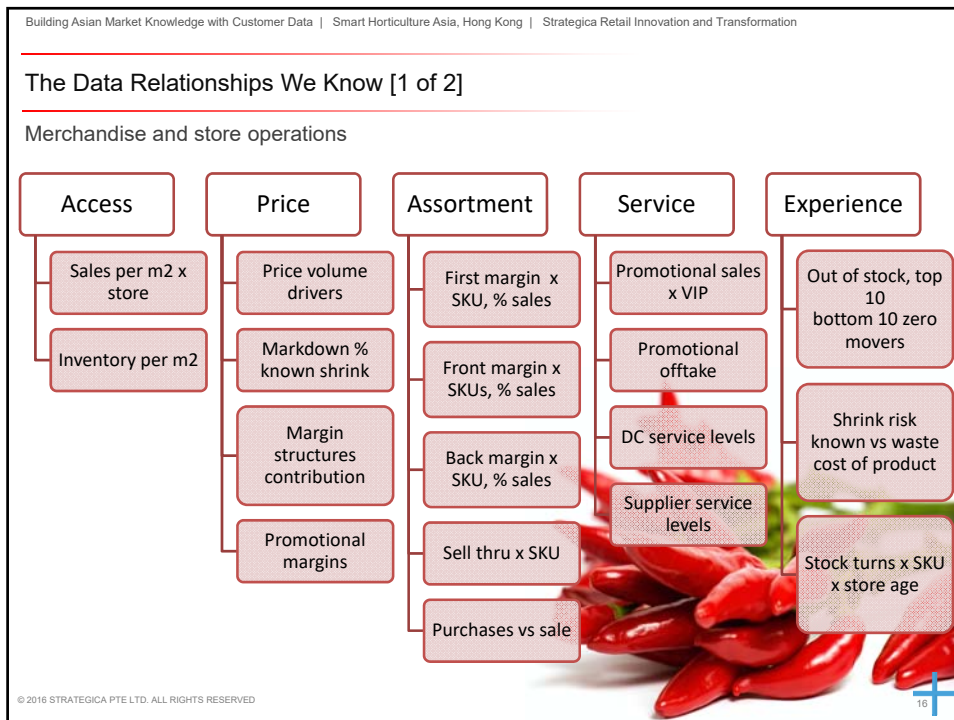
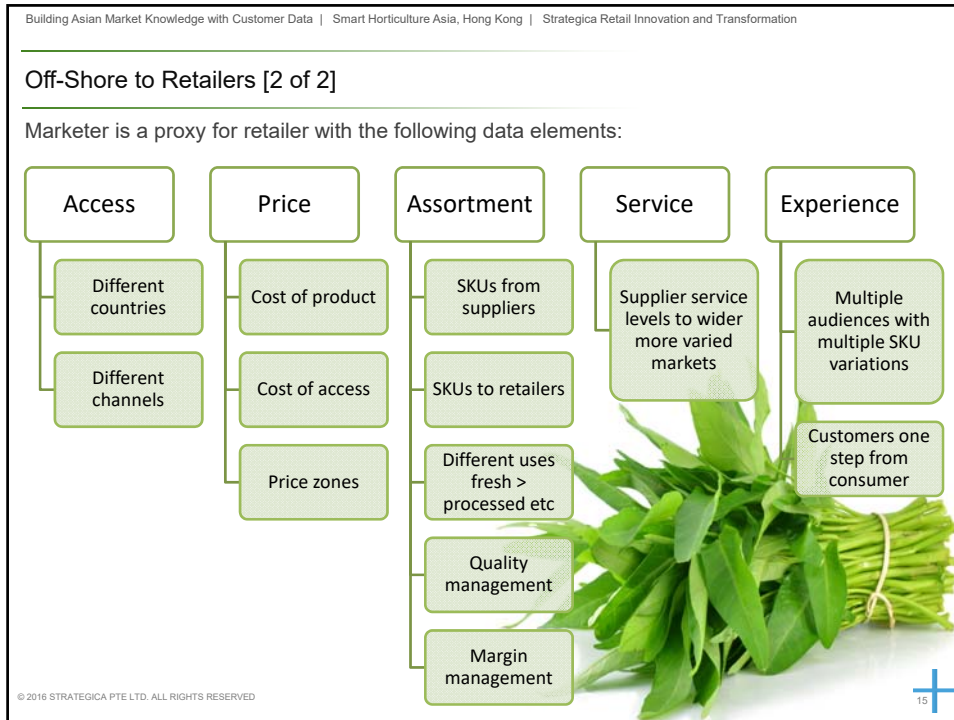
Need to have transparency and confidentiality of data along the supply chain to markets

- + Develop portals where number of SKU_id data and unit market share is transparent
- + Individual costs and pricing are private between producer, supplier and marketer



© 2016 STRATEGICA PTE LTD. ALL RIGHTS RESERVED





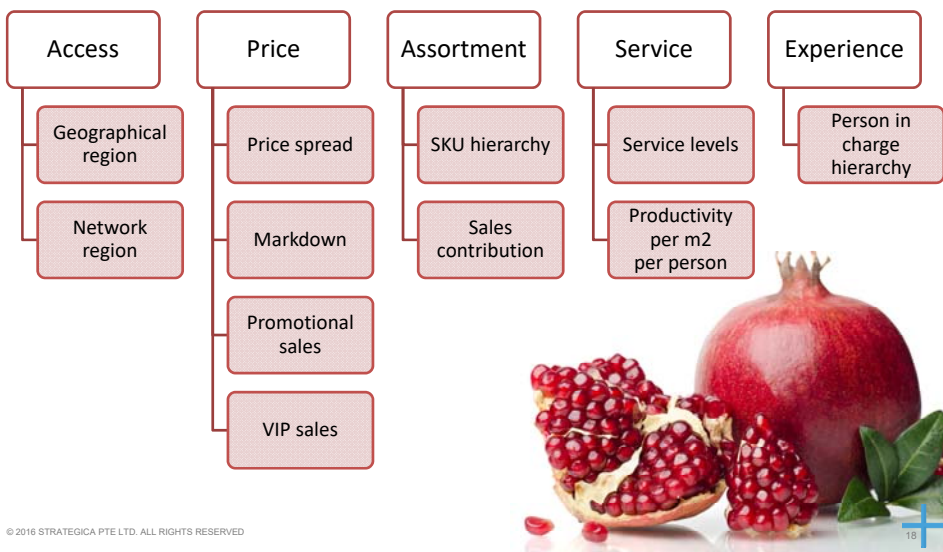
The Data Relationships We Know [2 of 2]

Customer productivity



Taking These Relationships Further [1 of 2]

Building clusters



Taking These Relationships Further [2 of 2]

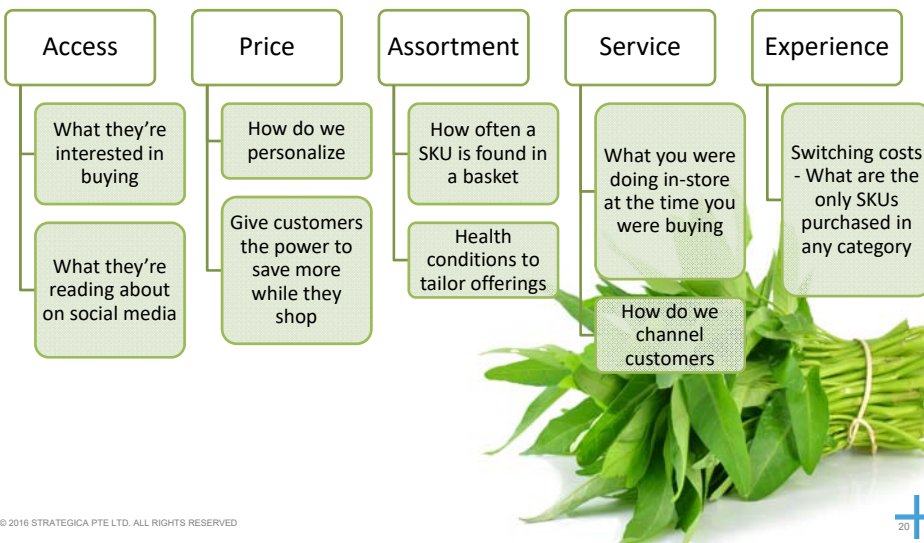
With clusters > quadrants

- + One report whose quadrant matches sales and front margin by store or product
- + HS HFM > assortment balance > make sure this merchandise in all stores
- + HS LFM > traffic builders > assortment balance in all stores and promotional strategies
- + LS HFM > sleepers > promotional opportunity > marketing change price to improve product velocity
- + LS LFM > reduce inventory > buyers to focus on negotiating with suppliers or releasing shelf space
- + LS LFM > look at store EBITDA/cash position > operators > resize reformat or close ?



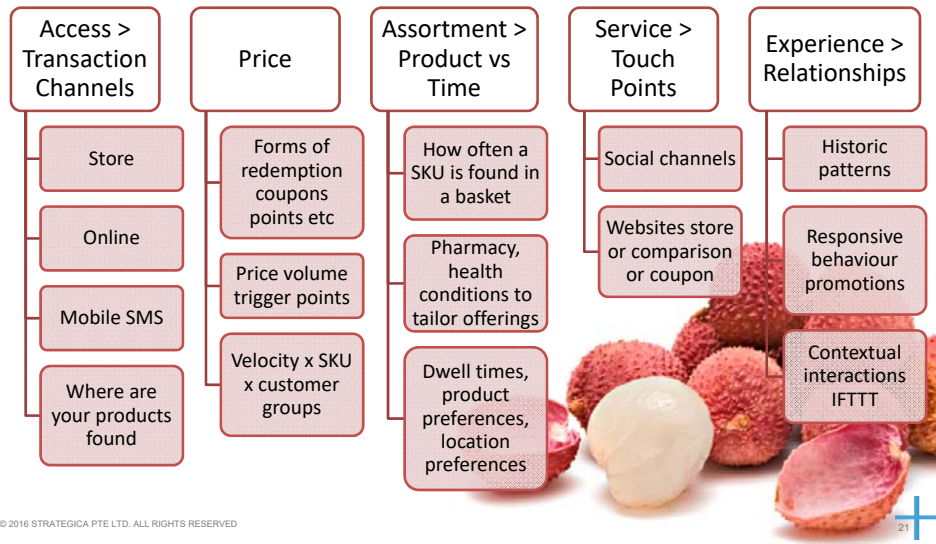
The Questions We Should Ask

The trick is to overlay our Customer and sales knowledge with external sources



The Data and Analysis We Need

To further refine Upsell cross selling promotional events



Taking These Relationships Further

With clusters > quadrants

+ Customers once clustered could pair off:

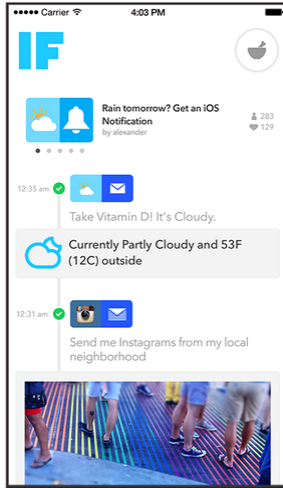
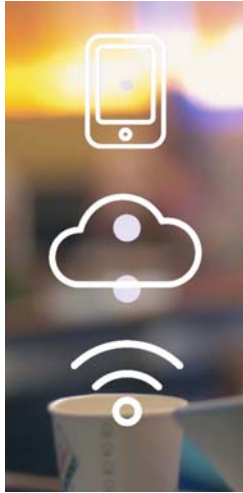
- VIP visits vs VIP basket size
- Basket penetration of categories vs weather types
- VIP Basket margin vs demography
- VIP Promotional penetration in basket vs non promotional

+ The point is if you have VIP systems chances are you are more data rich than you realize



Forms of Connectivity

A great multichannel experience means helping customers use technology to get what they want



© 2016 STRATEGICA PTE LTD. ALL RIGHTS RESERVED

23

Building Connectivity

Social mobile location



© 2016 STRATEGICA PTE LTD. ALL RIGHTS RESERVED

24

Building Asian Market Knowledge with Customer Data | Smart Horticulture Asia, Hong Kong | Strategica Retail Innovation and Transformation

Key Takeaways

- + We figure what data we have, we need and should have access to
- + Determine their most relevant relationships answering our questions
- + Figuring out what drives the customer's assortment decisions
- + Pricing relevancy and value into promotions and communications
- + Understanding where customers get their information from
- + So we improve our performance and attractiveness



© 2016 STRATEGICA PTE LTD. ALL RIGHTS RESERVED

stra+egica

Thank you

To learn more, visit us at strategica.sg

