

grecco

Customer Case - Food Producer

Food Company Case Study

- Profile

- Market leader in the Netherlands for baby foods (>65%)
- Approx. 125 Employees working in marketing, sales and medical.
- Strive for image of a trusted partner to the parents
- Market segment is parents with children between 0 and 36 months
- Marketing starts during pregnancy
- After 36 months parents become potential customers for other products.

- Market

- Dynamic market with 150.000 new children born every year.
- 62 Million Euro per year on Instant Milk for Babies

Challenges Faced by Food Company

- **Poor quality of customer data**
 - Information about parents is collected within many of the food company's systems. They also procure information from external sources. The whole aim is to support parents through the first 36 months of parenthood and leverage this towards sales of baby food. However, the different sources did not provide a single view of the customer. As a result, the full benefits could not be reaped and the cost of sale was higher than necessary, for example in marketing. Also, sensitive information such as incidents of still-births was sometimes overlooked leading to inappropriate marketing correspondence and reputational damage.
- **No feedback loop to improve marketing campaigns:**
 - During every marketing campaign many mailings were returned as wrongly addressed. However, it was not possible to use the returns to improve the next campaign. Also, customer information from various sources was not integrated, resulting in duplicate entries in the marketing lists and consequent multiple mailings to some customers.
- **Optimization of marketing across channels not possible**
 - The food company runs a call center to provide advice and support to parents. However call center agents had to double check basic ID and address information with callers even though they were already known to the company. Worst of all, the information gathered could not be shared with other areas of the business due to lack of integration.

Grecco Solution

• Grecco Customer Data Integration

- Automatic creation of 'Golden' records
- User interface to override rules
- Standardized API to share 'Golden' records updates across other systems

Search



Enrich



Validate



Integrate



• On-boarding project achieved 'go live' in 3 months

- Over 10 data sources were connected.
- Sources were both internal and external.
- All sources integrated in a single "Golden" record.

Correct



Format



De-duplicate



Merge

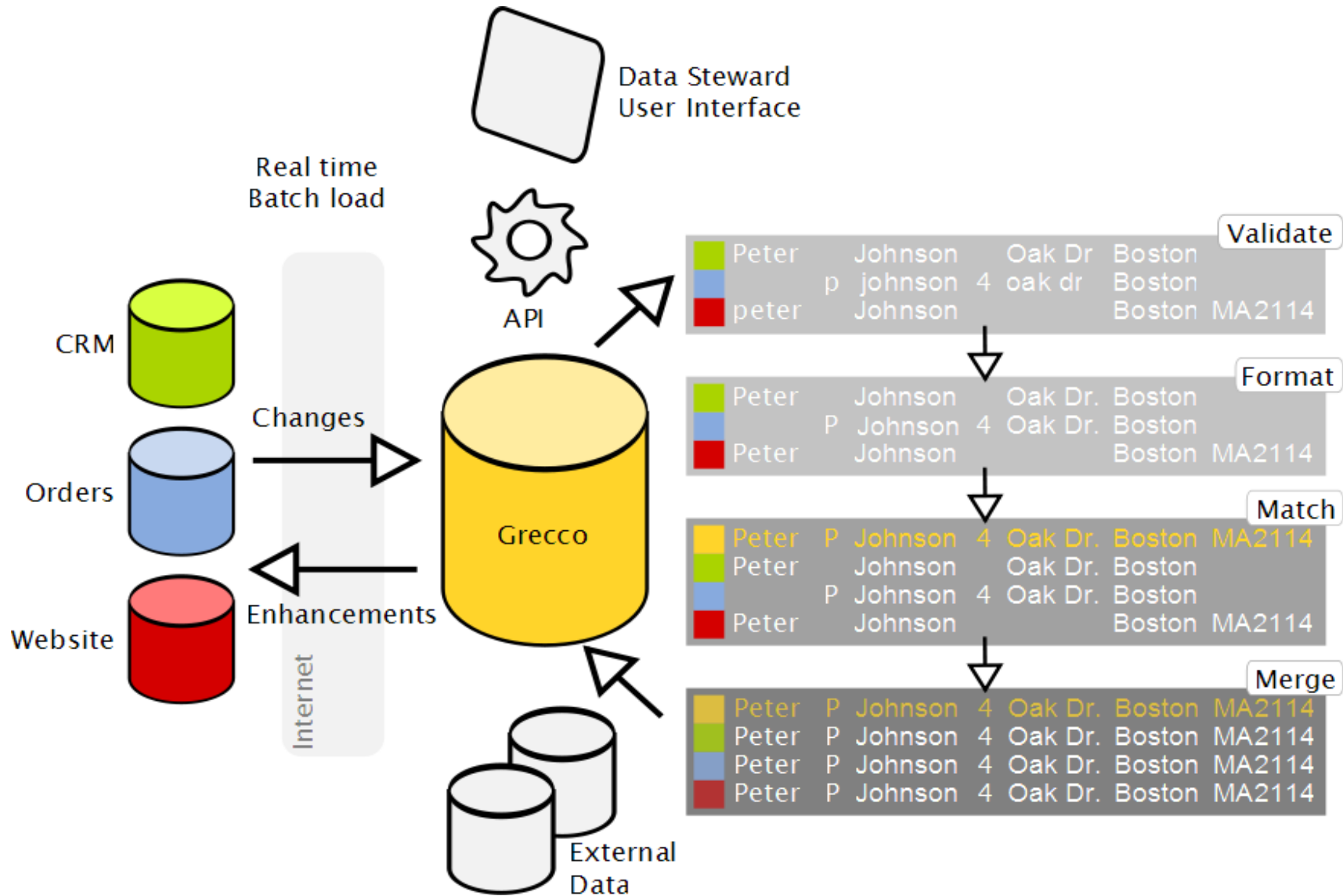


• 36 month Software-as-a-Service contract

- Regular service management reporting and meetings
- Monthly release calendar with new Grecco features
- Continuous further integration within the client's IT landscape
- 2 million Golden Records maintained within the platform

Grecco Architecture

Golden Record



Benefits to Food Company 1

- **Reduced Risk of Reputational Damage:**
 - **Issue Solved:** In the past, the food company would occasionally send marketing materials to parents in inappropriate circumstances such as still-births. Although this sensitive information was known within in the company, it was not integrated with the data used to run marketing campaigns.
- **Increased Marketing Effectiveness:**
 - **Marketing cost reduction**
 - **Issue Solved:** To run a marketing campaign every 4 month, the food company had to compile an address list from its various sources. It was too laborious to clean the list and remove duplicates. As a results, unnecessary costs were incurred and materials were returned due to incorrect addressing. The Grecco solution provides continuous automatic cleansing and de-duplication of the customer records.
- **Improved Share of Wallet:**
 - **More Cross-selling & up-selling**
 - **Issue Solved:** The food company collects and procures lots of marketing information. However, no integrated view of the information was available as it was not possible to link the customer information. Thus the full potential for cross selling and customer retention could not be realized. The Grecco solution provides a master customer record, the “Golden” record, to integrate all available customer information within a single customer view.

Benefits to Food Company 2

- Improved customer intimacy

- More effective use of call agents in call centers
- Extended Customer Life Cycle (3 to 5 year, to next level of products)
- **Issue Solved:** The food company has many interactions with parents using various channels. Parents can phone the call center, use email or access information on the website. However, a single customer view was missing. As a result, personal information such as the address and the number in the household etc. had to be asked for repeatedly. This was obviously detrimental to the customer experience. Also, information collected could not be leveraged beyond the first 36 months as a link to follow on campaigns could not be established. The Grecco solution allows for more call time spend on useful customer dialogue rather than on gathering basic information. Also, the availability of a customer Golden record enables valuable information about the first 3 years to be integrated within campaigns designed to extend the customer relationship beyond three years.

- Reduction of Fraud

- Less free samples
- **Issue Solved:** Every new parent can request a gift box. However, occasionally, whole streets requested a gift box, or people claimed to have an implausibly large number of children! The Grecco 'Golden' record allows the claims to be intercepted and prevented.

Benefits for IT Organisation

- **Incorporation in IT**

- The Grecco solution has become the businesses standard repository for customer information. After the implementation, the Grecco platform has already been used and integrated within other business change programs facilitated by IT, such as the implementation of a new CRM system.

- **Benefits IT**

- **Simplify the Decommissioning of Legacy:** It has proven easier to decommission legacy systems. All key customer data is already integrated in the golden record which feeds other systems. As a result, when a legacy system is switched off, this does not impact the systems it feeds to, as the customer information remains in the central customer data hub provided by Grecco.
- **Streamlining Migrations:** New systems can easily be connected up to the Grecco hub to start importing customer data. Instead of connecting to many systems, the customer data can be pulled from the central hub. Also, to propagate customer data from a new system such as CRM, the system only has to be connected up to the central Grecco hub which then disseminates the new customer data throughout the whole organisation.
- **Early customer data validation:** The solution provides a central web service to validate inputs of customer data in a new system such as an online web application

- **Lower TCO**

- Grecco provides a complete Cloud based (Internet) service. The company didn't need to buy extra hardware, didn't need to appoint or even hire personnel to maintain and support the application.

Financial Benefits

- **Financial Benefits expected: More than €1.3 million per year**
 - **Potential Reputation Damage: Reduced to 0%**
 - Before Grecco solution: 30 cases per year
 - After Grecco solution: 0 cases per year
 - **Marketing Effectiveness: Annual Savings of €600.000**
 - Number of incorrect and duplicated addresses in campaigns: 100.000
 - Costs per individual mailing: 3 Euro
 - Number of campaigns: 3 per year
 - **Increased Share of Wallet: Estimated Annual increased profit contribution: €655.000**
 - Attract more parents to Food company: 4% per year of 150.000 new parent per year
 - Estimated weekly spend: 6 Euro
 - Estimated profit margin: 35%
 - **Improve customer intimacy: Increased call center effectiveness: Annual benefit €100.000**
 - Call center effectiveness: 1 Euro per call: over 100.000 calls per year
 - Extended customer life cycling: no indications yet
 - **Fraud Reduction: Annual Savings €9.000 annual**
 - Cost of gift box 8 Euro
 - 0,75% of gift boxes are fraud
 - 150.000 gift boxes annually

Financial Costs

- Financial Cost Year 1: €395,000
- Subsequent years: €215,000
 - One time charge for Professional Services & On-boarding: €180,000
 - Annual service charge: €215,000

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