



GK AIR PERSONALIZATION FOR COOP

Relevant purchase incentives in the supermarket industry: Coop inspires customers with individual coupons

The Retail Innovators

Challenge

Increasing the relevance of the newsletter in order to increase click through rates and sales

Increasing the frequency of purchases by newsletter recipients

Ensuring no negative impact on the contribution margin using the discount coupons

Solution

Analysis of purchasing behavior on the ecommerce site and in the store

Calculation of customer-specific product recommendations and individual discounts, to be published in the newsletter and in the online store

1:1 personalization of the highest relevance

Result

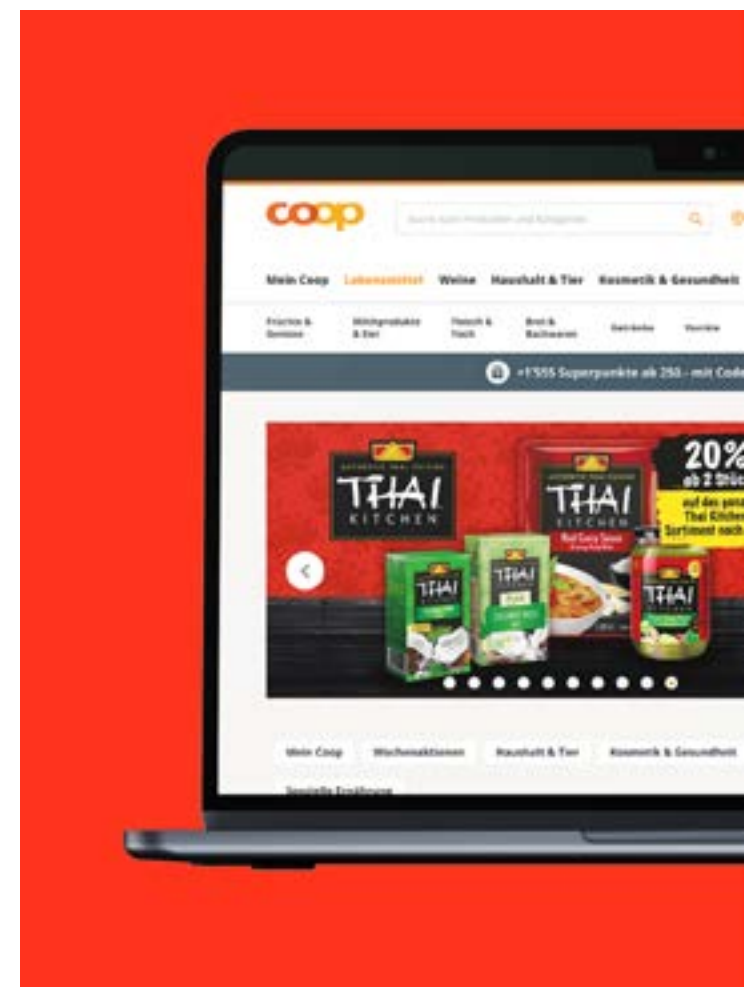
Higher customer shopping frequency due to individualized recommendations

Higher net sales per shopping cart through individualized coupons

The use of the personalized coupons positively influences the contribution margin

„By using GK AIR Personalization, we improved the recommendation quality of the individual coupons in our newsletter. This is reflected in the high acceptance rate from the recipients. The personalized coupons have also had a positive impact on net sales, purchase frequency and the contribution margin. Thanks to the close cooperation and professional support from the AIR project team, we were able to bring the project to a successful conclusion within a short period of time. We plan to use the AI solution for other personalization use cases in the future“

Frederik Mantel,
Head of Omni-Channel Experience Solutions,
Coop (Genossenschaft)



Overview

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Coop offers personalized coupons in its newsletter and online store through GK AIR Personalization, increasing sales and shopping frequency in the store and on coop.ch.

The omnichannel platform coop.ch is part of the internationally active Swiss retail and wholesale company. Coop Cooperative has over 91,000 employees worldwide. The online store offers customers a selection of more than 17,000 products in the core assortments of food, wine, household, pet and pharmaceutical. To offer its customers effective purchase incentives for the online supermarket, Coop relies on individualized coupons. The AI solution GK AIR Personalization calculates the products for the vouchers based on the purchasing behavior of each customer in the supermarket and online store.

Solution

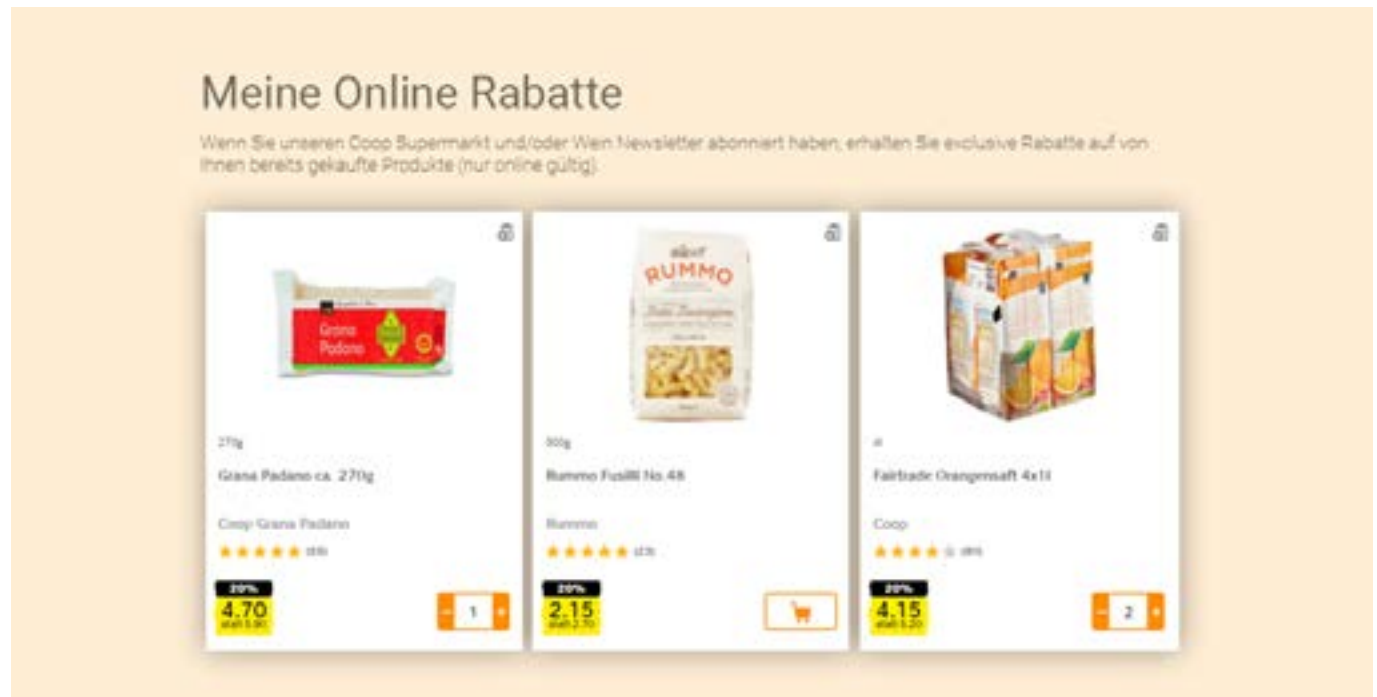
Solution

The challenge

In addition to providing relevant product recommendations in the various Coop customer channels, Coop wanted to incorporate purchase incentives in the newsletter. The use of individualized coupons, tailored to the interests of each newsletter recipient, increased sales and shopping frequency online, without negatively impacting the contribution margin.

The solution

Coop has been using the AI solution of GK Artificial Intelligence for Retail AG in several online stores. The solution analyzes the buying behavior of each customer in order to create individual product recommendations. GK AIR Personalization takes into account both the purchases from the supermarket as well as



purchases from online. The calculated product recommendations are combined with a fixed discount and displayed in the newsletter. Due to the positive response to the individualized coupons, Coop further increased the number of

coupons offered per newsletter during the course of the project.

The result

The positive impact driven by the individualized coupons was proven in a one-month A/B tests revealed that coupon recipients achieved higher net sales and increased frequency, without the discount values having a negative effect on the contribution margin. The influence of the personalized coupons on the online shopping behavior of Coop customers is rated positively overall.



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