

Mission Marketing

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by Daniel J. Lescoe (May 2, 1994)

Webster defines marketing as "an aggregate of functions, involved in moving goods from producer to consumer."

Measured Marketing is collecting, analyzing and using customer information to develop marketing programs.

Then there is *Mission Marketing*. As defined by **Big Y Supermarkets**, Mission Marketing is an all-out, frontal assault on the competition with our best weapon, the *Express Savings Club*. Every marketing program we develop has one mission: to promote our club. It is a religion for us, not just another promotion.

Measured Marketing should not be confused with Mission Marketing.

Marketing options

Within our marketing area in 1990, store coupons were the major marketing vehicle used by our competition and by us. Customers in New England loved coupons. At that time, we saw our marketing options as:

1. Stay with our present in-ad coupons and coupon book promotions.
2. Convert to EDLP (every day low pricing).
3. Eliminate coupons and straight-price our programs.
4. Throw away all the traditional marketing methods supermarkets were using and try something new.

We chose the latter option. We developed what many refer to as a "frequent-shopper card program" - the Express Savings Club.

Our four goals

For our program, we established these goals:

- Offer better service and greater convenience for our customers by eliminating coupons.
- Achieve operational cost savings by improving checkout speed, and eliminating price changes every week.
- Create a progressive image of our company.
- Learn more about our customers to improve our service and value.

No more clipping, no more books. No more cashier's dirty looks!

Four basic benefits

We established four basic benefits to communicate to our customers:

- No store coupons to clip.
- Instant savings on up to five of each item. (Our competitors' coupons limited consumers to savings on one item.)
- No minimum purchase requirement.
- Free membership. (A blow to the growing warehouse clubs!)

Also, we visually communicated our new message to the consumer by color-coding all our electronic coupons pink (the color of our card) and by placing a "do not clip" border around them. To further emphasize our clipless coupons, we designed a sign to use next to each item, the now familiar scissors inside the universal "don't" symbol.

Pre-launch communications

Just prior to launching the program, we mailed a promotional announcement and a new Express Savings Club card to every customer who had a Big Y check cashing card. After the initial mailing, our efforts focused on signing up the universe of customers in our marketing area.

We accomplished our goal with total employee commitment and great deals. If you came to shop at Big Y, you didn't leave the store without believing you needed an Express Savings

Club card. What's more, we made joining easy. A minimum of information was needed and the customer received a temporary membership card immediately. Our customers wanted instant savings, and we gave them instant gratification.

The Club is core

The Express Savings Club was now the core of our marketing efforts. It was clear to our employees, our competition and our customers. Our advertising focused on the benefits of the card; the signs in our stores reinforced the message; our buyers put together great deals to support the program; and our employees asked every customer if they had a card. To say the least, we were deliberate and relentless.

We were so convinced that our mission was right that we even asked our customers to give us their scissors (no need for scissors anymore) and we would give them 10% off their entire grocery bill. But do not try this at home, unless you know where you can safely dispose—environmentally—of hundreds of thousands of scissors!

Making the Club exciting

Our first effort at electronic marketing was tied into Big Y's 55th anniversary. Our scanning computers were programmed to award a free item to every 55th customer using their Express Savings Club. In this case, the free items were from our newly introduced private label line. Other prizes included 55 free trips to destinations all over the world. By the end of our anniversary celebration, our customers were promoting the Club.

Now the challenge was to find new ways to keep the program exciting and add value to the Club. During the first summer, we formed alliances with attractions throughout our marketing area and introduced Sensational Summer. By simply presenting their Express Savings Club card, our customers could save on admission prices to family attractions, such as the Mystic Marinelife Aquarium and the Basketball Hall of Fame. Sensational Summer was a hit!

Encouraged by our success, we established ongoing discount agreements for our card members with entertainment and sporting facilities, like our local Civic Center/Symphony Hall complex.

Education Express

Our electronic marketing program broke new ground when we tied our Express card to our new education programs. Big Y has a deep-rooted commitment to education programs.

Three years earlier, the company had developed a successful save-a-tape program, Computers for Kids, that donated \$1 million to area schools. This time, we decided to use our Express card technology to electronically record purchases and points earned for each school.

In January 1992, we launched *Education Express* and *Educating Kids*. Through Education Express, Big Y customers could support their local school by simply signing up once for the program and then purchasing money-saving Education Express sale items.

Every time a participating customer purchased an Education Express item, their designated school earned valuable award points electronically! These electronic points were then converted by the schools into free equipment from our Award Catalog. We took the burden of saving, collecting and counting register receipts away. Our Express card made the program easy for our customers and participating schools.

Basically, the program involved these steps:

- Customers registered for the school of their choice. Each school in our marketing area was assigned a four digit ID number.
- Our circular advertised Education Express sale items using the program's school bus logo.
- Each Education Express sale item had an advertised point value.
- Education Express sale items and point values were identified on the shelf with special Education Express signs.
- Each customer's Education Express points were totaled and displayed on their register receipt.
- Points were electronically tallied for each school and communicated to them on a bi-weekly basis.
- Schools order from our Award Catalog.

No more tapes to save! Over 750 schools and 68% of our weekly customer base actively participated in the program, earning close to \$2 million for computers, science equipment, musical instruments, and much more.

Educating Kids

Our second education initiative was our 36-page magazine, *Educating Kids*. Articles in the magazine were geared to parents of school-aged children and offered practical tips, advice, and guidance for parental involvement in education. With 400,000 free issues published quarterly, the publication represented the largest campaign for parental involvement in

education in the United States. The magazine also served as a vehicle to promote Education Express: each issue featured over 200 Education Express sale items.

Education Express and Educating Kids have been our two most rewarding programs. We helped make a difference in education and added a real value to our card.

Express Millions

This past February, we unveiled our latest card-based program, Express Millions. By simply having their card scanned in our store, customers can win \$1 instant lottery tickets, \$50 free groceries or \$1,000 cash instantly. All \$1,000 winners are automatically entered into two sweepstakes drawings for a chance to win vacations, cars, and the grand prize of \$1 million.

Electronic Triple Coupons

Recently, we introduced "electronic" triple coupons. Big Y, like our competition, automatically doubles the value of manufacturer coupons. Periodically, a competitor would advertise three triple coupons for the week. Naturally, the customer had to clip the coupons. Then, one competitor offered to match triple coupons from other retailers. Big Y answered by telling our customers we would redeem their three highest valued manufacturers' coupons electronically. No need to clip the competitors' triples. What's more, they couldn't bring our electronic triples to a competitor's store.

How are we doing?

We're often asked to quantify the success of our Express Savings Club. Due to the highly competitive nature of our business, our statistical information, like our customer database, is kept confidential.

I believe, however, that a comparison of our 1990 vs. 1993 sales and market share in western Massachusetts tells the whole story. In 1990 Big Y sales in the four counties of western Massachusetts were \$272,400,000, which represented 25.37% of the market.

In 1993, we moved into the number one position with sales of almost \$364,662,474 and a market share of 28.75%. During this same period, market share for each of our two primary competitors fell more than 4%.

Total commitment

In closing, Mission Marketing requires total commitment. At Big Y, all marketing decisions are based on whether they fit with our Express Savings Club. Every new program must improve and advance our card. Mission Marketing is not for the meek or faint at heart.

Source: *Customer Specific Marketing (p. 184, ff.) by Brian Woolf*

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