



Case Study

## A Revolution in Retail

*Infosys helps loyalty giant Aimia become customer analytics expert*



Fiachra Woodman, IT Director, EMEA of Aimia, doesn't pull his punches: "In this day and age, for a retailer not to understand its customers is untenable and almost rude."

And he should know. His company is one of the world's leaders in customer loyalty programmes. It owns or operates more than 100 loyalty programmes in 20 countries including the Nectar programme in the UK with 18.5 million members and Aeroplan, Canada's premier coalition loyalty program.

Loyalty programmes have been extremely valuable to the retail sector. But they aren't enough anymore. Consumers are increasingly price-conscious and competition in a marketplace that has traditionally been fierce, is today ferocious.

One way that retailers can stay ahead is to get more insight from their customer data. Armed with this information shopping behaviours can be influenced, for example through precisely targeted promotions.

In line with its corporate vision, Aimia embarked on a strategy to build a globally respected and next generation analytics solutions. It chose Infosys, the global consulting and IT services company, to build the flagship product of this new service – the Intelligent Shopper Solution.

The product is delivering significant financial returns. Retailers and consumer packaged goods (CPG) companies are increasing sales by up to 5%.

## The Loyalty of Millions

Aimia and Infosys first partnered in 2001, when Aimia introduced the UK Nectar loyalty programme. The UK hadn't seen anything like it before. It had high-profile launch partners, including Sainsbury's and BP, and needed an IT system that could handle large volumes of secured transactions from the start.

It had to integrate with its partners' different point-of-sale systems and also be flexible enough to incorporate new retail partners. And clearly it had to be easy for Nectar card holders to use.

Infosys used a full range of consulting, technology expertise, IT development and maintenance capabilities to deliver the required IT system. Today the Nectar programme handles millions of transactions a day, counts half of UK households among its membership and has 14 major partners, over 20 reward partners and over 500 online retailers participating.

Ever since, Infosys has remained Aimia's trusted IT partner. "Infosys has been with us so long their people know our language, know our business, and understand our domain. Like a hand in a glove, they fit very neatly into our day to day operations. They provide the development acumen, architecture acumen, and 24x7 implementation support around the globe," said Simon Hawkes, COO, EMEA of Aimia. "They have a global delivery model that befits the regions we operate in."



"Time and time again, Infosys have been the go-to guys for me. I've been very impressed by their dedication and their professionalism. They are an essential part of our future. They are global and we are a company with global aspirations, therefore it is unthinkable that they would not be our partners in the future."

Fiachra Woodman,  
IT Director, EMEA, Aimia.



## Analysis Paralysis

Over the last few years, retailers and CPG companies have come under increasing economic and competitive pressure. Almost every high street and shopping centre tells a tale of historical and renowned brands being swept away.

Loyalty schemes have given some organisations an edge in helping retain customers and maintain market share. But many haven't been able to make full use of the data they gather – typically less than 10% of loyalty card data is analysed and used as a basis for extrapolations. This provides a broad understanding of their business, but doesn't give meaningful insight into individual shopper behaviour.

"Retailers are looking for loyalty programmes to be more insightful and tailored. Expectations are rising and the bar is getting higher," said Woodman.

## Big Data to Personalised Marketing

To create and manage a platform that could analyse customer data, Aimia turned to Infosys. "Infosys has always facilitated any expansion or opportunity we've had" said Hawkes.

The Intelligent Shopper Solution provides retailers and CPG companies with insight and fast answers about how to influence buying behaviour.

All transaction data, over the past two years, can be analysed. For Sainsbury's, that's 30 million records each night or 22 billion records. Nearly all till receipt information is captured from till number and payment type, to transaction value, product numbers and discounts applied. Combining this with

## Creating the Intelligent Shopper Solution

The Intelligent Shopper Solution software was built using Kognitio analytics platform and Adobe Flex for the rich user interface. The Infosys team developed it for retailers and CPG companies. Infosys provides 24x7 support and ongoing consultancy, including help to introduce the solution to Aimia's new retail customers. The solution is hosted by Aimia on its own hardware and uses a J2EE architecture with an Oracle data store. It helps create value from customer data and enables retailers to make better retail decisions in the area of pricing, promotions, ranging, space planning, store format, store locations, product availability, new product development and communication strategy.

the customer's identity, transaction history and loyalty card information provides a powerful, single view of the consumer.

The Intelligent Shopper Solution uses a highly intuitive interface to deliver graphical reports over the internet. As a result, lead time for reports is cut from hours or days to minutes. For example, Sainsbury's can query data and get a report in less than three minutes. And because updates are made overnight, the reports are as current as the previous day's closing numbers.



## Financial Returns for Retailers

Woodman is bullish about the benefits of the platform: “We run loyalty programmes sufficiently compelling for people to identify themselves at the point when they transact with our customers. This enables us to derive insight about who they are. We can then create actionable campaigns to elicit consumer behaviour that our customers want.”

As well as enabling smarter and more granular customer segmentation, the platform also enables highly personalised marketing. For example, advanced basket analysis allows retailers and CPG suppliers to recognise changes in established customer shopping behaviour. In response, people can be encouraged to increase spending through the provision of more compelling and personalised money-off coupons and increased reward points. Coupons can be tailored so a shopper might be rewarded for buying a specific brand, increasing basket size or for making more frequent visits to a retailer’s stores. Using promotions like these, retailers can increase their top line by a significant percentage.

Today the Intelligent Shopper Solution boasts clients around the globe who rely on it to collect, analyse and derive actionable insights through point of sale and customer data. Organisations include US pharmacy CVS, Switzerland’s leading retailer Migros, Australian retailer Coles and Canadian outfit Sobeys, as well as more than 150 CPG companies.

## The Facebook Effect

But Woodman is not stopping there. He has further plans. “The next big challenge will be to integrate the structured

data we have from loyalty programmes with unstructured data from social media, so we can provide a seamless omni-channel experience to shoppers. Data analytics is no longer a luxury, it’s a necessity.”

“Time and time again, the Infosys team have been the go-to guys for me,” he continued. “I’ve been very impressed by their dedication and their professionalism. They are an essential part of our future. They are global and we are a company with global aspirations, therefore it is unthinkable that they would not be our partners in the future.”

## Why Infosys?

- Infosys has been a trusted advisor for Aimia’s EMEA IT projects since 2001, including building the Nectar mobile app and offshoring the processing of Nectar points to India.
- Infosys has built company-wide trust and committed time to managing the relationship across the board.
- Infosys played an important role in the successful launch of Nectar in the UK, drawing upon its integrated use of business consulting, research and development and retail analytics expertise.
- As a global systems integrator, Infosys is well positioned to support international expansion by providing local support in markets worldwide.



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Simon Hawkes,  
Chief Operating Office, EMEA, Aimia

## ABOUT AIMIA

Aimia is a global leader in loyalty management. Aimia’s unique capabilities include proven expertise in delivering proprietary loyalty services, launching and managing coalition loyalty programs, creating value through loyalty analytics and driving innovation in the emerging digital and mobile spaces. Aimia owns and operates Aeroplan, Canada’s premier coalition loyalty programme and Nectar, the United Kingdom’s largest coalition loyalty programme. Aimia is a Canadian public company listed on the Toronto Stock Exchange (TSX:AIM) and has over 3,800 employees in more than 20 countries around the world. For more information about Aimia, please visit [www.aimia.com](http://www.aimia.com).

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### About Infosys

Infosys is a global leader in consulting, technology and outsourcing solutions. We enable clients, in more than 30 countries, to stay a step ahead of emerging business trends and outperform the competition. We help them transform and thrive in a changing world by co-creating breakthrough solutions that combine strategic insights and execution excellence.

Visit [www.infosys.com](http://www.infosys.com) to see how Infosys (NYSE: INFY), with US\$8.25 billion in annual revenues and 160,000+ employees, is Building Tomorrow’s Enterprise® today.

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