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## New offering yields precise customer profiles for stores

TORONTO—Giant data management and analysis provider Acxiom Corporation, Little Rock, AR, and geodemographic analytics purveyor Generation 5, based here, have partnered to produce a new offering to help consumer packaged goods (CPG) companies and retailers better identify potentially lucrative customers on a store-by-store basis. Officially unveiled last month, it is described as a user-friendly, consumer intelligence solution.

"We understand that clients want the best data in the business at the household level, and they want it at their fingertips," says Matt Germain, client executive, Acxiom CPG practice. "Acxiom and Gen5 simplify the delivery and analysis of consumer data by providing expanded capabilities and better, more actionable and up-to-date data." The partnership brings into play the consumer knowledge and wealth of data accumulated by Acxiom with the analytic tools and data production capabilities of Generation 5. Unlike other competitive geodemographic systems that are more regional in nature and analyze data down to the block group levels, this new offering promises to provide more descriptive profiles of consumers

down to the household levels. It combines extensive consumer data stored in Acxiom's InfoBase database with Generation 5's predictive technology and ConsumerFocus software.

"CPG companies need effective direct marketing," says Tim Leys, vice-president of strategic alliances for Generation5. "Their challenge is how to apply complex analytics to vast databases. With this solution Generation5 and Acxiom will provide manufacturers and retailers an easy and dynamic way to discover market potential for specific stores based on consumer preferences and buying behaviour. And thanks to Acxiom's wealth of data, they'll be able to drive that down to a household level."

Acxiom and Generation5 had been working together for the last year and a half on ad hoc projects. Some involved the use of Canadian geodemographic data for Acxiom's American clients to better market to their Canadian consumers.

The two struck a partnership on July 1 to develop an offering to provide more precise consumer data down to the household level specifically for CPG companies and retailers, many of which suffer from a dearth of detailed granular data on their customers. The companies had an eye on offering this service to American companies because of the wealth of data that Acxiom maintains on consumers in the U.S.

### InfoBase database

Acxiom has built up a database on 115 million American households over the years. This InfoBase database is compiled from about 30 different sources and several panels. According

to Germain, current U.S. census estimates place total U.S. households at almost 130 million, meaning that InfoBase encompasses about 94 percent of the entire U.S. population.

Information in InfoBase is updated daily, he says. Clients with access to InfoBase are sent monthly updates.

Several CPG firms and retailers are lined up to use the joint offering. Some are quite large and North American in scope. Germain says this kind of incisive consumer analysis could be applied internationally eventually for companies that have plans to expand globally.

In certain situations it could be applied in Canada, he says. But it is not likely to become more widespread in its application here until certain requirements under Canadian privacy laws are taken into account.

Acxiom is in the process of developing an InfoBase type database for Canada. InfoBase in the U.S. does not now contain Canadian names.

### ConsumerFocus software

Companies using the new offering can apply Generation5's ConsumerFocus software to retrieve the information. It's a Web-based platform clients can access to get the latest Generation5 reports. It is a self-serve system allowing clients to manipulate the data and gain marketing insights.

Acxiom has been collecting data on consumer demographics, lifestyles, and life-stages for longer than 30 years, says Germain. Over that time, InfoBase has also grown extensively from the number of attributes gathered and the amount of data that has become publicly available on consumer households.



**Tim Leys, vice-president of strategic alliances for Generation5, says consumer packaged goods companies need effective direct marketing and a means to apply complex analytics to vast databases. This offering provides them and retailers with a dynamic way to discover market potential for specific stores.**

This new offering would not have been possible years ago because of the steep costs of data storage and the lack of adequate technology, he says. The drop in data storage expense and the creation of advanced technology such as that supplied by Generation5 have made it a reality.

“Those same technological advancements allow us to take those 115 million households and the hundreds of attributes, and then project again thousands of other attributes onto that database, which traditionally has been impossible.”

InfoBase supplies the seed data for Acxiom Personix, a household-level segmentation system that moves customers among segments as their lifestyles or life-stages change. This encompasses things like marriage, new children, graduation. etc.

Acxiom first applied Personix to financial institutions and a few other sectors. Now it is applying it to the consumer package goods and retail industries.

Along with Personix and predictive technology and ConsumerFocus software from Generation 5, the joint undertaking promises to paint a portrait of CPG and retail customers on a store-by-store basis. It looks to lend insights into the nature of the households in a store’s sales region and how they may be changing. This gives stores a better idea of the products to stock and what to promote both in-store and through external marketing channels.

### Dollar and unit estimates

The unique capability is combining all this household level information with the data production technology of Generation 5 to project all those customer characteristics that are directly relevant to a client’s business to every single household in the U.S., says Leys. It relates dollar or unit estimates for every household for consumption of any consumer goods.



**Matt Germain, client executive, Acxiom CPG practice, says in the CPG and retail arenas, it’s all about the ‘rights’—having products in the right store, in the right place, at the right time and at the right price based on customer propensities.**

“So if a typical household has John and Mary at their age of 45 and 46 and they have two kids at home, it can say their estimated consumption of milk and cheese is X amount of dollars or pounds per year.”

He says the applications for the new offering fall into three buckets—target marketing, brand management, and product and promotion distribution

“How do I target my direct mail, my flyers, my traditional media? What is the potential for a brand in a particular market in households aggregated to stores? How do I optimize my merchandising within my store and the distribution of goods? How do I distribute marketing materials for various in-store activities?”

“In the CPG and retail arenas, it’s all about the “rights” - having products in the right store, in the right place, at the right time and at the right price based on customer propensities,” says Germain. “The alliance between Generation5 and Acxiom takes geodemographic targeting to new heights and aligns with our strategic vision of enabling precise, predictive, simplified and cost-effective life stage marketing.”

### Expansion aid

Regional retailers may not need to turn to as much household data initially as their larger nationwide counterparts, he says. But they want to access more of it when they expand.

“The basic tenet here is that we can actually supply you with consumer data with enough insight to know where the fish are. So you are actually moving into a market that provides the biggest bang for your dollar.”

The new offering can also determine coupon strategies. It can influence the tone and messaging in direct mail efforts depending on the nature of the targeted audience.

“It allows you to integrate direct mail with all the other media,” says Germain “So the direct mail becomes the offer in hand and complements the messages from other channels. It doesn’t have to be necessarily isolated.”