



Stockmann Delicatessen Marketing Analytics

How the premium grocery chain improved its
Marketing ROI with Sellforte

“We have previously done marketing activities and campaigns in a vacuum, lacking deep enough analytics to give feedback on our performance.

Sellforte has provided insights on what in our marketing works and what doesn't.

Now for the first time, marketing and merchandizing get easy and understandable feedback from their own work to make better decisions in the future.”

Susanna Otila, Director at Stockmann Delicatessen





HIGHLIGHTS

- ✓ Identified **+50% points improvement potential in marketing ROI** through media mix optimization, star product selection and investing in seasons.
- ✓ Started measurement of **marketing performance on ad and week level**, providing actionable recommendations.
- ✓ Introduced **agile testing and piloting** capabilities.

sellforte Promotions Marketing Help

Week < 48 / 2016 >

Fri 02.12.2016



		Media spend		Media ROI %		
		Total €	Media €			
Margin						
Sales						
Item name	Inc. Sales €	Sales Media €	Inc. Margin €	Margin Media €	Basket Size €	Basket Count
NORJALAINEN LOHIFILEE C-LEIKKAUS						
Valio Hienoin Keisarinna 24 months 13kg						
ST GOURMET LUUTON PORONPAISTI TUORE, SUOMI						
Rainbow trout roe fresh kg						
MEALS ELK MEATBALLS WITH LINGONBERRY SAUCE						
Cooled broilers fillet kg						
MEALS ELK MEATBALLS WITH LINGONBERRY SAUCE PAK						
Stockmann Bakery 360 g Rustical twistbread						
Marli 0,5l Mulled Wine Concentrate 1+3						

- ✓ How many **customers visited thanks to media**?
- ✓ What **else did they buy**, other than the promoted products?
- ✓ What are the **best-performing star promotions**?
- ✓ What is the **optimal marketing mix** and **investment level** by media type?
- ✓ What are the **best-performing seasons** and weekdays?



CLIENT CONTEXT

Stockmann Delicatessen is the top premium grocery chain in Finland and Baltics.

- Delicatessen operates in six Stockmann department stores in Finland.
- Delicatessen provides customers with first-class service and a unique, broad, high-quality selection.
- Either for celebration or everyday cooking, Delicatessen inspires and provides the right ingredients for success.

Delicatessen has relied on a HiLo promotional strategy, with a strong loyalty program, and advertising in daily newspapers.

- Most of the media spend was used to promote weekly ads in daily newspapers.
- Delicatessen had a small but growing digital presence.
- Delicatessen magazine, which was delivered home to loyal customers, gave inspiration with new recipes and introduced novelty products.
- Coupons were used to reward loyal shoppers and activate them during holiday seasons.



CHALLENGE

Finnish retail landscape had been extremely price-driven for many years due to static consumer purchasing power and tight competitive situation.

- As a result, marketing messages around price and promotion had become the market standard.

Delicatessen's media spend was focused on traffic-driving weekend price campaigns.

- However, lacked proof which categories were bringing in traffic and which were not.
- Thereby, all categories were promoted in media even though only few performed.

Delicatessen had strong media performance as the starting point.

- Clearly positive margin ROI for media investments overall.
- Differentiated theme, with high quality and delicious pictures.

However, they lacked analytical tools to give actionable insights to continuously improve marketing performance.

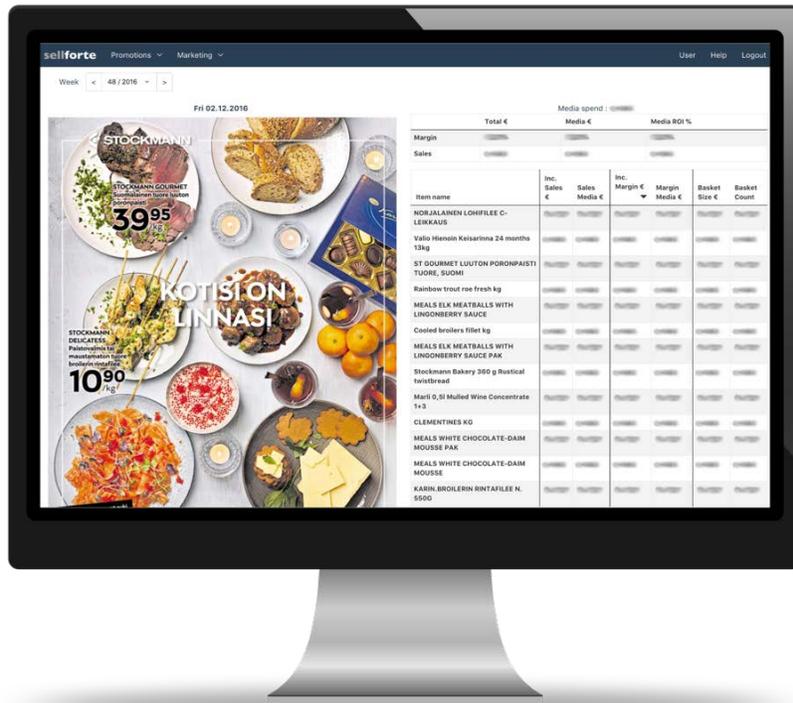
- Marketing performance analyzed too seldom with results only on media type level.
- Lacked understanding on which messages, themes, media, seasons and star products performed the best.



OBJECTIVES

Objective was to improve analytical capabilities to drive effectiveness of marketing activities and media spend through the following actions:

- Identify traffic-driving categories and star products.
- Understand which messages work best in which medias.
- Optimize allocation of media investments to different media, vehicles and seasons.
- Shift toward marketing messages that build the brand value and customer loyalty in the long term.
- Improve coordination of marketing and merchandizing organizations in campaign planning.



SOLUTION

Delicatessen and Sellforte compiled the data, and stored it to Sellforte's secure cloud.

- Anonymized receipt data.
- Store-SKU-date level financial.
- Product hierarchies.
- Category marketing plans.
- Media spend & ad pictures.

Sellforte diagnosed the data.

- Store-SKU level analysis: promo uplifts, cannibalization, stock-up, vendor funding & other effects.
- Receipt-customer level analysis: traffic, shopping frequency, basket size & profitability, customer loyalty.

Sellforte applied its proprietary analytics models.

- Sellforte's predictive and machine learning models were used to understand the causalities, and to provide insightful results.

Sellforte created recommendations and guidelines for marketing.

- Selected changes were piloted and tested before full rollout.

Sellforte software was delivered to give continuous support to Delicatessen marketing and buyers.

- Ad-specific analysis, visualized in Sellforte's easy-to-use Web-UI.

RESULTS

Identified +50% points improvement potential in marketing ROI through media mix optimization, star product selection and investing in seasons.

- Shift media spend to best performing newspapers by moving to more frequent publishing schedule and optimal ad size.
- Invest even more in holidays and seasons, in which media spend gives the best return for investment.
- Optimize each category's media plan by rotating best-performing products more often in media.
- Optimize overall media plan by giving more ad space to traffic-driving categories.
- Optimize ad layout by identifying best ad slots, and giving them to traffic-driving SKUs.

Sellforte analytics helped Delicatessen to understand the role of different media types.

- Which messages and products to promote in which media.

Additionally, Sellforte's analytics software added new capabilities to marketing organization's toolkit.

- Started measurement of marketing performance on ad and week level, providing actionable recommendations.
- Introduced agile testing and piloting capabilities.

Delicatessen concluded that promotional advertising can be an effective way to drive traffic to stores, give positive marketing ROI and drive brand perception.

- Promotions were complemented with other reasons to visit (e.g. unique services, special events) and important messages (e.g. holiday opening hours, news).



STOCKMANN

HERKKU DELIKATESSEN



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We look forward to working with you!

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