

Coop Norge



Utilising digital channels to deliver relevant and personalised offers to customers is a key priority for Coop Norway. The introduction of a new easy-to-use app displaying offers based on redemption history and choice of channel resulted in higher redemption rates, increased loyalty & sales uplift.

About Coop Norway

- Established in 1906
- Consumer co-operative retail business within grocery, general merchandise and DIY
- 1.6m member owners (representing 60% of Norwegian households)
- 1200+ stores across Norway, with 29% market share in grocery & 32% in DIY

Objectives

- Strengthen loyalty and customer satisfaction through personalised offers
- Increase the reach of Coop's customer-first rewards programme (from paper to digital) with special focus on younger customers
- Utilise the mobile channel to respond to customer preferences
- Reduce the cost and waste of paper coupon circulation

Achievements

- Successfully developed and launched an easy-to-use mobile app providing customers digital access to personalised reward coupons
- 86% app uptake after trial period; highest retention rate across dunnhumby projects
- 70% of coupons redeemed are now generated through the app, and growing
- Higher engagement with the rewards programme and greater use of coupons, resulting in sales uplift at Coop stores
- Increased customer satisfaction supported by the ability to deliver rewards via the customer's channel of choice

'Relevance' is not only about personalising product offers and coupons, but also about understanding which channels customers prefer

With Norway having one of the world's highest penetration of smartphones, and customers demanding more and better mobile products and services, there is no question about why Coop Norway decided to prioritise transitioning paper coupons to a digital format. In addition, this approach fully aligns to the principles of Coop Norway's customer-first rewards programme by allowing interaction with customers through their preferred channel. It also contributes to cost savings associated with paper coupons circulation, which translate into greater flexibility to deliver competitive prices and more generous and personal offers.

Challenge

Customers' expectations for a seamless, relevant and personalised experience with retailers and brands are growing. Not only has the response rates on direct mail communications dropped over the years, costs of print and distribution eat up a big part of the marketing budget. As a result, Coop Norway wanted to speed up the transition to digital.

The personalised reward coupon program is important and valuable for Coop. Finding the best solution to deliver a personalised reward coupon through the channel of preference, without compromising the effect of the existing program, was the main challenge.

Solution

While providing consultancy services around the app development to enable a customer-first experience, dunnhumby introduced a test and learn approach which for the first time, delivered personalised offers to Coop Norway customers in digital and paper form. The methodology is backed by customer data & insight (customer behaviour, customer preference and redemption history) helping Coop Norway make more informed decisions.

Deeper understanding of Coop's customers enables the creation of a rule-set used when converting members from paper to digital. Redemption history is key, but for Coop Norway, members with low loyalty and members that have registered an email address and subscribe to email marketing (i.e. digitally prone customers) are also recognised as having high potential for conversion.

Additional recommendations from dunnhumby to Coop Norway included using an 'activation piece' to ensure customers don't redeem passively, and promoting groups of offers, showing a variety of products and not just one flavour.

Results

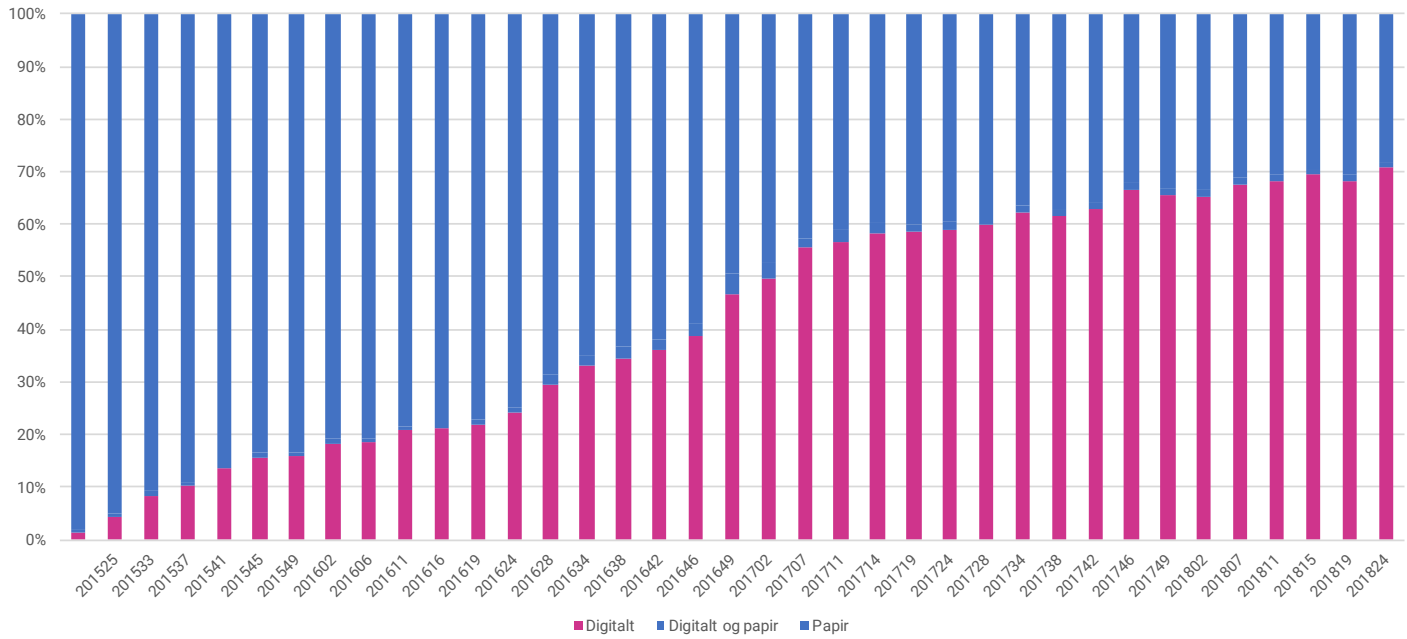
Customer engagement via Coop Norway's new mobile app increased rapidly. There was an 86% app uptake after the trial period, making this solution a global best in class. Coop believes that success is due to the relevance of the targeted offers delivered in the channel of preference, which can only be achieved using customer data analysis and insight.

In Norway, couponing is a relatively new mechanism compared to other European countries, however, the generosity of the trigger offering, which provides 11% discount on fresh fruit and veg and 20% discount on Coop's Private Brand ecological products for app users every day, has proved crucial to maintain a high level of engagement and customer satisfaction.



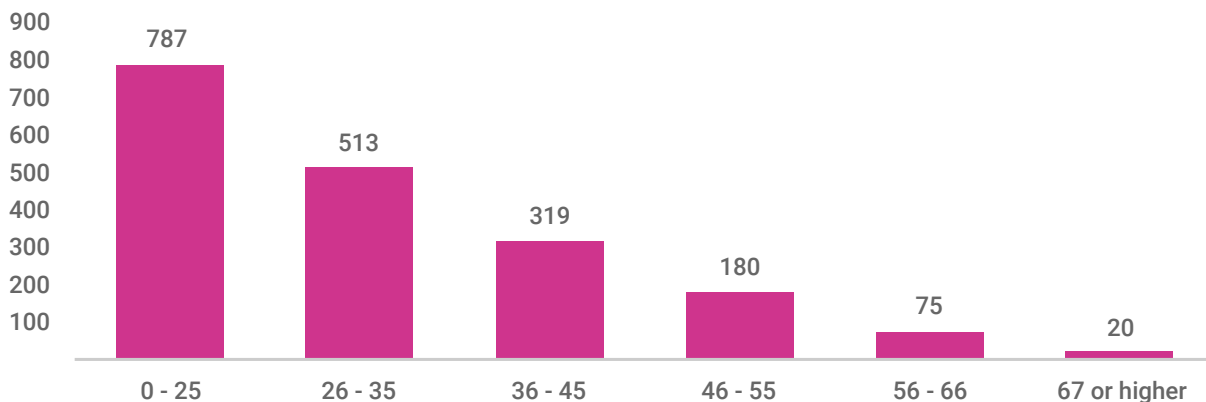
Converting Coop's customer base to digital was a big challenge, but significant results were observed from day one, with 70% of coupons redeemed now generated through the app.

Participating members by channel distributed by campaign week



The addition of the digital channel transformed Coop Norway's rewards programme into a powerful tool to attract and engage priority segments such as younger customers and families with children. The programme's extended reach has helped to increase the use of digital coupons, reduce costs associated with paper coupons and to grow sales.

Digital index for LCM distributed by age



dunnhumby

THE WORLD'S FIRST CUSTOMER DATA SCIENCE PLATFORM

dunnhumby is the global leader in Customer Data Science, empowering businesses everywhere to compete and thrive in the modern data-driven economy. We always put the Customer First. Our mission: to enable businesses to grow and reimagine themselves by becoming advocates and champions for their Customers.

With deep heritage and expertise in retail – one of the world's most competitive markets, with a deluge of multi-dimensional data – dunnhumby today enables businesses all over the world, across industries, to be Customer First.

The dunnhumby Customer Science Platform is our unique mix of technology, software and consulting enabling businesses to increase revenue and profits by delivering exceptional experiences for their Customers – in-store, offline and online. dunnhumby employs over 2,000 experts in offices throughout Europe, Asia, Africa, and the Americas working for transformative, iconic brands such as Tesco, Coca-Cola, Meijer, Procter & Gamble, Raley's, L'Oreal and Monoprix.



Contact us to start the conversation

dunnhumby.com