



IBM Customer Reference

Carrefour

Synopsis:

IBM Business Consulting services helps a European grocery chain increase sales and improve customer loyalty by implementing earned discount reward functionality in its sales animation application

Location:

Massy, France

Industry:

Retail, Wholesale Distribution & Services

URL:

<http://www.carrefour.com>

Customer Background:

Carrefour is the No. 2 retailer in the worldwide supermarket/hypermarket industry, serving more than two billion clients per year. It has more than 9,000 stores in 27 countries spread across three geographic regions. Carrefour invented and is continually nurturing and developing the hypermarket concept, and has a strong portfolio of global and local private label products.

Business Need:

Carrefour Group stores were running a successful "instant discount" customer program enabling price reductions at the check-out. To further promote consumer loyalty and repeat customers, Carrefour wanted to implement a "differed advantages" program like its competitors had that would print coupons at the check out counter for use on return visits. The functionality to issue coupons on the back of receipts and then later accept these coupons as payment had to be added to the company's sales animation applications.

Solution:

In a 13-month fixed-price project, IBM Business Consulting Services oversaw the integration of the "Bon Ticket" or voucher system functionality to the company's "Sales Animation" (Animation Commercial) application previously installed by IBM a few years ago. The application is being rolled out on a store-by-store basis with the Coop and Guyenne franchises being among the early adopters.

The coupon's rebate amount is defined then issued through the Animation Commercial application either at the individual store or national level. From the client side, vouchers are printed on the receipt when checking out. To redeem the voucher, customers present the coupon to the cashier at the time of their next transaction. The use of "BT" voucher payment is recorded on the network and stored on a local database. Currently, the vouchers can only be used in the store from which it was issued, but Carrefour has requested added functionality in the application to enable "anywhere use" - meaning any Carrefour will accept the coupon regardless of which location issued the "Bon Ticket".

The next step in the company's loyalty program will be to issue a loyalty family card that will store earned discount information from any Carrefour location without the need for paper-based vouchers. Instead, the differed advantages amounts will be cumulated and a monthly check issued in the amount earned. The checks will be honored at all Carrefour stores and will be valid until the end of the year in which it was issued.

Benefits of the Solution:

The company realized the following benefits from the IBM solution:

- Increased revenue due to higher number of purchases: on average, 3,500 BT vouchers are issued daily per store. During peak Saturday and holiday shopping periods, some 7,000 BT coupons are issued daily per store.
- Increased customer loyalty and repeat shopping trips to redeem vouchers.