



451°

KROGER AND PERSONALIZATION: A GROCERY RETAILER BECOMING A MEDIA PLAYER?

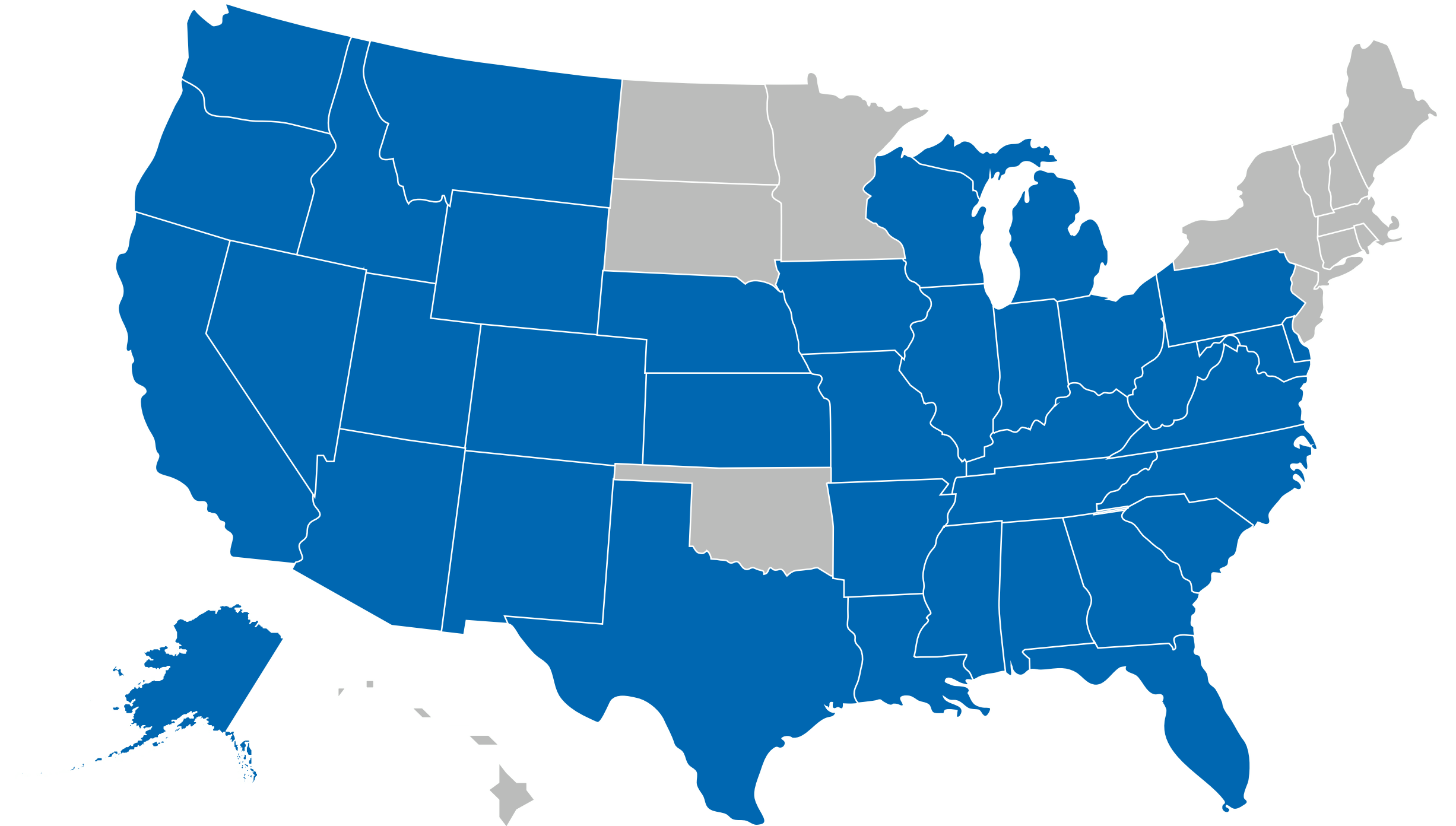
2018

KROGER ALWAYS STARTS WITH THE CUSTOMER

2,800 STORES IN 35 STATES

60MM+ Households

1 OUT OF 2 HOUSEHOLDS IN THE US



84.51° OUR COMPANY

- Wholly owned subsidiary of the Kroger Co.
- Customer data, predictive analytics and marketing strategy to drive sales growth and customer loyalty
- Partner with Kroger and more than 300 CPG companies in the U.S.
- Employ a sophisticated, proprietary suite of tools and technology to turn customer data into knowledge
- The result = A more personal and dynamic approach to putting the customer at the center of every business decision



DIGITAL OPPORTUNITY





PEOPLE SPEND THE MAJORITY OF WAKING HOURS CONSUMING MEDIA

Customers consume more than
9.5 hours of media each day

4:17 spent online

3:27 watching TV

0:52 on social media

0:56 browsing mobile

Q. How much time do you spend on [media channel] in a typical day?

TODAY THE AVERAGE AMERICAN IS EXPOSED TO 5,000+ MARKETING MESSAGES A DAY

1970

500 per day

TV
Radio
Print
Mail
Billboard



2015

5,000 per day

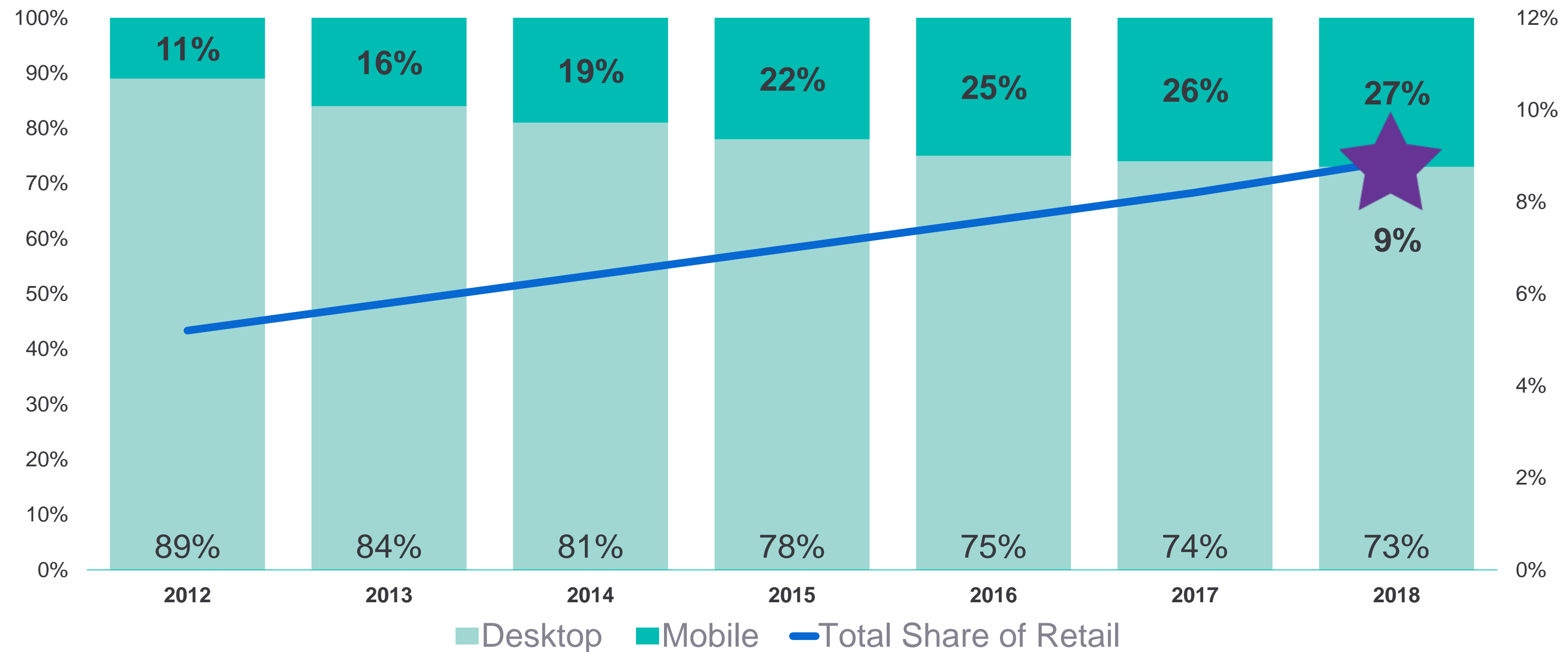


less than
50% do not
find ads
relevant or
notice them

TV
Radio
Print
Mail
Billboard
Banner
Video
Pop Ups
Email
Social
Mobile
Texts
Product Placement

DIGITAL IS ACCELERATING THROUGH MOBILE

Mobile growth is driving overall share of digital commerce



Source: eMarketer

OPPORTUNITY EXISTS....



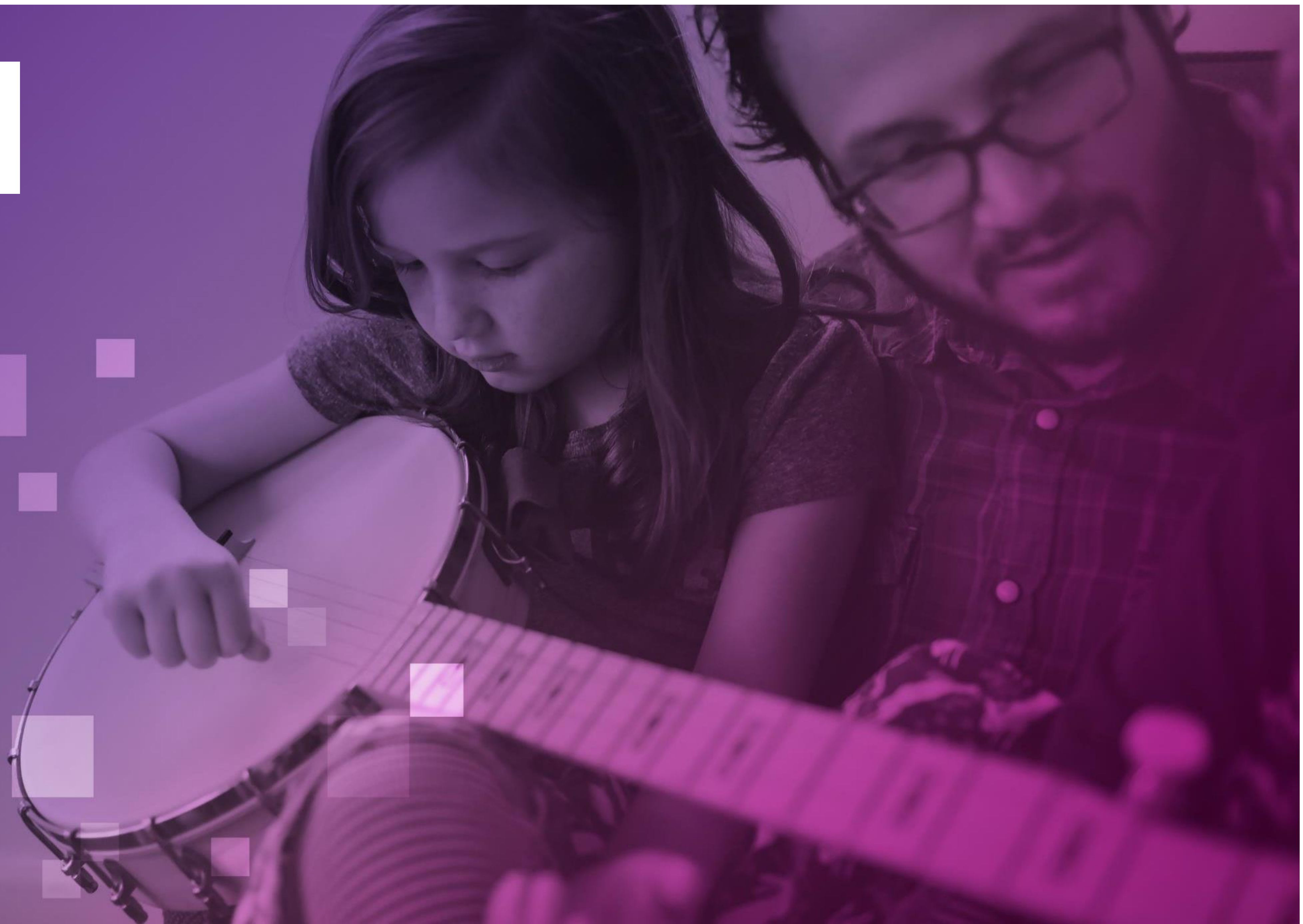
REAL VALUE OF DATA AND SCIENCE



The difference reflects the stock market's understanding that the companies' prized assets, such as search algorithms, patents and **enormous troves of information** on their users, don't show up on their balance sheets.

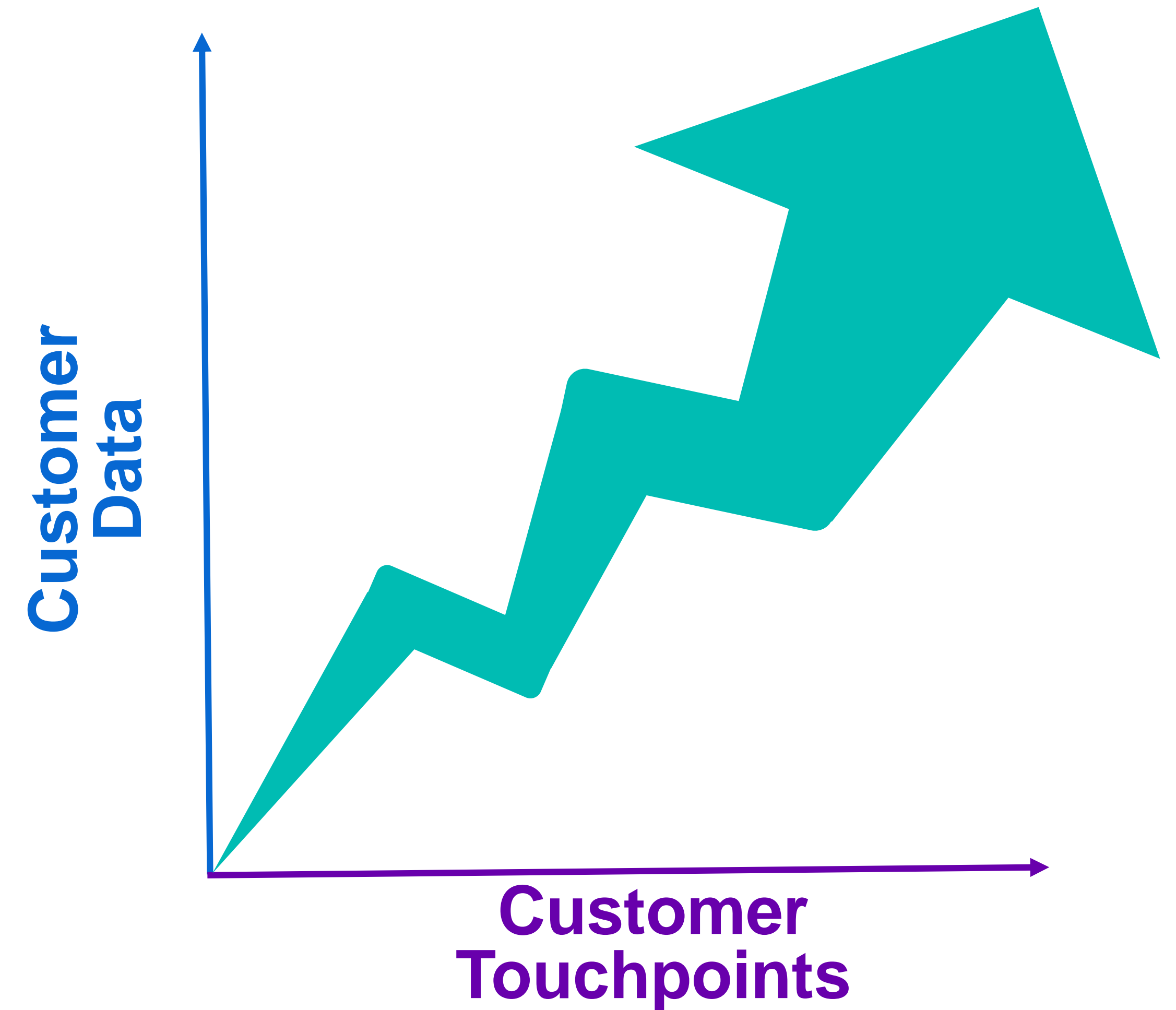
Source: Y-charts Jan 2018

**DATA
DRIVEN**



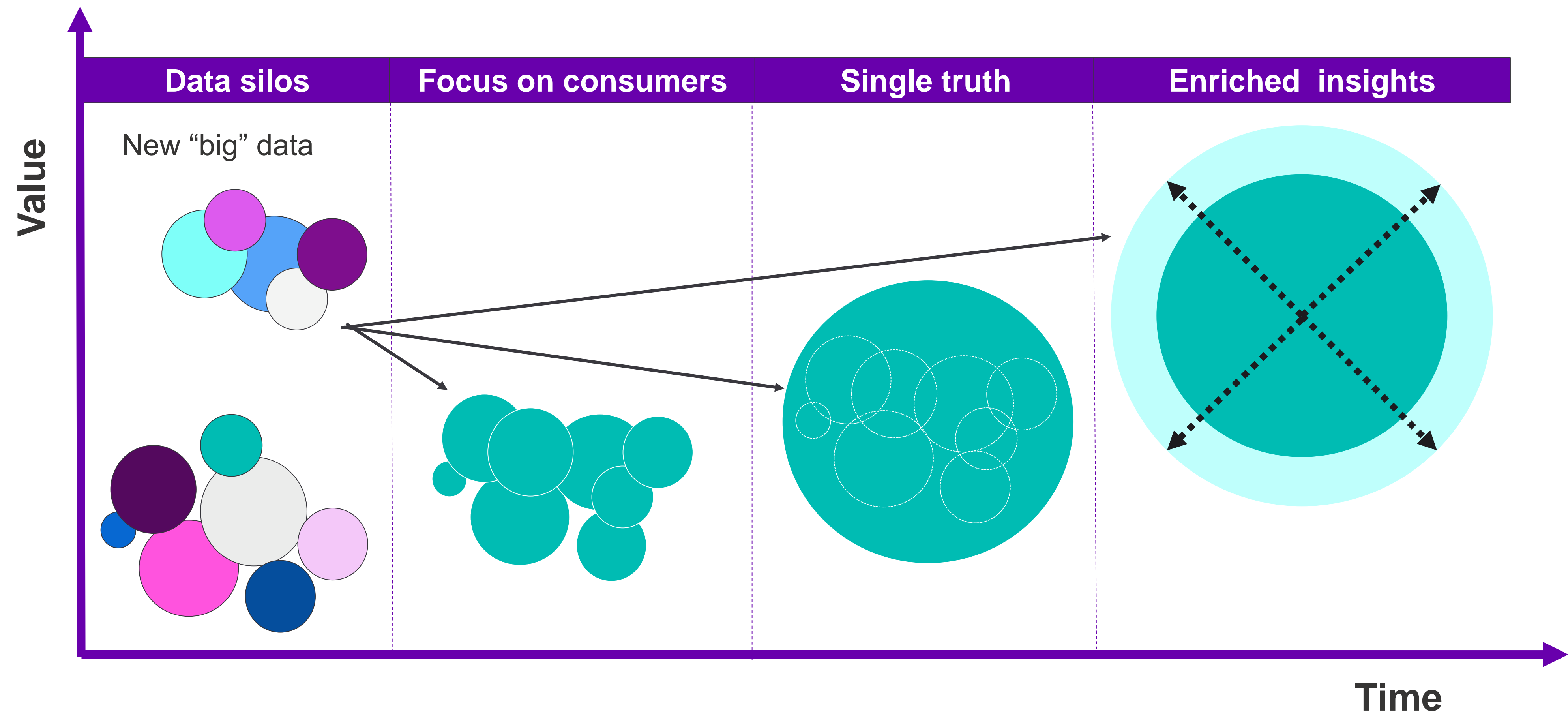
EXPLOSIVE OPPORTUNITIES FOR GROWTH

- More touchpoints to reach customers with new channels and offerings
- New data sources are created through emerging technology and science
- Synergy between the two drives exponential growth and differentiation

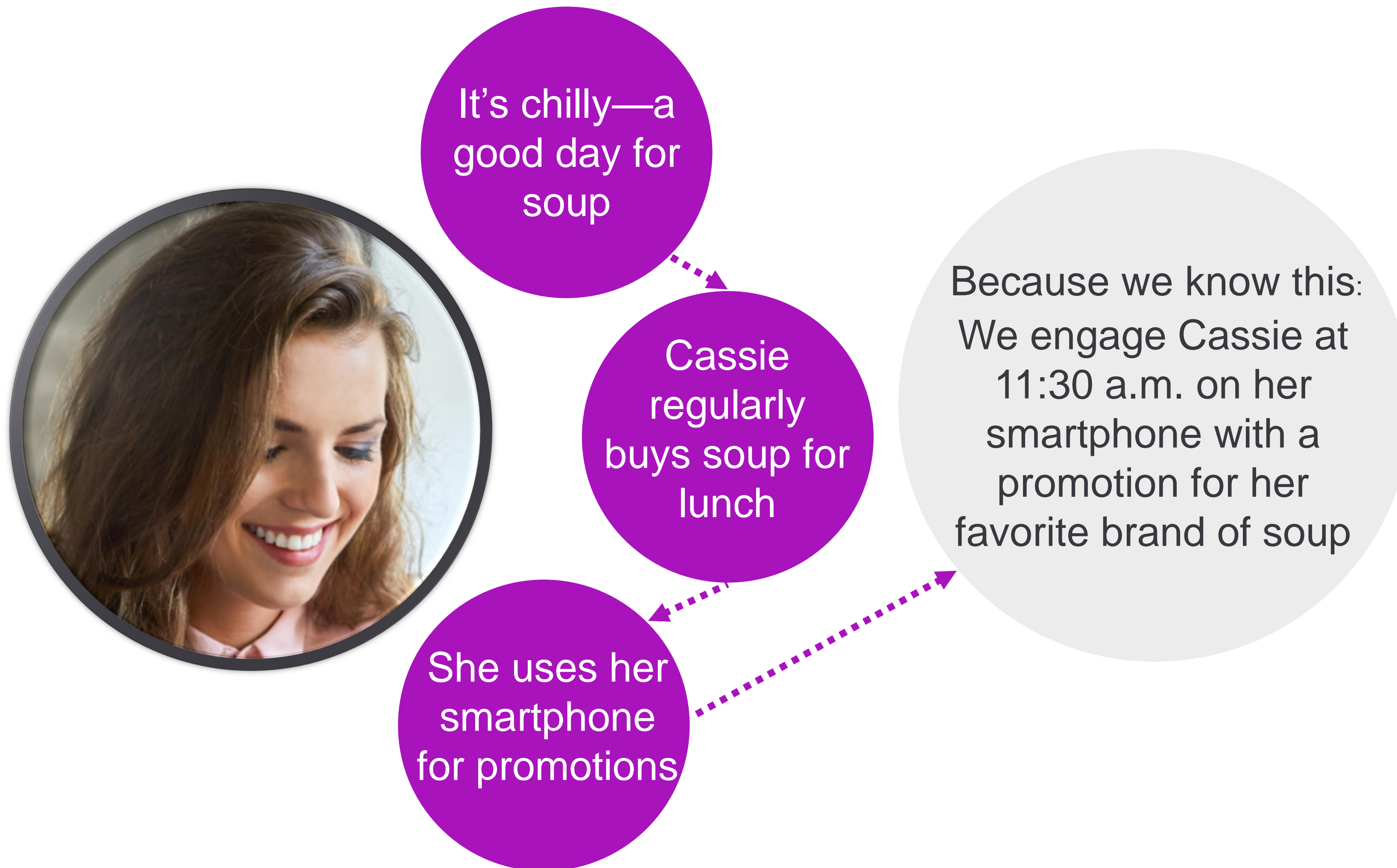


ORGANIZE AROUND THE USER

Transform Big Data into Value Creation



A SIMPLE PERSONALIZATION EXAMPLE



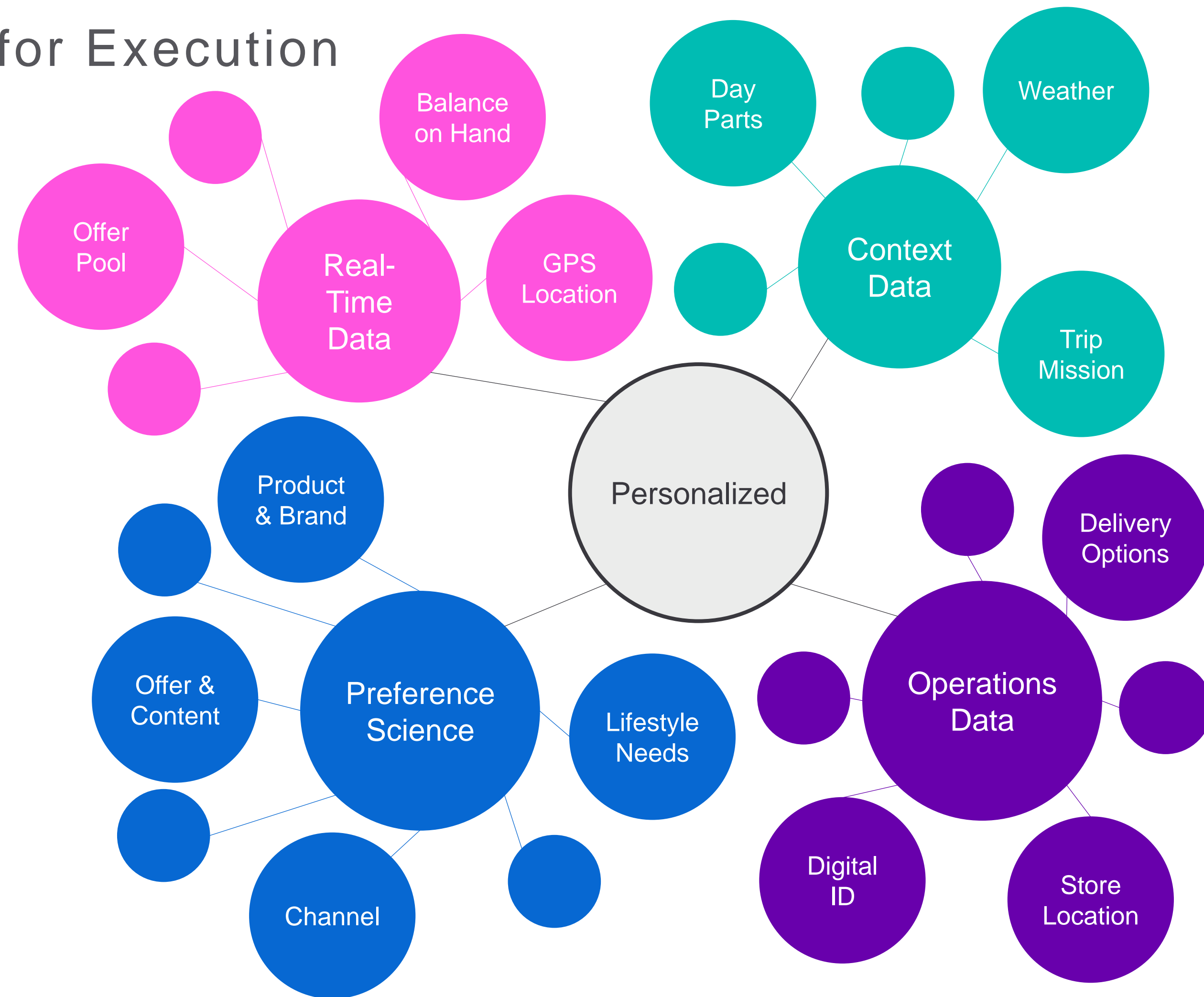
What are the data needs to support this simple execution of personalization?

A SIMPLE PERSONALIZATION EXAMPLE

Data Needs for Execution

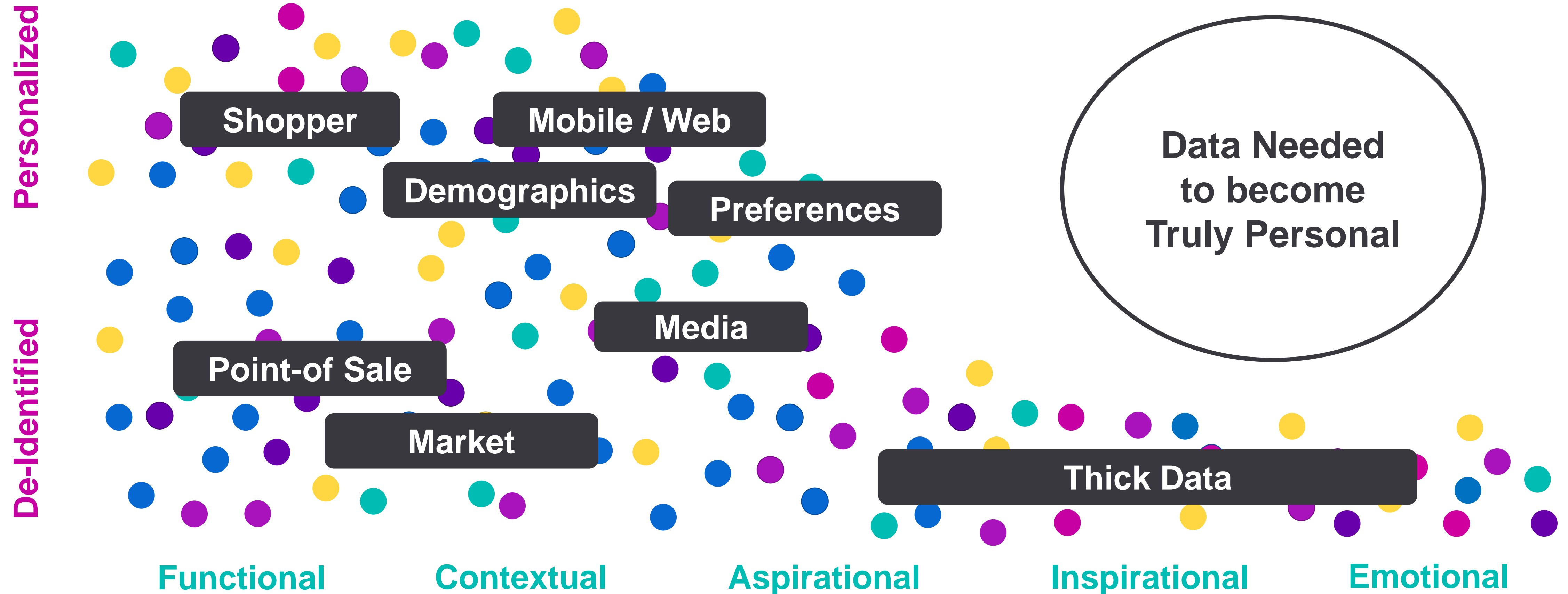


Because we know this:
We engage Cassie at
11:30 a.m. on her
smartphone with a
promotion for her
favorite brand of soup



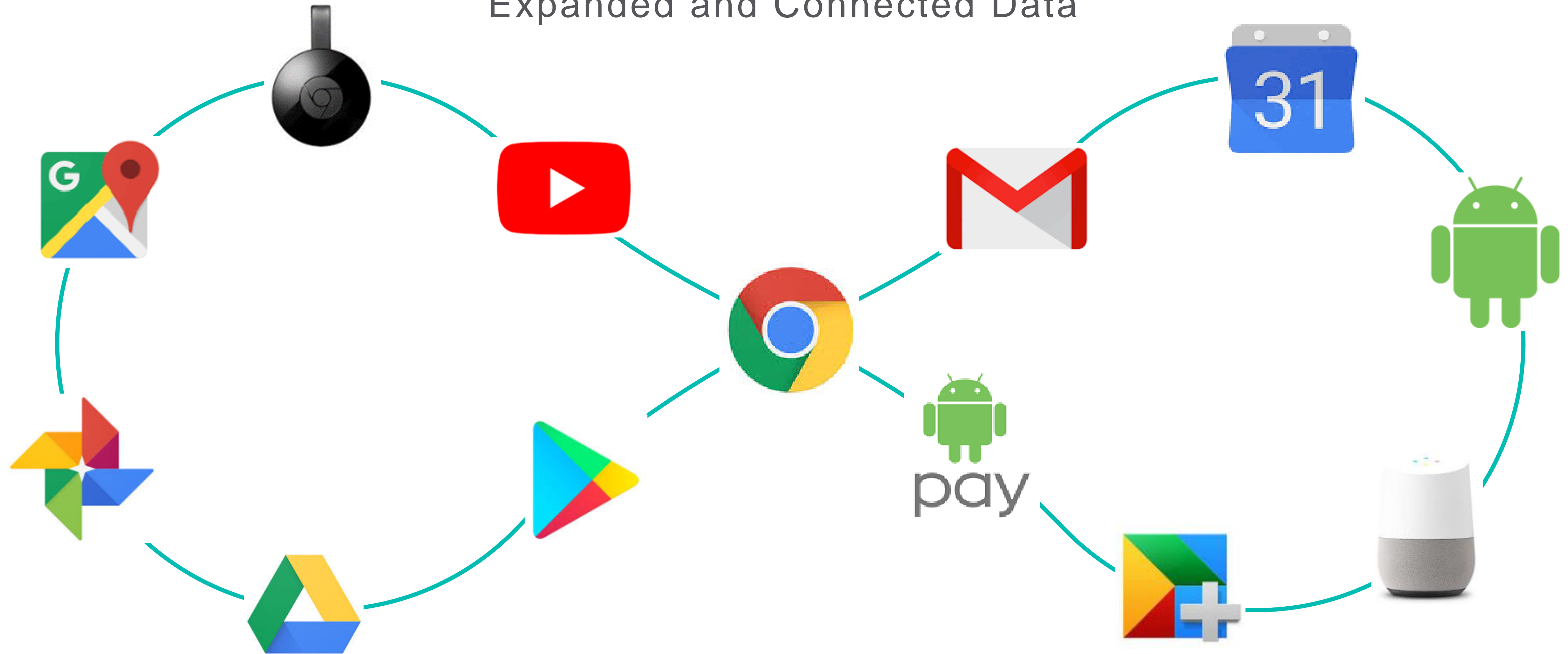
THE DIGITAL CONUNDRUM

Invest to Move Beyond the Functional Relationships



CONNECTED UNDERSTANDING

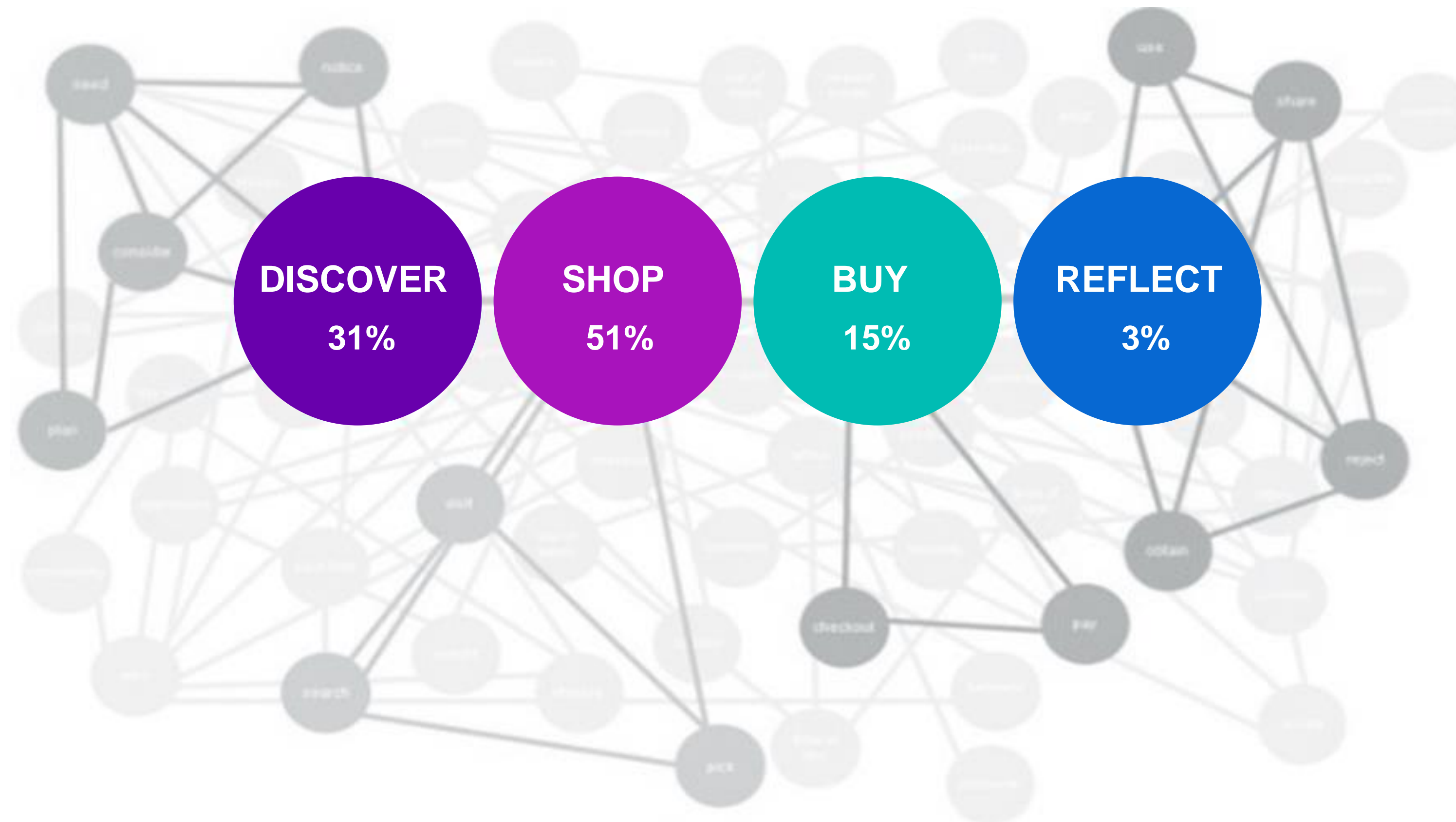
Expanded and Connected Data



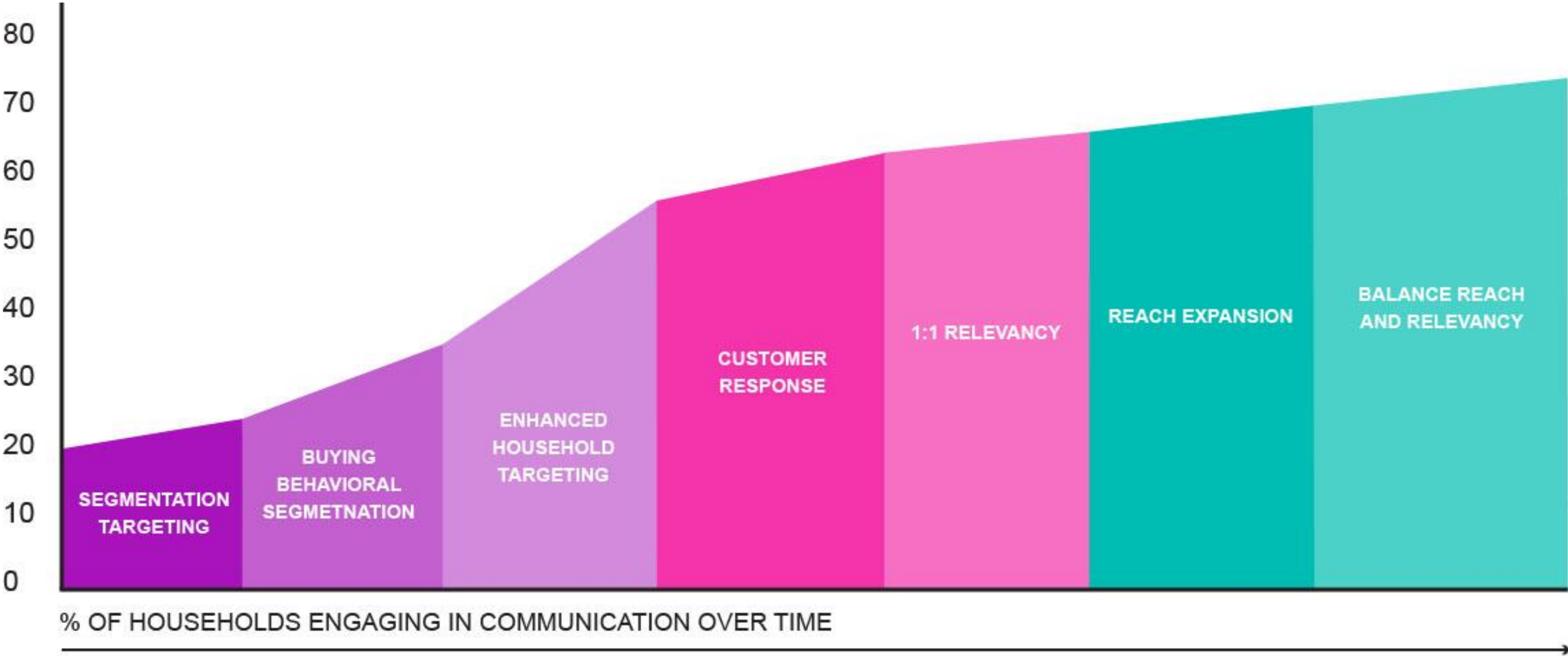
EARNING AUDIENCES



UNDERSTAND THE JOURNEY



ALWAYS DELIVER RELEVANCE



AND MEET CUSTOMERS WHERE THEY ARE ONLINE

Highly relevant digital coupons make up **93%** of those redeemed

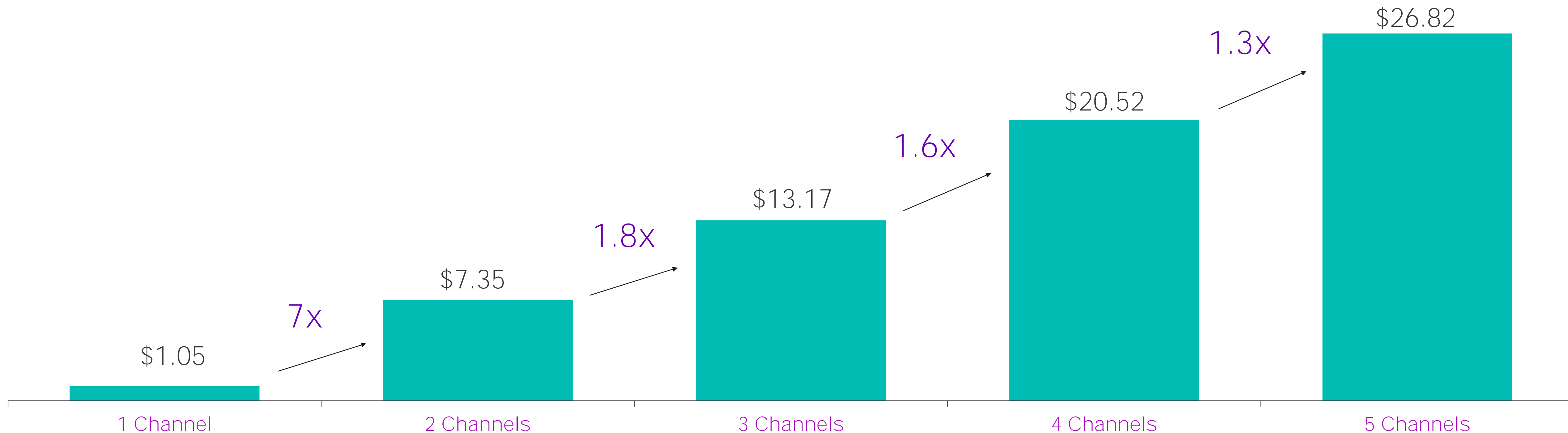
One additional trip every 9 weeks, ~5 more trips per year. Getting more customers to engage could result in significant uplift for Kroger

Customer Benefits: Helps customer quickly load digital coupons to their loyalty card saving them both valuable time and money

Kroger Benefits: Drives customers to engage with online and mobile, increase in basket size

AMPLIFY THE IMPACT

Sales Uplift per HH by Number of Exposed Channels



DIRECT MAIL + EMAIL MODULES + DIGITAL MEDIA + TARGETED FREE OFFERS = >4:1 ROAS

SIMPLE MESSAGE ACROSS CHANNELS

DIGITAL MEDIA



DIRECT MAIL



EMAIL



LANDING PAGE

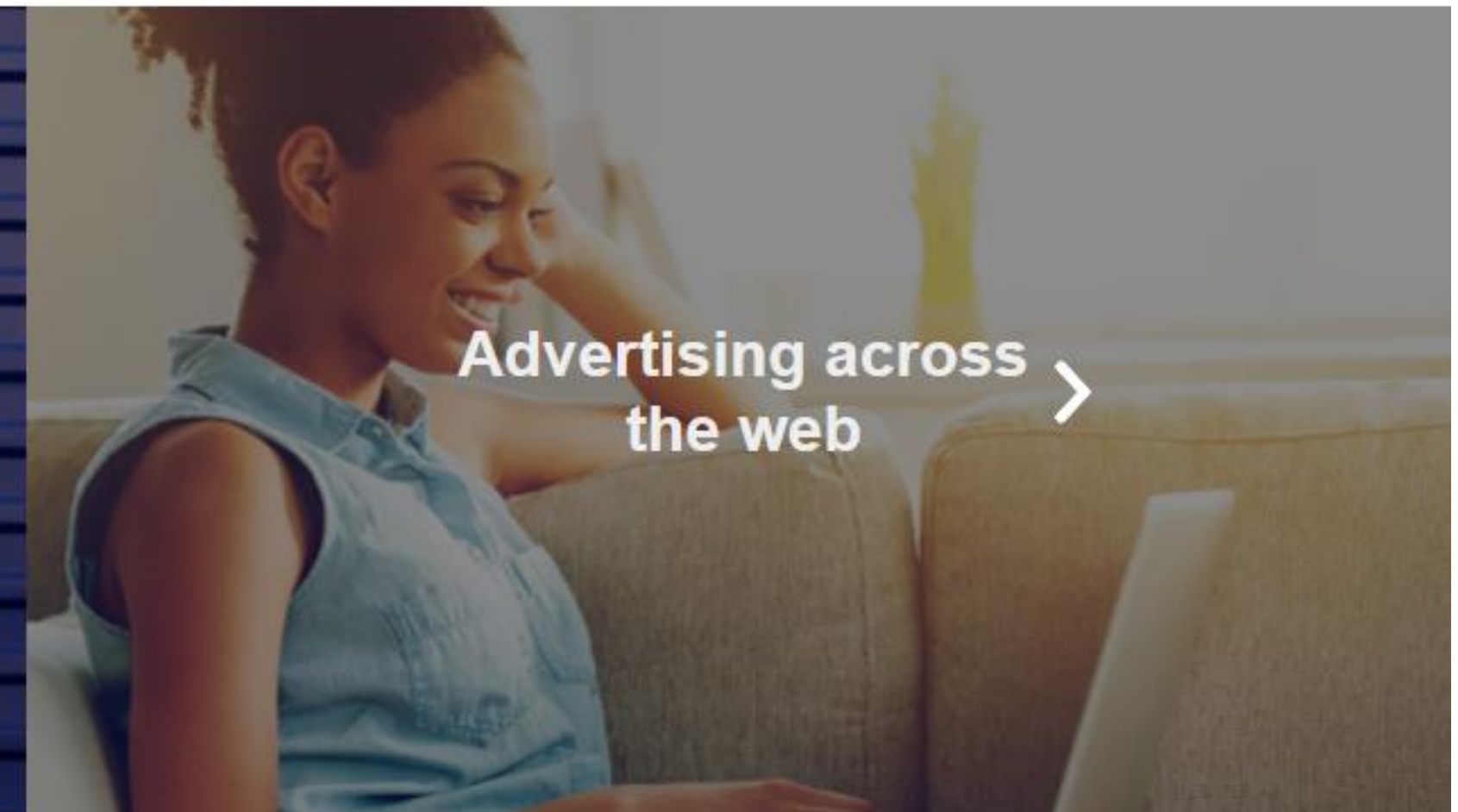


CONNECTED MEDIA TO ENGAGE CUSTOMERS



**PRECISION
MARKETING**

POWERED BY
84.51°



34.51°



EMBRACE THE DIGITAL
OPPORTUNITY

DATA AND SCIENCE
WILL DIFFERENTIATE

EARNING AUDIENCE
TRUST IS KEY

A series of squares of various sizes and shades of purple and magenta are arranged in a diagonal pattern along the left edge of the slide, creating a decorative border.

THANK YOU