SAGARMATHA

HANNAFORD: BABY CAMPAIGN

Increasing Category Sales & Loyalty through Personalization - from strategy all the way to execution, measurement and ongoing improvements.

INTRODUCTION

Connecting with customers at various points on the path-to-purchase is not trivial. When looking to drive loyalty and revenue, brands should look into ways to reach consumers in the right manner, at any given point on the path to purchase.

Our client, Hannaford, a large American supermarket chain serving upstate New York wanted to drive incremental sales in the baby category, increase the Share of Wallet (SOW) and customer loyalty.

The Challenge

The baby category has a lot of channel migration and the client had found an opportunity to increase sales and trips through a personalized campaign to "baby category buyers".

Campaign goals

- **Drive incremental sales** in the baby category & increase the Share of Wallet (SOW)
- **Deliver more relevant offers** in the baby category
- Gain **customer loyalty** in the category

The Solution

Applying Sagarmatha's **ML based personalization technology through a dedicated quarterly campaign to relevant shoppers**.

2021 Results

- Up to 7% sales lift and incremental visits in the baby category throughout the campaigns' periods.
- Throughout the year the campaign's optimization generated:
- Increased participation rates by 125%
- Increased sales lift by 250%
- Made budget use more effective by 500%

WHAT WE DID

Hannaford worked closely with the Sagarmatha team from the outset to identify KPIs that were crucial to their growth. From these, using our ML driven technology, we were able to design a new campaign strategy to touch on relevant purchase points to achieve these goals.

The Campaign's Offers

- Offer pool recommendation based on popularity of categories & brands.
- Setting different thresholds within an offer to support stretch & reward strategy according to individual purchasing behavior.
- **Hannaford's team** worked closely with the baby category managers to approve offers and budgets with the CPGs

Targeting Strategy

- Was defined for each customer's segment and evolved over time upon campaign performance analyses and adjustments throughout the process.

Audience

- Targeted audience set-up and customers' segmentation to support Hannaford's business goals.
- Breaking down customers according to purchasing behavior and "heaviness of purchase" within the baby category.

Channels/Touchpoints

- Defined by Hannaford:
- E-mail
- App

Budget

- Mostly CPGs funds

> This category is one that has seen channel migration over the years, and that's in all US supermarkets. But looking for traces in the data, combined with a little experimentation, we were able to find the right markers of buyers who likely spend a lot in this category, but have only dabbled in it with us. Sagarmatha was a great partner working with us on our initial segmentation, and more importantly, through the process of refining and optimizing that segmentation. You can see from the results we were able to get a great solution after only a few executions.

- **John Giaquinto**
Senior Director, Customer Loyalty & Digital Marketing at Hannaford Supermarkets

RESULTS

Using our **ML based personalization technology** Hannaford was able to gain a deep understanding of shoppers' behavior, and the ability to positively influence shoppers' journeys.

Using our ML engine, we provided personalized, and optimized marketing that rises above store, stock, and loyalty data, enabling retailers to offer the right product to the right customer at the right touchpoint.

Hannaford was able to meet ambitious targets and measure efficiency through an uplift study. In total, the campaign generated throughout the year

- Increased participation rates by 125%
  - Increased sales lift by 250%
  - Made budget use more effective by 500%

On-going learning and strategy adjustments
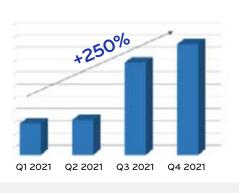Remarkable campaign over campaign improvement

Increasing participation	Sales lift grows over time	Improvement of budgets use
Participation ratio	Baby category lift ($K)	Redemption cost ($K)
+125%	+250%	+500%
Q1 2021 Q2 2021 Q3 2021 Q4 2021	Q1 2021 Q2 2021 Q3 2021 Q4 2021	Q1 2021 Q2 2021 Q3 2021 Q4 2021