

# Embracing ESG Regulation for Sustainable Customer Engagement Through Personalization

Transform Your Weekly Mass Promotion Flyers into Personalized Communication

Leading Tier 1 Retailer Case Study



## INTRODUCTION

In today's dynamic business landscape, compliance with Environmental, Social, and Governance (ESG) standards has become increasingly vital, particularly for industries like consumer and retail. With a focus on sustainability, ethics, and transparency, ESG regulations are reshaping the way businesses operate, impacting everything from reputation management to legal liability.

For grocery retailers, ESG regulation can have a significant impact on their operations and business strategies. Reducing paper use is a key aspect of environmental sustainability and is often addressed within the environmental component of ESG regulation. Grocery retailers can implement various measures to reduce paper consumption throughout their operations. As part of this effort, traditional assets such as weekly flyers are transitioning into digital formats. Once weekly flyers are digitized, retailers have a distinct opportunity for personalized and improved communication.

By transforming these flyers into personalized messages, retailers not only reduce their environmental footprint but also improve performance and customer satisfaction. Moving beyond standard promotional tactics, personalized communication allows retailers to leverage existing assets and budgets effectively, reinforcing awareness and enticing customers with relevant offers. This strategic approach not only drives more foot traffic to stores but also fosters stronger connections with customers, ultimately driving long-term success in an increasingly ESG-conscious market.

## BACKGROUND AND OBJECTIVES

Our client, a major Tier 1 retailer, has successfully transitioned from generic printed weekly flyers to digital personalized brochures and email campaigns. This case study delves into this innovative approach, highlighting a curated selection of relevant offers. Customers are captivated with 'weekly specials' that are relevant to them, offers fostering not only growth but also increased engagement.

The primary objectives of this initiative are as follows:

### Enhance Relevance

By personalizing the promotional content, the goal was to ensure that the customers encounter offers that are relevant to their needs and interests.

### Increase Visits & Sales

Our aim was to boost customer visits and retailer sales significantly by communicating relevant offers. Through targeted promotions in emails and a dedicated app section, we seek to attract more visitors and enhance overall brand engagement.

### ESG Considerations for Retailers

ESG Considerations for Retailers: Adhering to ESG standards not only meets consumer expectations and reduces operational risks but also ensures personalized customer experiences, enhancing overall brand satisfaction and long-term sustainability.

### Drive Customer Loyalty

By offering weekly deals and promotions that align with individual customer preferences, the retailer sought to boost customer loyalty.



## TRANSFORMING MASS PROMOTION INTO PERSONALIZED COMMUNICATION

### 1. Communication Today

Non-personal mass promotions printed brochure/web page



### 2. Edge Tomorrow

Transform mass promotions to a **personalized digital brochure** based on highly relevant products selection and a **personal email campaign**



## SOLUTION

### Pre ML Software Solution

Our client has a tradition of featuring 'weekly specials' in their marketing initiatives. These specials, including discounts, exclusive deals, and special offers, are strategically presented both in-store, printed weekly flyer and through digital channels. The goal is to attract new customers while encouraging existing ones to increase their spending.

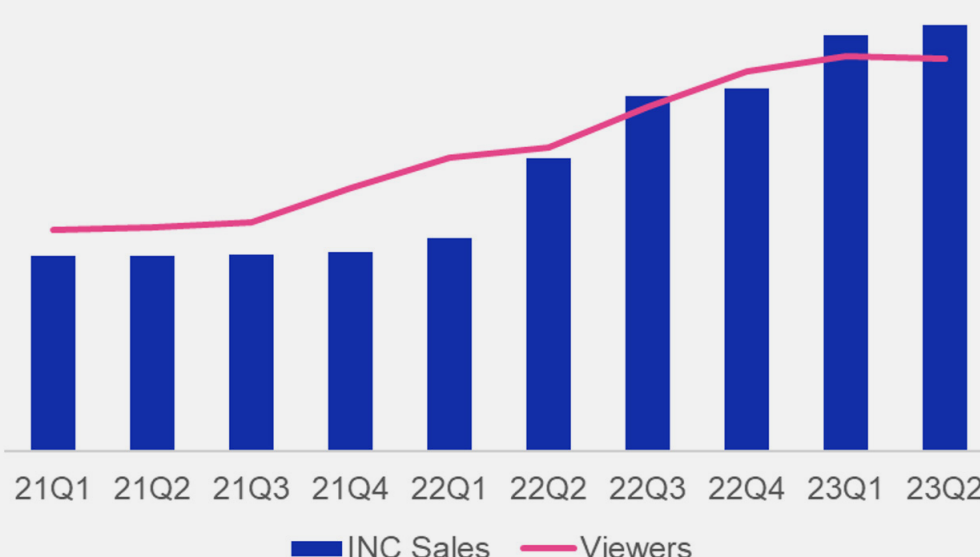
### Using the SAG ML Platform

Targeting an extensive audience of 5 million digital customers, the retailer employs ML software to select the 10 most relevant Temporary Price Reductions (TPRs) for each customer. These personalized TPRs are seamlessly delivered via email or accessible through the customer's app. Notably, this approach **maximizes the impact of existing TPR assets without incurring additional retailer or CPG budget considerations and ultimately increases sales**. Additionally, implementing ESG practices, such as replacing the paper trail with personalized digital messages connecting to new European ESG regulations, further **enhances the retailer's sustainability efforts while meeting evolving consumer demands**.

## RESULTS

Significant incremental sales on promoted products were generated and represented a remarkable 46% year-over-year growth.

### Year Over Year Continued Performance Increase



## CONCLUSION

This highlights the significant impact of personalized offers on digitally engaged customers. Implementing personalized mass promotions campaigns requires minimal operational efforts while providing substantial value to the retailer. Tailoring promotions to individual customer preferences not only increases sales but also improves the shopping experience, leading to higher customer satisfaction and loyalty.

Moreover, new ESG regulations are reshaping business models, with retailers prioritizing sustainability to align with consumer preferences and enhance revenue and brand reputation. Proactive engagement with ESG initiatives offers retailers a competitive advantage and enables them to make a positive environmental impact.

## ABOUT SAGARMATHA

Sagarmatha is a leading provider of Machine Learning-based software solutions for global retailers and CPG suppliers. With over two decades of expertise, Sagarmatha's innovative approach combines personalization and ongoing analytics to drive growth, enhance the customer experience, and elevate sales.