

Customer-Centric Marketing and Promotions



Generating Revenue and Relationships

Revenue and Relationships

Loyalty and Profits

Effective Promotions

SAP Innovations

Today, consumers are more demanding and technology savvy. Retailers are challenged with creating innovative marketing campaigns that appeal to these customers and increase loyalty, sales, and profits.

With access to competitor information through online and smartphone devices, shoppers are now more cost conscious and well informed than ever before. They expect exceptional value and choice and are eager to receive promotions that speak to their current needs and lifestyle.

They also want easy access to product information, including targeted promotions that appeal to their individual preferences.

Retailers must align their marketing and merchandising efforts to meet these demands while attracting profitable shoppers and retaining their loyalty. They must develop and implement an effective promotional strategy with well-defined tactics that include attractive pricing to increase customer and basket spend.

70%

Of retailers have become more promotions driven

Source: RSR Pricing Benchmark, 2012



Achieve Loyalty and Profits

Revenue and Relationships

Loyalty and Profits

Effective Promotions

SAP Innovations

As consumers become more segmented and demanding, it behooves retailers to balance trade-offs between attractive pricing and profitability. It can mean the difference between a one-time customer and a long-term advocate.

Even with deep customer insight, retailers are facing a unique challenge – how to promote and offer an attractive price yet meet the financial obligations of their organization and shareholders. Add to the challenge the need to predict customer demand and expected financial performance of marketing campaigns and promotions.

As promotion volumes and targeting increase, the ability to increase profitability targets grows more complex as well. Promotion profitability relies heavily on vendor relationships and cost controls.

Vendors are motivated to provide retailers with new incentives to target loyal and profitable customers. Retailers must tackle both sides of their profitability equation – purchase price and retail price.

SAP software helps simplify the equation by helping retailers develop differentiated promotion plans across multiple channels, supported by complementary and highly targeted marketing initiatives.

Strengthen Promotion Effectiveness

Revenue and Relationships

Loyalty and Profits

Effective Promotions

SAP Innovations

Thanks to promotion software from SAP, retailers can intuitively capture, maintain, and grow their customer base. Leading in-memory processing technology and integrated applications allow for comprehensive promotions. As a result, retailers can reach the consumer with highly targeted and highly customized promotions through any selling channel.

- Tailored promotional offers based on science-based predictive analysis
- One logical solution set across the enterprise for promotions
- Fast, real-time analysis of the planning and execution process for promotions

SAP Innovations

Revenue and Relationships

Loyalty and Profits

Effective Promotions

SAP Innovations

Technology is changing the way consumers interact with retailers and how they prefer to receive promotions. With the advent of advanced mobile devices and social media come new methods for reaching consumers and influencing their purchasing behavior.

Technology offers retailers new opportunities for managing data and gathering information to better understand consumers. It also upgrades speed and execution performance to help create a rewarding promotion experience across all channels and devices.

Mobile devices, for instance, offer consumers an opportunity to access information in real time and at the point of decision – whether they're shopping in a store, online, or on the go.

By maintaining a strong presence in these new channels, retailers can gain mind share and wallet share of this emerging generation of shoppers.

Social media offers a new web of marketing communications, where consumers can influence each other's behavior and provide information directly to the retailer about their wants and needs.

Analytics and insight can help retailers better understand how to design compelling marketing campaigns and promotions. And with predictive analytics, retailers can interact more closely at the consumer's point of purchase, allowing them to up-sell and cross-sell in new ways.



Facilitating Marketing and Promotions

Solution Overview

Marketing Planning

Promotion Planning

Campaign Management

Loyalty Management

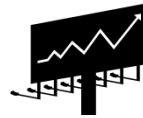
Marketing and Promotions

Why SAP?



Marketing Planning

Organize and manage concurrent marketing activities to present a consistent and attractive brand image across channels and geographies.



Promotion Planning

Design advertising and promotional pricing that generates value and loyalty across a diverse and demanding customer base.



Campaign Management

Increase visibility of marketing plans and processes to help expedite decision making. Embed collaborative activities to ensure optimal outcomes.



Loyalty Management

Transform your best customers into advocates by designing and implementing compelling loyalty programs across multiple channels.

Effective Prices, Promotions, and Markdowns

Solution Overview

Marketing Planning

Promotion Planning

Campaign Management

Loyalty Management

Marketing and Promotions

Why SAP?

	Marketing Planning		Campaign Management		Promotion Planning		Loyalty Management	
Merchandising	Offer Planning	Negotiate with Vendors	Price Planning	Financial Forecasting	Offer Creation and Analysis	Vendor Funding		Assign Loyalty Rules
Marketing	Define Marketing Themes	Evaluate Marketing Calendar	Advertising Layout	Campaign and Event Planning	Advertising Execution		Design Customer Segments	Design Loyalty Programs
Supply Chain	Inventory Planning	In-Season Replan and Updating			Promotion Forecast Updates	Allocate and Replenish		
Finance	Financial Assortment Planning		Promotion Financial Planning		Trade Fund Reconciliations and Billing			Loyalty Points Valuation



Marketing Planning

Solution Overview

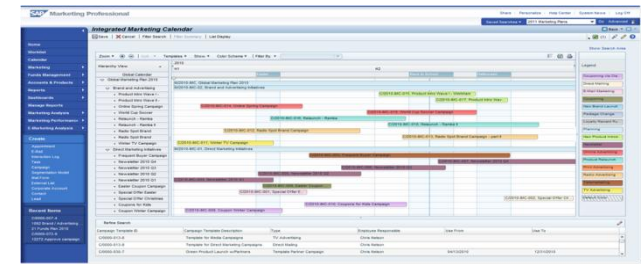
Marketing Planning

Capabilities

Benefits

SAP Innovations

As consumers move between channels quickly, a consistent brand message across media and channels is expected. Marketing planning helps retailers reach a new generation of consumers with a consistent brand message while capitalizing on social media and new sales and marketing channels.



41%

Of retailers cite “leveraging social media” as one of their key initiatives over the next 18 months

Source: RIS News, 2012

Consumers have access to a wide variety of channels and media including Facebook, Twitter, mobile apps, and traditional Web sites. The new generation of consumers interacts in these channels for information and reviews and to share their own shopping experiences.

Advertising to these consumers requires new content such as video, blogs, and product recommendations.

Marketing planning is an essential first step in creating “single voice” advertising that appeals to these consumers. Retailers can evaluate strategies and capabilities to leverage content and help ensure a consistent brand message across new and emerging channels.



Align Marketing Content and Brand Messaging

Solution Overview

Marketing Planning

Capabilities

Benefits

SAP Innovations

Consumers expect a seamless experience across new channels that connect them with innovative programs and deals.

Marketing planning requires access to channels including video, blogs, and social networking services such as Facebook.

Retailers must now take on new skills and roles in order to monitor social media posts and respond in real time.

However, traditional media is still alive and well. This puts more pressure on retailers to manage a higher volume of marketing assets, including images, text, and video.

When crossing channels, marketers must plan, synchronize, and budget. They must also develop new relationships with third-party advertisers and new methods of integrating and publishing advertising content.



Marketing planning helps retailers ensure the advertising message is compelling and reaches consumers in the channel and methods they desire – from direct mail and e-mail to social media.



Compelling Messages and Inspiring Brand Loyalty

Solution Overview

Marketing Planning

Capabilities

Benefits

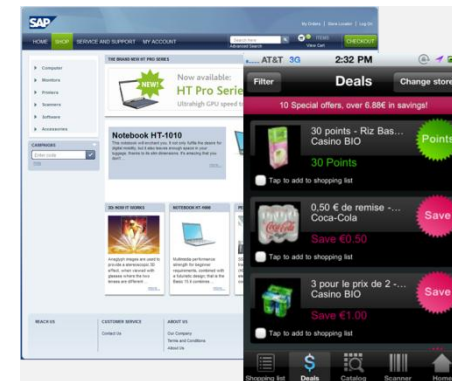
SAP Innovations

With SAP software, retailers can align promotions across channels to help ensure consistent pricing and brand messaging. Marketers can access visualization of overlapping promotional campaigns and a common repository of advertising content and images to create a seamless consumer experience – every time.

Customer relationship and promotion management solutions from SAP can help retailers create a strong, consistent message to consumers across all channels.

Visualize and adapt marketing content for display online, through a mobile device or in print.

Identify advertising errors before they're presented to customers. Reduce the cost of rework and manual changes by managing advertising content in a single repository.



Share marketing content across channels to emphasize brand messaging and appeal to customers.

Reduce planning time and costs while managing an increasingly large amount of marketing content.

Dynamically respond to advertising changes in response to changes in customer demand or preferences.

Quickly execute and deliver marketing content across channels and devices.



Innovations for Marketing Planning

Solution Overview

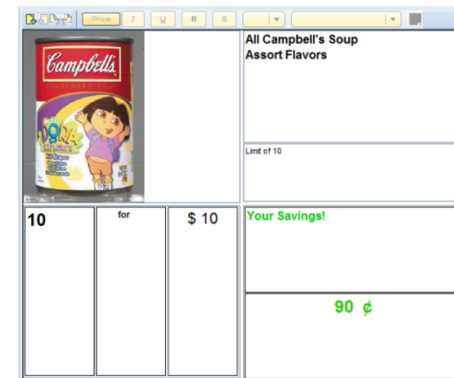
Marketing Planning

Capabilities

Benefits

SAP Innovations

Store and update a common repository of marketing content for use across channels and types of advertising.



Analytics solutions from SAP enable retailers to harmonize marketing content. With this information, marketers are able to deliver consistent, on-brand promotions to customers on a variety of devices and media.

Manage late changes, prevent manual errors, and reduce manual processing times by leveraging a common repository of information.

Streamline communications with advertisers and third-party marketing agencies.

Integrate with printing providers and execute production more efficiently to reduce errors and cost.

Promotion Planning

Solution Overview

Promotion Planning

Capabilities

Benefits

SAP Innovations

Promotion planning couples well-designed, well-placed advertising with promotional pricing to generate greater loyalty, sales, and profits.

Event	Event Name	Description	Event Start Date	Event End Date	Tactic Type	Tactic	Associated Campaign	ETP Status	Last ETP Date
In Planning	Specialized Customer	Key Customer Segment	01.07.2012	07.07.2012	Electronic	Stable	Celebration Pricing_2012		
In Planning	Specialized Offer	Key Customer Segment	01.07.2012	07.07.2012	Breakfast	Network TV	Celebration Pricing_2012		
In Planning	Specialized Offer	Key Customer Segment	01.07.2012	07.07.2012	Print	Insert	Celebration Pricing_2012		
In Planning	Specialized Offer	This is the Special Checkers date Event	01.07.2012	07.07.2012	Print	Insert	Celebration Pricing_2012	CCB	01.06.2011 12:28:44
In Planning	Specialized Offer	Eastern Cape Range, Outdoor Field and Overnight Pricing	01.07.2012	07.07.2012	Print	Insert	Celebration Pricing_2012		
In Planning	Specialized Offer	Western Cape Range, Outdoor Field and Overnight Pricing	01.07.2012	07.07.2012	Print	Insert	Celebration Pricing_2012		

Consumers are more cost conscious and informed than ever. With access to competitor information and product review through online and smartphone devices, they know when an offer is providing great value and choice and is relevant to their current needs and lifestyle.

Designing attractive promotions that will increase loyalty and profitability requires retailers to think and act in new ways. With promotion planning, retailers can give consumers the seamless experience they expect across every channel and with every offer.



Plan Promotions Across All Channels

Solution Overview

Promotion Planning

Capabilities

Benefits

SAP Innovations

Promotion software from SAP helps ensure all parties involved in the promotions process are aligned. At any time, up-to-date data and information can be filtered by role and quickly viewed, as well as the status, financial details, and content components of any and all promotions.

The software also allows for collaboration between the retailer's merchandising and marketing staff and its external production partners. This, in turn, minimizes errors, saves time, and increases the retailer's profitability.

Promotion planning is all-inclusive. It can involve all selling channels – including mobile devices, e-mail, and other electronic channels; targeted print; in-store displays; and instructional and brand awareness through broadcasts. And, it can address specific customer groups.



Projected financial impacts can also be viewed and understood before a promotion is even implemented, providing valuable insight throughout the supply chain.

67%

Of retail laggards do not believe that their promotions are effective

Source: RSR Pricing Benchmark, 2012



Go Beyond the Traditional to Deliver Profitable Promotions

Solution Overview

Promotion Planning

Capabilities

Benefits

SAP Innovations

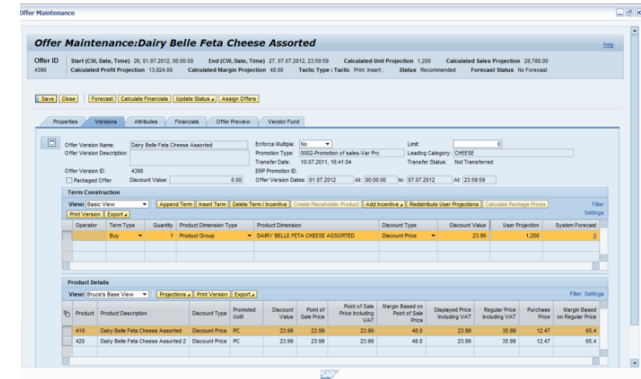
Traditional promotions are being reinvented to inspire consumer loyalty and sales. SAP software helps retailers leverage more sophisticated technologies to predict consumer response and manage financial performance.

Meaningful merchandise promotions enable retailers to increase shopper loyalty across regions and demographics.

In-store promotion planning reduces costs and eliminates wasted time with paper-based proofs and manual editing.

Capturing market share and traffic enables retailers to compete more strategically – speeding time to market and the effectiveness of the offer.

Insight into past effectiveness and more efficient planning gives marketers the ability to execute



and manage promotions more cost-effectively and increase sales.

Effective promotion management enables centralized price visibility at all levels of the organization, as well as financial analysis and projections. This helps ensure promotion vehicles are better aligned with category financial plans.

Using a single set of master data for configuration, tracking, and analytics simplifies promotion management and helps ensure the integrity of the system as it continues to evolve.



Innovations for Promotion Planning

Solution Overview

Promotion Planning

Capabilities

Benefits

SAP Innovations

The SAP Retail Promotions application provides predictive, demand-driven forecasts of customer response and financial implications.

The screenshot displays the SAP Retail Promotions application interface. It shows a promotion plan for 'Campesita Beer in-Bever Shop' with a discount of 0.00. The interface includes various tabs like 'Details', 'Forecast', and 'Simulation'. Below the main header, there are several tables. The 'Product Details' table lists various product variants with their respective prices and discounts. The 'Forecast' table shows the predicted sales and profit for each variant under the promotion.

Product	Product Description	Discount Type	Discount Value	Discount	Original Price	Discounted Price	Margin	Regular Price	Point of Sale	Forecast	Business Rule	System Forecast	Forecast	Confidence	Calculate
C000	Campesita Beer in-Bever Shop	Discount Price	EA	0.00	0.00	0.00	1.14	0.00	13.7	0	21.707	0	21.707	0	System F
C000	Campesita Condensed Scotch Whisky	Discount Price	EA	0.00	0.00	0.00	1.14	0.00	13.7	0	7.108	0	7.108	0	System F
C000	Campesita Cream of Sherry in-Shop	Discount Price	EA	0.00	0.00	0.00	1.14	0.00	13.7	0	10.176	0	10.176	0	System F
C000	Campesita Dry Old Chateau & Burgundy	Discount Price	EA	0.00	0.00	0.00	1.14	0.00	13.7	0	14.402	0	14.402	0	System F
C000	Campesita Beer with Bacon Soup	Discount Price	EA	0.00	0.00	0.00	1.14	0.00	13.7	0	0.904	0	0.904	0	System F
C000	Campesita Homemade Beer No Rice	Discount Price	EA	0.00	0.00	0.00	1.14	0.00	13.7	0	10.407	0	10.407	0	System F

By leveraging scientific algorithms powered by the SAP HANA platform, retailers can predict consumer behavior and response to planned promotions.

As a result, marketers can:

- Calculate demand variations based on customer segments, geography, trends, and price discounts

- Understand promotional lift, baseline demand, seasonality, and trends
- Update offers based on demand patterns to achieve maximum sales and profitability
- Incorporate business rules and user inputs into final planned sales quantities.



Campaign Management

Solution Overview

Campaign Management

Capabilities

Benefits

SAP Innovations

Retailers must communicate when and where consumers feel most comfortable. Collaborative promotion software from SAP empowers marketers to reach these touch points.

Managing merchandising events and marketing campaigns is critical to a retailer's success in winning and maintaining customers. SAP software enables multichannel processes that facilitate collaboration throughout the entire promotion planning and execution lifecycle.

At the onset of each event or campaign, concise financial projections help ensure promotions will deliver against their financial objectives while attracting shoppers and generating loyalty.

The screenshot displays the SAP Campaign Management interface. At the top, there are navigation tabs for 'Promotion Planning', 'Data Management', and 'Service'. Below this, a search bar and 'Log Off' button are visible. The main content area shows 'Active Queries' and 'Delivered Filters'. The primary view is a table titled 'Events - Celebration Pricing_2012'. The table has columns for 'Status', 'Event Name', 'Description', 'Event Start Date', 'Event End Date', 'Traffic Type', 'Traffic', 'Associated Campaign', 'ETP Status', 'Lead ETP Date', 'Initial ETP By', and 'Event ID'. The table contains several rows of event data, including details for 'KivaCafe-Hotel', 'Network TV', 'Print', and 'National Radio'.

Status	Event Name	Description	Event Start Date	Event End Date	Traffic Type	Traffic	Associated Campaign	ETP Status	Lead ETP Date	Initial ETP By	Event ID
In Planning	2012062001	KivaCafe-Hotel Summer Customer Knowledge Mobile Offers	01.07.2012	07.07.2012	Electronic	Mobile	Celebration Pricing_2012				108
In Planning	2012062002	Network TV	01.07.2012	07.07.2012	Broadcast	Network TV	Celebration Pricing_2012				109
In Planning	2012062003	Category Centre Franchisor Planning	01.07.2012	07.07.2012	Print	Insert	Celebration Pricing_2012				109
In Planning	2012062004	This is the Shopping Centres Demo Event	01.07.2012	07.07.2012	Print	Insert	Celebration Pricing_2012	OK	01.08.2011 12:28:40	SMOLLES	109
In Planning	2012062005	Eastern Cape Sage - Outdoor Food and Beverage Festival	01.07.2012	07.07.2012	Print	Insert	Celebration Pricing_2012				107
In Planning	2012062006	National Radio	01.07.2012	07.07.2012	Broadcast	Network Radio	Celebration Pricing_2012				109
In Planning	2012062007	Western Cape	01.07.2012	07.07.2012	Print	Insert	Celebration Pricing_2012				107

Merchandising and marketing departments can work as a cohesive unit and address the consumer in all selling channels – including with print, in the store, on mobile devices, online, through the call center – streamlined and successfully.



Sell to Every Customer Through Any Channel

Solution Overview

Campaign Management

Capabilities

Benefits

SAP Innovations

Promotion software from SAP helps simplify promotion creation and implementation. Sales vehicles can be planned, created, and sent to execution engines for each channel in which the retailer communicates with consumers – including print advertising, special in-store promotional offers with secondary in-store displays, e-mail campaigns with loyalty-based offers, or loyalty card offers redeemable at the point of sale.

A consolidated snapshot of all promotional activity during the lifecycle of each promotion can also be viewed. Whatever the size of the promotion – a single promotional offer or a large group of promotional offers within a promotion – the retailer is empowered with data on



expected financial impact. With this data in hand, supply chain planning and forecasting of the overall profitability of the campaign and promotional events can be accomplished more accurately and quickly.



Increase Profitability Through Collaboration

Solution Overview

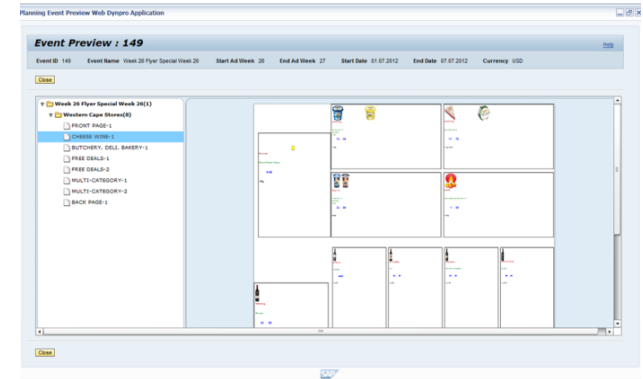
Campaign Management

Capabilities

Benefits

SAP Innovations

The retailer is assured accurate and up-to-date data at each step in the process – whether in creative planning, financial review, production deadlines, or supply chain impact.



Correct, real-time data facilitates informed, strategic decisions and, in turn, increased sales and profitability.

Analytical reporting is inherent in SAP software for promotions. It begins with predictive analytics as campaigns, events, and promotions are being formulated.

With the use of historical information, scientific-based modeling, and accurate forecasting data, the retailer can predict what will sell, how many

units in which selling channel, and which customer will purchase what product.

As campaigns and events are under way, concise reporting of promotional effectiveness enables the retailer to react to unexpected competitive pressure and opportunities.

This consolidated planned, projected, and actual information can transform an ineffective retailer into a highly profitable industry leader.



Innovations for Campaign Management

Solution Overview

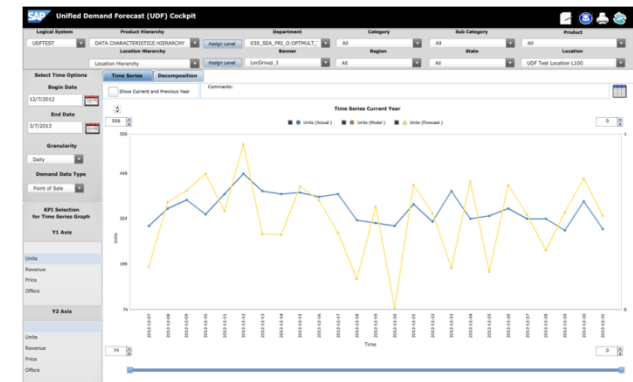
Campaign Management

Capabilities

Benefits

SAP Innovations

The SAP HANA platform dramatically accelerates predictive analysis – allowing for smarter, faster decision making.



SAP HANA

Aggregate analytical and transactional databases into a single, scalable system. Promotions software from SAP is especially designed to work with this new processing paradigm.

Analytics

Retailers and marketing personnel can then work in an intuitive, fast, and effective environment. They can intuitively predict which products and how many of each will be sold across their channels – always in real time.



Loyalty Management

Solution Overview

Loyalty Management

Capabilities

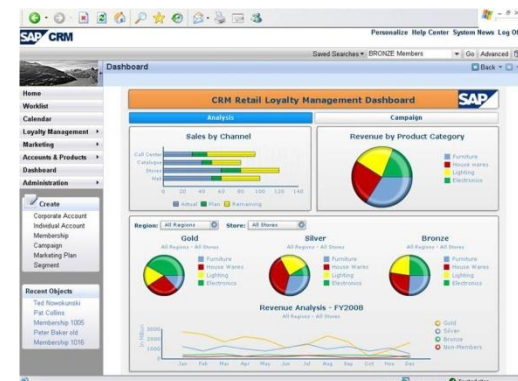
Benefits

SAP Innovations

Many retailers have loyalty programs, yet they readily admit that shoppers can "love them and leave them." They're there just for price discounts. Many "loyal" customers, in fact, also carry the loyalty and club membership cards of the retailer's competitors.

A loyal customer could be defined as one who wants more than just discounts and craves products relevant to his or her lifestyle.

For the retailer, this creates a significant analytical challenge, as it's difficult to provide a range of products that relate to a specific customer.



Analytical processing prowess is required, as well as a process that facilitates communication with the loyal customer. This enables retailers to showcase where and how consumers can buy their products and the incentives to drive the purchase.

Promotions software from SAP delivers on the promise of both analytics and communication.



Drive the Purchase with the Right Products and Incentives

Solution Overview

Loyalty Management

Capabilities

Benefits

SAP Innovations

Retailers are well aware that the customer's interest begins to wane if the shopping experience is anything less than exceptional – even after a successful launch of a loyalty program. An effective loyalty program must take into account the channels in which the customer shops and conducts searches.

Loyalty software from SAP allows the retailer to segment its customers beyond just standard geography and demographics. It enables the inclusion of influences from social media and shopper preferences. Most important, it doesn't just "love them and leave them" – it follows through with the customer to maintain and strengthen loyalty.

Retailers can use the software to incorporate assortment planning, ideal store clustering,



valuable and profitable promotions with relevant incentives, and constant analysis of customer buying patterns.

Simply put, loyalty software from SAP facilitates multichannel-enabled loyalty programs.



Create a Platform for Integration

Solution Overview

Loyalty Management

Capabilities

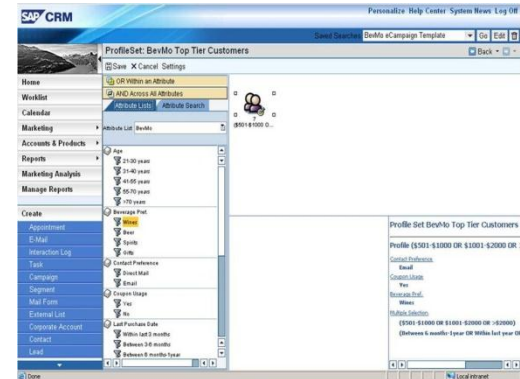
Benefits

SAP Innovations

Loyalty software from SAP creates an all-inclusive foundation that encompasses every function in the promotions lifecycle.

Consumers demand a rewarding shopping experience – every time. They shop when and where they feel most comfortable – in a store, online, or on their mobile device – and desire products and promotional incentives that are most relevant to them. Retailers need a set of solutions that enables them to successfully deliver this experience – sale after sale.

Loyalty software from SAP incorporates planning of merchandise, assortments, and



promotions as well as loyalty campaign management and predictive analytics.

As it's rare to deploy all solutions at once, the platform has the inherent ability to bring about solid integration as each solution is deployed.

The benefit to the retailer is a full suite of solutions to create the new shopping experience that their consumers demand.



Innovations for Loyalty Management

Solution Overview

Loyalty Management

Capabilities

Benefits

SAP Innovations

SAP software enables integrated, real-time capabilities for promotional tasks.



SAP HANA

With higher demands than ever before, it's more difficult to capture customer loyalty. To successfully address this challenge, SAP tightly integrates dedicated applications with in-memory-based processing in real time.

Task-dedicated SAP software is powered by SAP HANA. As a result, retailers can capitalize on high-speed analysis of Big Data and the ability to handle Big Data to determine assortments, demand, and customer behavior and forecast the projected acceptance of their promotions.

Working together, SAP HANA and SAP software add up to a rewarding shopping experience and a loyal customer base.



Solution Overview

Marketing Planning

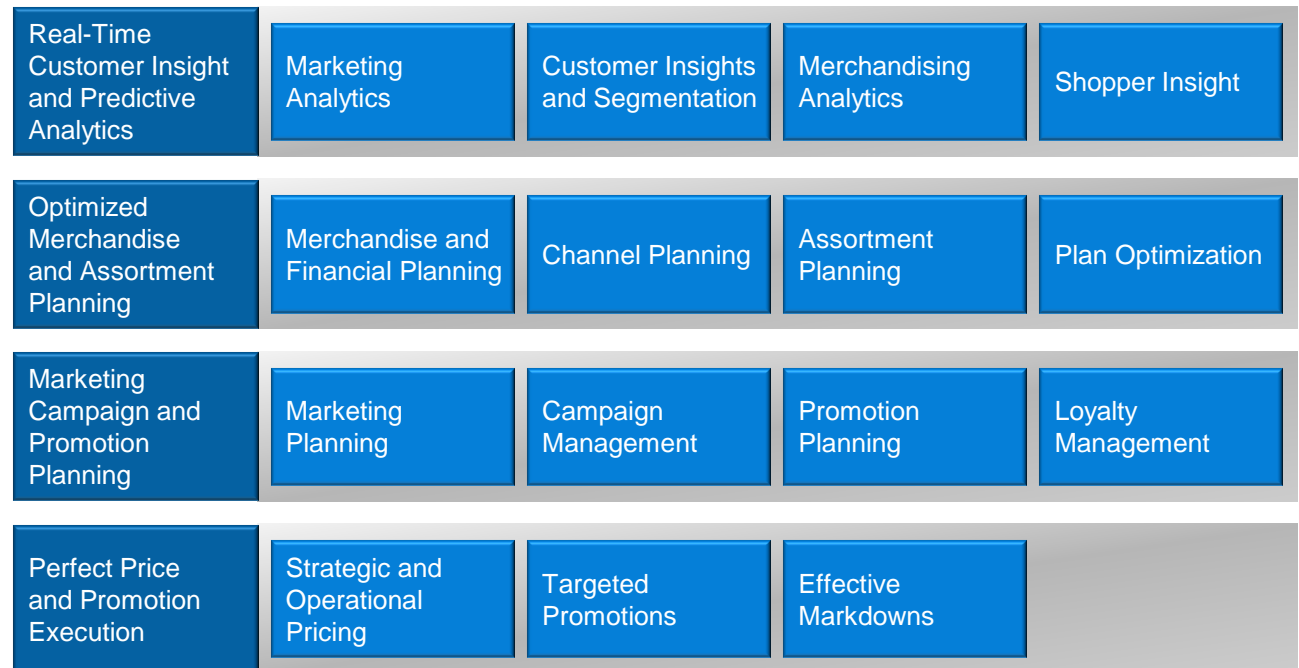
Promotion Planning

Campaign Management

Loyalty Management

Marketing and Promotions

Why SAP?

Customer-Centric Marketing and Promotions Value Map

Why SAP?

Solution Overview

Marketing Planning

Promotion Planning

Campaign Management

Loyalty Management

Marketing and Promotions

Why SAP?

SAP offers comprehensive solutions that can be deployed at any time in a retailer's technology and business lifecycle.

SAP HANA: A Platform Like No Other

Retailers can deploy applications enabled and integrated with SAP HANA to meet shopper demands.

Merchandise Planning, Promotions, and Loyalty Across All Channels

Designed specifically for the retail industry, SAP software can help retailers analyze customer behavior and promotional effectiveness in real time.



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