

## BETTER DIGITAL FIT FOR RETAIL MANAGEMENT



**By Damir Lesničar**  
CEO, ETRANET Group

Traditional monolithic retail management systems (RMS) are going the way of the dodo – new agile RMS bring tighter integration with outbound marketing efforts, eCommerce, and modern hybrid loyalty solutions to increase average customer value

At the heart of this novel approach is the collection, analytics, and creation of targeted actions based on collected data, all in real time. Collected and integrated data on an individual customer or group of customers must be easily pluggable into sales and marketing efforts to increase revenue per customer. For that purpose, a future solution should offer insight into what is selling and where, and support outbound marketing with quick, targeted omnichannel communication towards customers. To accomplish this, they must be interoperable with well-established cloud marketing tools – e.g. Mailchimp for newsletters, IM advertising, etc.

A new role for loyalty solutions, which are also undergoing a renaissance of their own, goes hand in hand. Far from mere collecting of redeemable points, hybrid loyalty solutions must offer customized bonuses, rewards, and incentives within a loyalty program tailored for each individual customer.

The infographic below demonstrates how modern solutions can already support agile retail management with a good fit for a variety of retailer types.



# Use Case: TOP WHEY PROMO

1

### ISSUE

National chain of sports equipment and health food notices lagging sales of an established brand of whey protein ("Top Whey"). SKU sales data pulled from inventory for the last quarter indicates that **off-brand whey proteins are taking over market share**. This is not only eating into direct revenue but is also jeopardizing quarterly bonuses from Top Whey's distributor.

2

### RESPONSE

Sales and Marketing department arranges a promotion for Top Whey with its distributor, offering limited time discounts on a BOGO basis for all customers. Luckily, this **retail chain uses a modern loyalty solution which can quickly and easily filter from ERP data all previous customers who bought Top Whey – both loyalty members and those outside loyalty program**.

3

### OUTBOUND MARKETING

Digital prepares communication for all company's social media channels. **Personalized newsletters with standard A/B testing audiences are plugged into Mailchimp to be sent to all previous buyers of Top Whey, but also to people who purchased off-brand whey proteins at this retail chain**. The latter will be enticed to try Top Whey with additional incentives.

4

### POS PREPARATION

The promotion is nationwide and must begin ASAP. Thanks to this **retail chain using internet connected electronic shelf labels (ESL), the pricing change can be scheduled automatically to roll over as soon as it is entered into ERP and is thus visible at all POS**. Using ESL saves time and money by avoiding overhead for changing prices at hundreds of locations nationwide.

5

### READY FOR LAUNCH

**Promotion is entered into ERP and visible in all systems – POS, web shop** – with all communication scheduled to start at the optimal time for each channel and audience.

6

### ONE WEEK INTO PROMOTION

**Sales and Marketing have been monitoring response and sales results of the promotion in real time**. Digital recommends adjusting terms of the promotion and new messaging accordingly. Again, thanks to agile systems the company can negotiate and quickly deploy new 2+1 offer for Top Whey.

7

### PROMOTION ENDS

Wealth of data from customers from the Top Whey promotions is added to the available datasets to support further business decisions. **Sales and Marketing uses this data to analyze and predict possible future similar situations where off-brand products are endangering highest margin items**.