

Real-Time Loyalty

BY RICHARD GUHA

MAX BRAND EQUITY

Green Hills Market has never settled for running with the pack. This independent grocery retailer in Syracuse, New York, has led the way in creating and sustaining customer loyalty in the most competitive of markets and the most trying of economic times.

With 23,000 square feet of space, this single store generates more than \$18 million in revenue each year—twice the revenue per square foot of almost any other grocery store in the country. This level of productivity and an unsurpassed use of retail technology to achieve it have earned Green Hills admiration from all over the globe (*see sidebar*).

Green Hills Market builds loyalty where the shopper, product and store converge.

So now, when economic pressures are impacting everyday grocery spending as much as discretionary spending and touching consumers in every market segment, retailers and manufacturers can once again look to Green Hills.

While most retailers are grappling with making loyalty a two-way street, Green Hills is going beyond the traditional methods of creating loyalty.

Gary Hawkins, the great-grandson of the Green Hills founder, is doing so by using technologies to capture the three-way intersection where the shopper,

the product and the store converge. This creates the connection that leads to the perfect moment in retail—the purchase.

Capturing that moment and recreating it over and over is the new art of in-store retailing that Gary, who launched one of the first loyalty programs in the U.S., is now pioneering at Green Hills. Knowing that this moment is not the same for every shopper in every store is the key to building a successful operation that can keep pace with its customers.

Utilizing the most advanced in-store business intelligence system available today to deliver aggregated data about shopper behavior, Green Hills can now understand everything about how its customers spend their time in the store.

This advanced shopper insights system tells Green Hills not just who comes in the door and what they check out with, but everything that happens in between.

“This in-between time is where the golden opportunity lies,” says Gary. “Knowing where they go and how they engage within the store is the key to understanding when, where and how my store can be managed better and ultimately become the store-of-choice for meeting their needs. This is something much deeper than getting the right coupon in their hands in time for their shopping trip.”

A NEW ECOSYSTEM

To seize the opportunity to create that connection to the store and the product, a new way of measuring shopper behavior is paramount. While some great technology exists today to measure human action and behavior, very few are optimized for analyzing behavior in a retail environment.

Getting technologies out of the research labs, packaged and optimized for the retail store environment, is key to bringing these kinds of capabilities to fruition. The nuances particular to shoppers are the

golden nuggets that help retailers and manufacturers truly affect change and create loyalty.

For example, knowing when a shopper is “thinking,” “engaging” or “comparing” is critical to determining how to package, present, message and display a product. These attributes are usually, at best, gathered through observation studies or other temporary efforts that only look at small sample sizes for short periods of time.

Gary notes that purchase decisions for consumables are moving away from the home to inside the store. Like most informational needs today, the new world of “don’t give it to me until I need it” information has caused the concept of the *shopping list* to be replaced with the “I’m here now, so what should I buy?” shopping mentality.

To meet the needs of this new type of shopper, Gary draws on his years of experience in retail technology, shopper loyalty and business success to get the blueprint right for the next wave of running a successful retail business. He knows it means being on top of what is going on in the store every hour of every day.

The key to truly capitalizing on this kind of information is to use technologies that live in the store 24/7, producing insights weekly, daily and hourly. Creating true loyalty and customer value doesn’t come from taking an occasional snapshot view into the behavior of a few customers.

“The challenge in today’s dynamically changing customer and product landscape is to keep the data and insights coming every day from every store. Even if you could afford it, the answer isn’t in hiring more consultants to capture data,” says Gary.

Gary refers to his approach as *Retail 3.0* and has published a series of white papers about the concept and the various technologies he is employing to make his vision a reality.

For example, Green Hills uses computerized video analytics to get accurate, objective, ongoing, actionable information about shopper behavior. This system employs some 35 fixed, state-of-the-art IP cameras to bring the kind of highly granular shopper

The Green Hills Story

Green Hills started 75 years ago, in 1934, when Carrie Hawkins opened a summer farm stand on Route 80 in Odondaga, New York. At first, it was just a sideline to the Hawkins’ dairy farming business, with Carrie selling corn and extra vegetables from her garden and the farm.

But in 1948, the family’s large dairy barn burned down, and Carrie’s son, Clifford, decided to forget about the dairy business and run the farm stand full-time. Within a few years, Clifford’s son, Keith, joined the family business and began expanding it into a full-service supermarket, one department at a time.

Still located on the site of the original farm stand, Green Hills continued to grow through the decades, and today still has customers that shopped the store as long as 50 years ago.

Keith’s son, Gary, followed in the family tradition shortly after finishing college in the mid 1980s. At the time, he began to see other retailers in the marketplace growing rapidly and expanding their fresh and perishable food offerings while placing greater emphasis on price.

Before long, Gary launched one of the first frequent shopper programs in the United States in 1993. He envisioned the program as a way for Green Hills to mitigate the leverage that larger retailers had enjoyed.

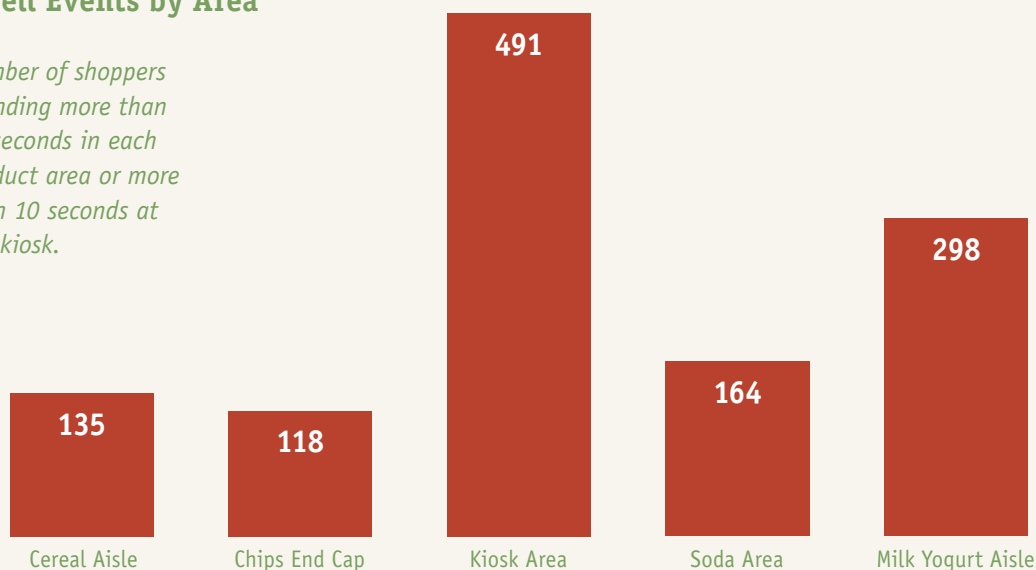
Over the ensuing years, Gary constantly searched for new and different ways to use technology to serve its customers more efficiently and effectively, on a one-to-one basis. Green Hills steadily evolved into a “laboratory” to test different technologies and marketing initiatives.

In the mid ‘90s, as word began getting out about Green Hills and its success, Gary was invited to speak at various industry events in the U.S. and around the world. This led to Gary forming a consulting practice, Hawkins Strategic, for both retailers and manufacturers, which he now runs full-time with his son, Sterling.

Over the past five or six years, their focus has been on the use of shopper data not only as a management tool, but also leveraging that information to move away from mass promotion and marketing. The goal, says Gary, is to create loyalty through personalized, relevant and individualized marketing.

Dwell Events by Area

Number of shoppers spending more than 15 seconds in each product area or more than 10 seconds at the kiosk.



SOURCE: BVI Networks RetailNext

behavior data found in the on-line environment to the retail store.

Shopper behavior is tracked through analytics and is integrated with in-store data sources such as point-of-sale data. The result is ongoing traffic and conversion-rate analysis, not only for the store, but also by aisle, display and down to the SKU level.

These data allow a retailer or manufacturer to optimize layout, shelving, displays, and packaging based on real data, minimizing the guesswork that has long been an art form in the retail business.

Green Hills has also implemented a technology that provides employees, suppliers and shoppers with detailed access to transaction data. Shoppers actually can log in and view their purchases online, giving them a window into their expenditures that they appreciate.

Vendors, meanwhile, can open a different view of this transaction data so they can see, in real-time, how their products are moving in-store, and re-supply the store as necessary.

Yet another technology triggers email and text messages to vendors, alerting them when promoted items sell a specific quantity within a specified timeframe. Other solutions include the first on-shelf availability and inventory tracking technology available in the U.S.

“The answer lies in an ongoing automated capability, that’s affordable and powerful enough to aggregate across millions of data points,” says Gary.

Systems that provide insights from both a macro and micro level, and do it in an ongoing way as part of an operational imperative, are most valuable to the retailer-manufacturer partnership. This type of

capability provides the brand manufacturer with real-time insights into if and when a shopper can be influenced by displays, packaging, messaging and product placement.

This, of course, strengthens the brand part of the connection. It allows the retailer to know who those shoppers are, when they come in the store and how they engage. This means they can manage staff, space, promotions and assortment to optimize the shopping experience and build efficiencies in the store while creating an emotional connection that deepens shopper loyalty.

Green Hills demonstrates that the best technologies for the retail store are those optimized specifically for it, and those that automate data and insights to ensure daily operational use.

The rewards are undeniable. Even though its customers have many choices for their shopping needs, Green Hills continues to bring in new shoppers every day while retaining existing customer relationships.

As the loyalty deepens, the business grows and the right products are moving off the shelves. For Green Hills’ shoppers, the products and the store itself seem to rise up to meet them, creating that perfect moment, where connection creates loyalty. ■



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