YOU HAVE LOYALTY MEMBERS. NOW WHAT?

## ENHANCE YOUR GROCERY LOYALTY PROGRAM WITH NXTDRIVE™

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You have loyalty members. You have their data.

Now you need to put it to work.

With NXTDRIVE™, you can up your loyalty game by delivering data-driven media campaigns across multiple channels. NXTDRIVE doesn't replace your existing loyalty program, it enhances it. By improving customer engagement, NXTDRIVE ultimately helps you drive repeat purchases, increase sales frequency, promote larger basket size, and attract more loyal shoppers.

- As a **data management tool**, NXTDRIVE can build a rich data foundation, helping you clean, enhance, and uncover opportunities from your own data.

- As an **acquisition engine** for your loyalty program, NXTDRIVE can help you expand your loyalty base.

- As a **media planning tool,** NXTDRIVE can help you deliver the right message to the right customer in the right channel.

- As a **data insight tool,** NXTDRIVE can help you tell brand partners a better story about your performance to capture more advertising dollars.

NXTDRIVE is an enterprise-class solution built by marketers for marketers.
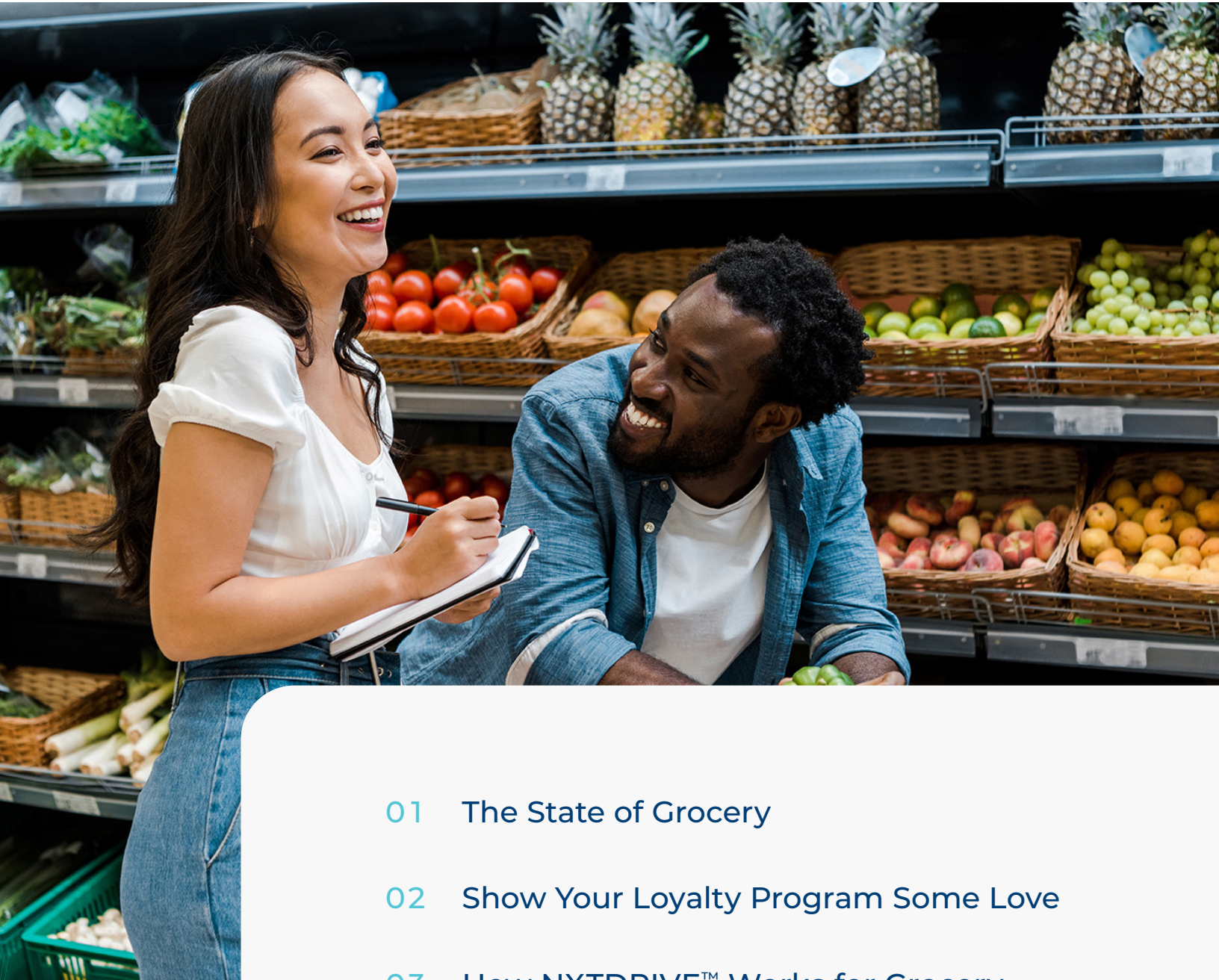
01

THE STATE OF GROCERY
BUYING LESS, SPENDING MORE

Shoppers are feeling pinched.

Though the inflation rate is cooling, consumers are buying less,[1] but — because prices are higher — they're spending more. Some are "cross-shopping," looking at different stores for different deals in search of better value. Some seek a better experience,[2] with convenience and delivery options driving their decisions. Others are focused on "fit," embracing brand messaging that aligns with their customers, value and culture.[3]

And it's not just one group of customers that's shopping differently. With increased racial and ethnic diversity and income disparity, there is no more "average consumer."[4] Aiming for this fictional average shopper is now a waste of resources. Consumers at every income level have different priorities, from selection of organic produce and ethnic flavors to store proximity and value pricing — and they're constantly changing.

While gaining and retaining customers has become increasingly difficult — and requires a solid foundation of first-party data to deliver personalized experiences — investment in converting a customer into a loyal shopper yields substantial rewards.

Tuning into shopper preferences and adapting to shifting demographics are essential to marketing success. Research suggests that "going micro"[5] is the path to take, with a goal of providing the right experience for the right customer in the right channel.

For grocers, all of this underscores a basic truth: Loyalty marketing programs — and their inherent first-party data — have never been more important.

While gaining and retaining customers is difficult, investment in loyalty marketing pays off all along the customer journey. Your first-party data is your compass. Your data helps you navigate a hyper-competitive market and create the exact blend of merchandising, outreach, and incentives that will attract your best customers — and more like them — and keep them coming back.

> Consumers are becoming distinct from each other in who they are and what they want from grocers, driving the industry to consider shifting its paradigm from mass to micro… Going micro is about creating the right experience for each customer and service mode in each channel."
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> — Deloitte, The Future of Grocery Retail, 2023

02

SHOW YOUR LOYALTY PROGRAM SOME LOVE

Our research has illuminated a loyalty crisis: 59% of the customers we surveyed said that rising prices were causing them to be less brand loyal.[6] However, 57% said that they are more likely to shop with an advertiser that rewards their loyalty with personalized offers, coupons, and discounts.[7] This tells us that loyalty programs work, but they can work better.

Your loyalty data has never been more important — **65% of grocery retailers say that their loyalty program is a primary source of customer data.**[8] Your loyalty program is creating data gems that can help you increase sales frequency and basket size by doing what you do best as a regional grocery store: providing high-touch customer service that makes your shoppers feel valued, and providing the brands and products that you know they like.

Making the most of your loyalty program means showing your customers how much you value and understand them, and rewarding them with practical, personalized experiences, programs, coupons, and discounts. Leveraging your data is a must if you want to compete with large enterprises and their retail media networks (RMNs).

65%
of grocery retailers say that their loyalty program is a primary source of customer data.

Your current efforts are not in vain, but we believe they can be optimized. NXTDRIVE™ helps with:

✓ Couponing

✓ Digital experiences

✓ Private label

✓ Direct mail

COUPONING

As consumers look for value, coupons[9] are a winning tactic. In fact, our research shows **57% of consumers say coupons are their best introduction to a new product,**[10] and 66% say that with the current economy, discounts and coupons are more crucial than ever before.[11] Plus, 26% are spending more time looking for coupons and discounts online and in print because they want to save money.[12]

What can you do?

Tap into this consumer sentiment with more highly personalized coupons and discounts.

Sophisticated Segmentation

NXTDRIVE™ allows for better data organization, so you can segment customers based on any number of factors, such as age, purchase history or neighborhood. With this level of detail, you can target your outreach with methods and messages that are just right for each audience. The payoff? You can optimize spend and deliver a positive return on sales.

PRIVATE LABEL

Private label brands are much more profitable for you, and they're also growing in popularity with consumers because of their price. A recent consumer inflation sentiment study identified a group of shoppers as **"persuadables"**[13] who are seeking a balance between deal-seeking and brand loyalty.

What can you do?

Reward your loyal customers with less expensive alternatives to the products they already buy — and persuade them to try your more profitable house brands.

Maximize Customer Intelligence

By harnessing the power of artificial intelligence (AI) and billions of unique online and offline intent signals from the RRD Consumer Graph, NXTDRIVE helps you plan your customer engagement strategy. It identifies customers you want to build relationships with as a brand. You'll gain critical customer insights on spend, penetration in trade area, and campaign performance that tells you not only how your media is working, but who's responding and what they're purchasing.

DIGITAL EXPERIENCES

While 87% of grocery transactions still happen in person,[14] loyal customers are more likely to shop online: in fact, 27% of loyal grocery shoppers made their last purchase online.[15]

And even if they aren't actually completing their purchase online, customers are using online channels to look for deals and make purchasing decisions. This online trail gives grocers insight into individual preferences and shopping habits, which facilitates promotions tailored for each shopper.

What can you do?

Learn from your customers' online shopping habits, reach them where, when and how they're shopping — BOPUS, curbside or delivery, for example — and ensure that their digital experience matches their in-store experience.

Accelerated Program Growth

Our NXTDRIVE™ acquisition strategy will help you find more of your best customers. You'll gain meaningful insights about best customer shopping preferences and be able to hone your customer experiences across all touchpoints. The more you know, the more your loyalty program can grow.

By using a better first-party data management system to aggregate and analyze customer data, grocers can gain insights into individual preferences and shopping habits, enabling the creation of loyalty programs and promotions tailored for each shopper.

DIRECT MAIL

Direct mail is highly effective, even in a digital age. Our 2024 Direct Mail Influence Study report[16] shows that 72% of respondents regularly read ads that come in the mail. Fifty-six percent of consumers use direct mail to plan their weekly grocery shopping, especially parents, who lead the numbers at 62%. Additionally, 36% save their print ads in a designated spot.

Clipping and organizing coupons that come in the mail is a habit — and an especially useful one for consumers looking for ways to save.

What can you do?

Amplify and augment your direct mail — both in reach and content — so that you're targeting the right audience and extending your message through digital channels.

Automated Recommendation Engine

NXTDRIVE™ informs the who and where, and recommends the optimal mix for your media activation. We can help you amplify the work you're already doing in print by adding a digital engagement layer to the customer journey. For example, we know grocery shoppers love their direct mail. With NXTDRIVE, you can coordinate your direct mail with other channels to get existing customers and new lookalikes in the door.

CONSUMERS LOVE DIRECT MAIL

49% consider direct mail part of their shopping routine

56% use it to plan their weekly grocery shopping

47% are spurred to make a purchase based on direct mail

72% regularly read or look at ads in the mail

— RRD Direct Mail Influence Study Report, 2024

03

HOW NXTDRIVE™
WORKS FOR GROCERY

Better data management means better marketing.

NXTDRIVE goes beyond fueling marketing strategies to help grocers make better media planning and targeting decisions, ensuring that you can engage the right customers at the right time in the right channel.

We often hear from grocery store executives that their data is dreadful — that it's incomplete, inadequate, and inactionable. We beg to differ. It's not your data, it's how it's being used. It's not that you're not trying, it's just not working optimally.

Supermarket News says that 50% of grocers are "currently innovating" their customer purchase tracking history across all channels, and that grocery retailers are improving their personalization efforts[17] to get more from their data.

We can help you join this innovation trend, because there's more that can be done. NXTDRIVE is a first-party data management and media activation solution, and the fact that it does both is one of its unique characteristics. Plus, it's a managed service solution, built by marketers for marketers, to solve your specific marketing challenges.

Midsize grocery stores need better information and more help in decision making.

They need to know:

How can I better use my existing loyalty program data?

How can I get more insight into what my customers want, and what and why they're buying elsewhere?

How can I attract more customers like our current best customers?

How can I get more brand support to move products off the shelf?

How can I get the results and financial investment that comes with retail media networks (RMNs)?

How can I ensure my data is safeguarded?

Here's what else it does for you that your in-house team or agency can't easily manage on their own:

1. Recommends the optimal mix for your media activation.
There's no one-size-fits-all solution for brands. NXTDRIVE™ delivers an enterprise-class solution to marketers, empowering you to tackle the dynamic demands of the market with confidence. You'll get a custom media activation strategy and the marketing mix your brand needs.

2. Helps monetize data by proving performance for more brand co-op dollars.
NXTDRIVE is fundamental to a successful RMN solution. Armed with rich data and performance insights, you can prove your success. You'll have a better story to tell your co-op partners, and a stronger, data-defensible position as you negotiate for a larger share of trade dollars.

3. Data scientists serve as an extension of your team.
NXTDRIVE is human-enabled, backed by a specialized team of media data scientists who work behind the scenes, developing consumer insights and models to facilitate your success. Our team becomes an extension of your team, offering prescriptive, descriptive, and predictive intelligence that can optimize your campaigns and take your marketing to the next level.

By improving customer engagement, NXTDRIVE ultimately helps you drive repeat purchases, increase sales frequency, promote larger basket size, and attract more loyal shoppers.

4. Better media cross-channel measurement and coordination.
With NXTDRIVE™, you'll get a unified perspective on your marketing efforts and a robust user experience to help you visualize your data, and manage your campaigns, performance, and insights. You don't have to manage multiple platforms, so you can easily optimize your marketing performance, gain actionable insights, and make data-driven decisions more efficiently.

5. Reduce your martech stack with one simplified solution.
With NXTDRIVE, you have one partner and one solution to easily engage your customers in a more personalized and meaningful way. Our specialized teams are available to help you every step of the way, from data onboarding, orchestration, and enrichment, through customer insights and media activation.

NXTDRIVE simplifies and optimizes your loyalty marketing program to:

- ✓ Uncover valuable insights from your first-party data
- ✓ Overcome data challenges
- ✓ Streamline your data utilization
- ✓ Boost marketing intelligence
- ✓ Drive personalized customer engagement
- ✓ Understand and influence the customer journey

04

NXTDRIVE™
ONE PARTNER. ONE SOLUTION.

Simplified data management + smarter media activation = better performance-based marketing.

With NXTDRIVE, you get one partner and one solution that cleans, enhances, and uncovers opportunities from your first-party data, helping you create and deliver better, faster, more impactful messaging across multiple channels. NXTDRIVE will drive increased sales frequency, motivate repeat purchases, increase basket size, and expand your loyalty shopper base.

Are you ready to take your loyalty program to the next level? We're ready to help. To request a demo or consultation:

VISIT RRD.COM/NXTDRIVE

EMAIL NXTDRIVE.INFO@RRD.COM

CALL 1-800-280-4520

HOURS MON-FRI FROM 8AM - 4PM ET

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