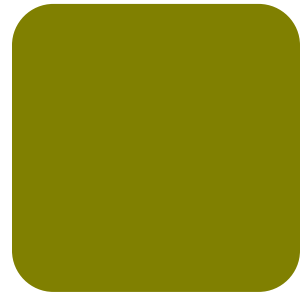


case study



The hp/Indigo Solution

UKROP'S SUPER MARKETS – VALUED CUSTOMER® PROGRAM

Customers of the Ukrop's Super Markets, Inc. eat up the personalized communication that is relevant for their needs. These industry leaders have set the pace for what grocery stores are doing nationally to retain valuable customers.

"We are able to continue to evolve our programs because of the flexibility the hp/Indigo solution provides. Targeting the messages to the customer is a much more effective way to communicate."

Scott Ukrop, VP of Marketing.

BACKGROUND

Ukrop's Super Markets, Inc., founded in Richmond in 1937, operates 27 retail food stores, Joe's Market, a Central Bakery and Kitchen, and a distribution center. Ukrop's was a pioneer in both loyalty marketing and meal solutions when it launched its Valued Customer® program in 1987 and its chilled prepared foods in 1989. In 1997, Ukrop's established a unique partnership with National Commerce Financial Corporation in which it co-owns 18 First Market Bank branches in Ukrop's locations and 8 free-standing branches. In February 2002, for the third year in a row, Ukrop's was recognized as a top company for whom to work by Fortune magazine.



case study

CHALLENGE

Ukrop's objective is to provide a unique supermarket experience by offering customers a variety of services. Conveying that they have so much more to offer their customers is critical. Additionally, they wanted to bring their customers in to the store more frequently and build and retain their loyalty. The challenge was to differentiate themselves through providing their customers with information and offers relevant to individual needs.

SOLUTION

- Valued Customer® Program aimed at customer retention strategy.
- Personalized communication to customers that reflects their interests and buying habits.

As part of an overall customer relationship management strategy, Ukrop's launched their Valued Customer® Program in 1987. At the time it was among one of the first of its kind in the country. In the beginning they offered automatic savings and reward points and a newsletter to the participants in the program. As the program evolved, Ukrop's was able to begin personalizing their communications and offers to the individual buying habits and interests of their customers. "Ukrop's Super Markets was one of the first businesses to embrace the use of data in their direct mail marketing strategy. Choice Communications, Inc., through the use of the hp/indigo solution has provided Ukrop's with a way to personalize both the content and the offer for each client. Ukrop's is able to more effectively target specific audiences, generating huge response rates increasing customer loyalty," says Kate Dunn, Choice Communications, Inc. Currently the program offers not only point of sale targeted messages and savings, but also personalized direct mail with monthly and bi-monthly special offers. Their program tracks the customers' spending over time providing coupons with offers based on previous purchases, departments and store locations shopped. As part of the rewards, Ukrop's also offers a Golden



Gift program in the personalized newsletter to be given to the customers' selected charity or non-profit organizations. Using the hp/Indigo solution allows Ukrop's to personalize the images and text on the newsletters to the customer's individual tastes and interests. They also use the hp/indigo solution to conduct surveys for data collection, send newsletters and offers to the Top 400 customers from the individual store managers.

RESULTS

Ukrop's is very pleased with the ability to target the right message to the right customer. Their relationship with Choice Communications and the hp/Indigo solution technology provides them the flexibility they need to provide added value to their customers. The longevity of their Valued Customer® Program and their continuing evolution of their program are a testament to the results they have seen using personalized communications. Ukrop's tracks their results in a variety of ways including:

- High response rate through high redemption of offers.
- Retention of customer households or customer loyalty.
- High program usage – captured through overall tracking of the card program.

The overall results have certainly met their expectations and provide continued satisfaction from their marketing team.

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