



# Coles Boosts Reward Program with Retalix Software

Leading Australian Food Retailer  
Uses Retalix to Enhance Customer Rewards

## CLIENT SNAPSHOT

**NAME**  
Coles

**INDUSTRY**  
Retail

**STORES**  
749 supermarkets  
627 convenience stores  
792 liquor stores

**LOYALTY CARDHOLDERS**  
7 million

**REVENUE**  
\$34 billion Australian  
Dollar (FY 2012)

**EMPLOYEES**  
100,000+

**WEBSITE**  
coles.com.au

## THE CHALLENGE

For nearly a century, Coles has been serving Australian customers with fresh food, groceries and general merchandise. Today, Coles is one of the top two retailers in the country with 749 supermarkets, 627 convenience stores and fuel sites, 792 liquor stores, more than 100,000 employees, more than 18 million customer transactions per week, and 34 billion Australian Dollars in annual revenue.

In the mid-1990s Coles became a major partner in flybuys, a customer loyalty program in which members earned points and could later redeem them for gifts. After initial success, customer participation and interest in the program waned over the years. Coles management recognized the need to revisit the program in order to stay relevant and keep up with the emerging needs of a new generation of increasingly demanding shoppers.

"The original flybuys program needed refreshing," said Conrad Harvey, Coles Group General Manager IT. "We looked for a technology partner that could provide a feature-rich and reliable system that would allow us to offer complex, customer-specific promotions through multiple sales channels. Retalix proved the best fit."

## THE SOLUTION

Coles deployed Retalix Loyalty & Promotions at its Store Support Centre in Melbourne and throughout more than 1,300 supermarkets and convenience stores across Australia. Equipped with the Retalix solution, Coles has been delivering a rich array of innovative marketing campaigns to reward customers for shopping more with Coles.

The Coles marketing team uses Retalix Loyalty and Promotions to manage customer segments, create relevant offers and personalize messages and coupons. During the checkout process the Retalix in-store application retrieves loyalty on-line member data and calculates rewards in real time.

"The Retalix solution provides a solid foundation for our revamped reward program," said Harvey. "We now benefit from a sophisticated and flexible



reward marketing system, which enables us to offer the most rewarding shopping trip in Australia.”

Coles launched the supercharged flybuys program in April 2012 with great fanfare, which included mailing of 16 million new loyalty cards to almost every registered postal address in Australia.

One of the most exciting benefits of the new flybuys program is the “my5” offer, where members can pick five products of their choice and receive a 10 percent discount on those items – even if they are already on special. Retailix Loyalty & Promotions accurately calculates the complex “my5” discounts in sub-second time with negligible impact on POS performance.

Additionally, with the Retailix system Coles’ POS printers can issue relevant customer-specific coupons based on what they buy. Customers can then redeem these personalized coupons and enjoy special discounts or bonus flybuys points at Coles grocery, convenience or liquor stores.

#### KEY SOLUTION BENEFITS

Coles has witnessed multiple benefits to-date from the implementation, including:

- **Increased Sales** —Customers are responding positively to the new targeted loyalty offers. Within three months of the re-launch of flybuys, more than 2 million extra customers were engaged in the flybuys programme, bringing the total number of flybuys cardholders to more than 7 million.

- **Flexibility** —Coles can now deliver a broad range of complex promotions that could not be offered previously, such as issuing and redeeming coupons at the POS; customer-targeted rewards; and redeeming points as cash discounts at the POS.

- **Agility**—Coles can now easily initiate or modify promotional offers with short notice, reducing the prolonged lead times required previously. This helps Coles quickly adapt to evolving market conditions.

- **Integration**—Retailix Loyalty & Promotions integrates seamlessly with Coles’ existing point-of-sale, store and headquarters systems, facilitating smooth and uninterrupted operations for the retailer.

“Retailix’s innovative solution has changed the concept of rewards at our company,” concludes Harvey. “Gone are the days of cumbersome manual processes. Retailix’s powerful and convenient loyalty system greatly benefits our company as well as our customers.”

In July 2012 Coles presented Retailix with the CIO Award for innovation and thought leadership and the Coles IT Strategic Supplier Award for demonstrating the ability to align with Coles’ business strategy to offer a solution that has improved the Coles business.



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