

SHOPPING GETS PERSONAL WITH DATA COLLABORATION

PROFILE



Singapore's largest supermarket chain NTUC FairPrice, and its leading customer loyalty platform NTUC Link, are now harnessing the power of data analytics to simultaneously enhance customer experience and streamline business costs to continue its social mission of moderating the price of essentials.

CHALLENGES



Lack of targeted, personalised marketing strategies.

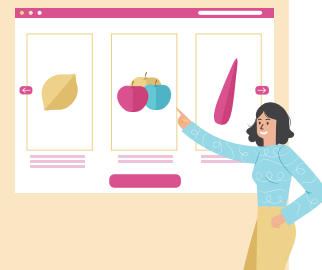


Both FairPrice and Link leveraged on the same customer database to carry out separate marketing operations, leading to customers receiving multiple irrelevant emails.

THE SOLUTION

To best engage their audience, FairPrice and Link made use of two methods that employ advanced algorithms:

- Product-to-product affinity** which looks at discovering products that are similar to other products the customer has purchased.
- Customer-to-product affinity** which makes recommendations by automatically discovering the customer's preference for each product.



Both organisations also pooled their customer data to get a better picture of customers' buying behaviours across different lifestyles and life stages to extract higher-quality insights with better accuracy.

BENEFITS

15% increase in sales conversion rate.

Increased cost efficiency on marketing expenditure.



“ In today's society, consumers lead increasingly busy lives, and desire greater ease and convenience in getting their shopping done. With enhanced personalisation, we strive to make every interaction more beneficial and personal. ”

Mr Alvin Neo, Chief Customer and Marketing Officer, FairPrice Group

In support of:



By pooling their customer data, NTUC FairPrice and NTUC Link can offer a more personalised customer experience while saving on marketing costs.



Avid online shoppers will be long familiar with e-commerce sites where you can buy electronics, clothes and even furniture with a click of a mouse. But in 2020, as the global pandemic spread across the world and governments put into place various lockdown measures, people turned to the web for groceries as well.

This has changed the way Singaporeans shop for their daily

The Solution

Towards better customer engagement

With a deeper understanding of their customers, NTUC FairPrice can tailor their product offerings and exclusive offers to the time, need and platform that will best engage their intended customer.

In particular, NTUC FairPrice and NTUC Link employ advanced algorithms on two fronts: product-to-product affinity and customer-to-product affinity.

The former works by discovering products that are similar to other products a customer has purchased, while the latter makes recommendations based on a customer's preference for products.

essentials such as groceries, allowing for consumers the option to purchase groceries through omni channels, and across different retail formats. As the grocery experience increasingly merges the offline and online spheres, so too does advertising in the form of dynamic electronic direct mailers (EDMs) and digital media.

Complementing the in-store media found in the grocery for in-person shoppers, Singapore's largest supermarket chain NTUC FairPrice and leading customer loyalty platform NTUC Link are also now harnessing the power of data analytics to create a more curated customer shopping experience.

With the help of sharper data insights, NTUC FairPrice and NTUC Link are able to simultaneously enhance customer

experience and streamline business costs to continue its social mission of moderating the prices of essentials.

Challenges

Grocery shopping has always been a very personal experience and remains so even today, when the shopping is done online. While families may generally require the same categories of products, they have varying preferences for the many brands and features.

Prior to 2020, NTUC FairPrice and NTUC Link had targeted customers based on demographic and some transactional data. To further pique the interest of customers and better serve their needs, NTUC FairPrice and NTUC Link turned to more advanced data analytics.



“In today's society, consumers lead increasingly busy lives, and desire greater ease and convenience in getting their shopping done. With enhanced personalisation, we strive to make every interaction more beneficial and productive.”

- Mr Alvin Neo, Chief Customer and Marketing Officer, FairPrice Group

Providing the personal touch

To unlock the full potential of data analytics, NTUC FairPrice and NTUC Link pooled their customer data to paint a clearer picture of buying behaviours across different lifestyles and life stages.

Armed with a richer pool of data, the two organisations can extract higher-quality insights with better accuracy, enabling them to better offer a more valuable grocery experience to their customers. By personalising marketing messages, they increased the

success rate and made every message count. They could predict when would be a good time to engage customers, where and how to reach them, and what they may prefer to see.

“Customers get personalised content that they resonate with. Meanwhile, businesses can streamline their resources by offering promotions by only sending deals that are contextually relevant to customers.”

Benefits

Since their collaboration, NTUC FairPrice and NTUC Link moved to sending personalised emails between June and December 2020.

As they have found, a personal touch indeed makes a difference, with their efforts so far resulting in a 15 percent increase in conversion rate and cost efficiency on marketing expenditure.

In this data-driven world, maintaining customer trust is key.

To this end, NTUC FairPrice and NTUC Link are looking to tap on new technologies that allow data exchange while ensuring robust security and compliance with the Personal Data Protection Act (PDPA) to ease the collaboration process — even noting that such approaches could be adopted for other kinds of partnerships, including between public and private organisations or private and educational institutions.

Through the examples of NTUC FairPrice and NTUC Link, it is clear that data analytics has the potential to transform almost any industry by personalising customer experiences while saving costs.

By joining forces and engaging in data insights collaboration, companies can make the most of their resources to grow their business with a richer understanding of their customers.

Looking to make better use of your data?

The Better Data Driven Business (BDDB) programme aims to help SMEs use their data to make better business decisions. Find out more at www.imda.gov.sg/bddb.

In support of:

