



## Getting Shoppers the Message

By [Dan Berthiaume](#)

2008-03-25

### **Concept Shopping integrates personal digital ad channels into its Automatic Marketing service.**

Hosted marketing technology provider Concept Shopping is now enabling retailers to offer targeted promotions to customers via personal digital ad channels such as personal URLs, in-store kiosks and mobile phones.

The company announced the integration of personal digital ad channels into its Automatic Marketing service March 18.

"We deliver offers electronically in a way that enhances the economic value for both the shopper and retailer," said Jon Kopecs, co-founder and chief technology officer of Concept Shopping. "We manage the entire process with computers."

Beyond allowing retailers to provide paperless coupons, Kopecs said Automatic Marketing lets them make customer-specific offers based on factors such as purchase history and how and when a customer engages with different shopping channels. While the retailer may retain personal customer data, Kopecs said Concept Shopping only tracks customers by an identification number.

He said the Automatic Marketing service can support any ad channel, but primarily delivers offers via personal URL.

"Customers can see their offers, which are enabled for a finite time when they are viewed," he said.

Kopecs said other popular channels include in-store kiosks and mobile phones, and that savings can be automatically delivered at the POS (point of sale).

To help retailers classify customers and provide the most appropriate offers, Kopecs said Automatic Marketing creates a "shopper fingerprint" for each participating customer that consists of objective facts about the customer derived from their behavior.

"Our engine correlates facts in a variety of ways," he said. "We perform decile analysis and product movement analysis to track their individual purchases, as well as how they engaged different shopping channels and how they fit into overall buying behaviors."

Through advanced analysis of shopping behavior, Kopecs said Automatic Marketing can infer certain customer attributes, such as whether they are health-conscious or own a pet. By assigning a default value to each attribute, he said the system avoids having to store most attribute data, allowing it to scale to track thousands of individual properties.

### **Getting Shoppers the Message - Tracking Product Turn**

Kopecs said Automatic Marketing also assigns a state machine that tracks and times shopper response to each individual tactic, such as a targeted coupon.

"If a customer buys a 50-pound bag of detergent, we will wait six months to offer another detergent discount," he said.

Since a customer may qualify for thousands of targeted offers, Kopecs said Automatic Marketing will arbitrate the timing, value and nature of the offers they receive.

"Within a set of offers, we will make them diverse by category, pricing and individual preference," he said.

Offers are also budgeted so customers do not receive more discounts than a retailer or manufacturer wants to allot them and stay within limits such as number of discounted items per household, he said.

"Retailers have been collecting customer data with loyalty cards, but don't know what to do with it," said Ed Hill, a business lecturer at the University of Southern California.

Hill said Automatic Marketing takes customer loyalty data that has always been accurate and makes it relevant. In addition, he said that removing paper coupons can aid the efficiency of store operations.

"The retail industry has margins of 2 percent, so they're always looking for ways to increase efficiency," he said. "Getting paper coupons out of the system keeps productivity going at the front end."

In addition, Hill said manufacturers can use Automatic Marketing to obtain a return on the money they spend trying to turn products.

"In the past, tracking product turn was a shot in the dark," he said.

*Dan Berthiaume covers the retail space for eWEEK. For more industry news, check out eWEEK.com's [Retail Site](#).*

<http://www.eweek.com/c/a/Retail/Getting-Shoppers-the-Message/>