

Publix[®]

WHERE SHOPPING IS A PLEASURE[®]

Buying and Merchandising Operations Research Event

Monarch DECA Chapter
Monarch High School
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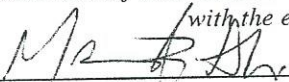
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1. The contents of this entry are the results of my work or, in the case of a team project, the work of current members of this DECA chapter.
2. No part of this entry has previously been entered in competition.
3. This entry has not been submitted in another DECA Competitive Event.
4. Credit for all secondary research has been given to the original author through the project's bibliography, footnotes or endnotes.
5. All activities or original research procedures described in this entry are accurate depictions of my efforts or, in the case of team projects, the efforts of my team.
6. All activities or original research described in this entry took place during this school year or the timeline specified in the Event Guidelines.
7. I understand that DECA has the right to publish all or part of this entry. Should DECA elect to publish the entire entry, I will receive an honorarium from DECA. Chapters or individuals with extenuating circumstances may appeal the right to publish the entry to the executive committee of the board of directors prior to submission of the project for competition.

This statement of assurances must be signed by all participants and the chapter advisor, and submitted with the entry, or the entry will be given 15 penalty points.


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Participant's Signature


Participant's Signature

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Print/Type Participant Name(s)

BMOR- Buying and Merchandising Research Event / Monarch High/ Florida

Competitive Event Name/School/State

To the best of my knowledge, I verify that the above statements are true and that the student's (students') work does not constitute plagiarism.

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Table of Contents

I. Executive Summary	1
II. Introduction	2
A. Description of the business or organization	2
B. Description of the community	4
C. Description of the Businesses target market.....	6
III. Research Methods Used in Study	7
A. Description and Rationale of research methodologies selected to conduct the research study.....	7
B. Process of conducting the selected research methods	9
IV. Findings and Conclusions of the Study	11
A. Findings of the research study.....	11
B. Conclusions Based on Findings.....	21
V. Proposed Strategic Plan	22
A. Goals/Objectives and Rationale	22
B. Proposed Activities and Timeline	23
C. Proposed Budget	26
D. Proposed metrics to measure ROI, sales, customers, traffic, etc.	27
VI. Bibliography	28
VII. Appendix	29

I. Executive Summary

Business: Publix

- Publix is one of the largest employee owned supermarket chains with over 1,048 stores stretched across Florida, Georgia, South Carolina, Alabama and Tennessee. The Publix supermarket chain was established in 1930 by George W. Jenkins and has grown into a FORTUNE 500 company. Publix excels in community involvement, volunteer work and competition in market areas. Publix's management principle revolves around customer relationship marketing concepts to enhance the consumers shopping experience.

Research:

- In order to develop a campaign plan that would aid us in accomplishing our goals, the researchers first conducted the following primary research methods: In-depth interview, Surveys and Focus Groups.
- We conducted the interview with the store manager of Publix at Ramblewood Square, Bill Andrews. Mr. Andrews cooperated very effectively on his part and gave us in-depth answers to all of our questions.
- We were denied the privilege of conducting surveys at several Publix stores, but this obstacle did not intimidate us. Instead we conducted the surveys amongst members of our community, teachers, and family members who all shopped at Publix in Ramblewood Square.
- We conducted two focus group sessions at Parkland City Library with the help of the librarian Dianne. The first session consisted of four Publix shoppers and the second session consisted of four competitor store shoppers.

Findings and Conclusions:

- We made the following conclusions based on the research:
- A Publix rewards card program that focuses on gas station fuel rewards should be designed in order to help bring about a higher retention rate of customers and expand the current target market
- Price promotions offered at Publix play an important role in motivating customers to shop at Publix.
- Customers need a rewards program that gives them recognition

Proposed Activities/Timeline

- Partner with Fuel Perks: August 2012- August 2013
- Employee Training: August 2012 and March 2013
- In-store advertisements: August 2012
- Billboard Advertisements: March 2013
- Publix Weekly Advertisement: August 2012-August 2013

Budget

Activities	Price	Length	Total
In-store Banner Advertisement (4)	\$360.00	One time purchase	\$360.00
Billboard Advertisements (3)	\$1575.00	12 months	\$1575.00
Employee Training	\$2,500.00	2 Training sessions	\$5,000.00
Publix Newspaper advertisement	\$350.00	12 months	\$4,200.00
Fuelperks Rewards	\$490,000/per month	12 months	\$5,880,000.00
-	-	-	\$5,891,135.

II. INTRODUCTION

A. Description of the business or organization

George W. Jenkins founded **Publix** in 1930. **Publix** is one of the largest employee owned retail supermarkets and one of the ten largest-volume supermarket chains. It has over 1,048 stores stretched across Florida, Georgia, Alabama, South Carolina, and Tennessee with over 149,000 employees. **Publix** strives to excel in community involvement, volunteer work and competitive market areas. **Publix** has a legendary philosophy that is instilled into the company until this day, which is to please the customer and to never knowingly disappoint them. **Publix's** mission is to be the premier quality-food retailer in the world. **Publix** has committed to be:



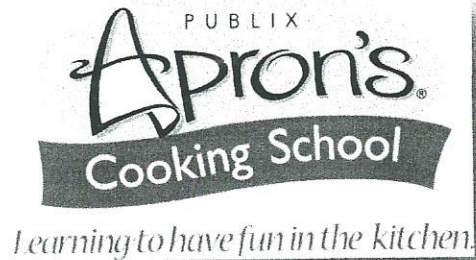
- "Passionately focused on *Customer Value*,
- *Intolerant of Waste*,
- *Dedicated to the Dignity, Value* and
- *Employment Security* of our Associates,
- *Devoted to the highest standards of stewardship* for our Stockholders, and
- *Involved as Responsible Citizens* in our Communities."

Publix has been recognized for various awards for being an industry leader, a caring employer dedicated to workforce diversity, and being involved in the community.

Publix

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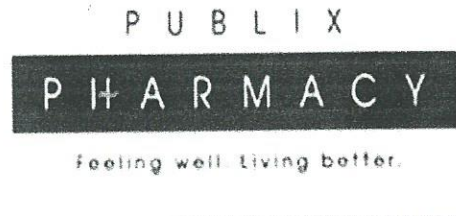
Publix also contains a variety of different programs offered at their stores to help make shopping enjoyable for their customers. Some of the most famous programs are “Aprons”, the Green Wise Market and Publix Pharmacy. The “Aprons” program consists of simple easy-to-make nutritious meal demonstrations in kiosks throughout Publix stores.



Publix also launched their Green Wise Market in 2007 to compete, as well as profit from, the increase of health food stores in the U.S such as Whole Foods. Their Green Wise market offers a wide range of organic foods, salads and other nutritious items.



In 1996, Publix opened their first pharmacy within their stores. Currently 81% of Publix stores contain pharmacies. Publix pharmacy has been recognized for its policy of free antibiotics with prescription for two weeks.



In addition to helping the community, Publix also strives to develop strong relationships with their customers. In a customer review about Publix, a passionate customer stated:

*"I live 85 miles from the nearest **Publix** store but I make sure I shop at Publix every week...There is only one reason why I go through the trouble—the customer service and wonderful personalities of the employees. It's a delight to interact with everyone there and when I leave, I feel good about shopping"*

Publix not only looks to create a thriving community environment, but also seeks to make the shopping experience for their customers a pleasure.

B. Description of the Community

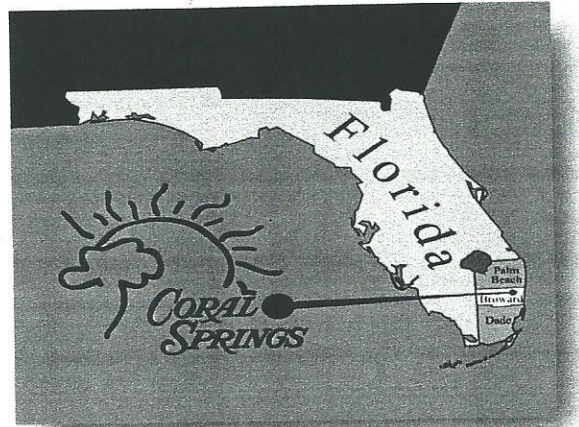
Economy

The Coral Springs economy thrives off of small businesses in the area and has a broad distribution of workers in different areas. Of Coral Springs residents 16 years of age and over; 72.5% work in the labor force, 95% are employed and 5% unemployed. Of that population, 39.5% work in management and related occupation; 32.9% work in sales and office occupations; 12.8% in service occupations; 7.6% in construction, extraction and maintenance occupations; 7% in production, transportation and moving occupations; and lastly 0.1% work in farming, fishing and forestry occupations. Each family household in Coral Springs has a median income of about \$58,459 with the per capita income for the city \$29,285.

Stand & Poor's describes Coral Springs economy as, "a vibrant regional economy with above-average wealth levels and consistently low unemployment." This past decade Coral Spring's industrial and commercial base represented 24% of the cities valuation-50% higher than the decade before. Of all the cities in Broward County, Coral Springs has the lowest tax rate of 3.8715 mils.

Geographic

Coral Springs is a large city covering about 23.93 square miles of that 22.2 miles being land and 1.91 square miles being water. Coral Springs was chartered officially on July 10th 1963 in Broward County, Florida approximately 20 miles north of Fort Lauderdale. During the 1970's, 1980's and 1990's the city grew rapidly, adding 35,000 residents each decade. Coral Springs has a distinguished atmosphere that compliments its aesthetic appeal.



Demographics

The **Publix** at RambleWood Square is in a plaza area and is known for being an anchor store in the area. Coral Springs is a large city inhabiting 121,096 people and with 45,433 households. Coral Springs has experienced a 3% increase in population from 2000 until 2011. Males make up 48.7% of the population in Coral Springs, whereas females make up 51.3% of the population.

The average age of males is 33, and the average age of females is 35. The population is evenly distributed for the most part. 16.06% of people are between the ages 0-9. 15.47% of people are 10-17 years old. 16.42% of the population is 18-29. People ages 30-39 years old make up 16.06% of the population. 16.22% of people are between the ages 40-49 years old. 14.26% of people are 50-64 years old. 5.51% of people are 65 and

older. Coral Springs is a city known for its diversity with approximately thirty percent of the population speaking another language other than English.

Publix at RambleWood Square appeals to a large community and generates mass appeal within the community. Due to a family-oriented environment, the researcher has a more accurate response from the community when conducting different types of marketing research.

Socio-economic

The Coral Springs economy thrives as a fiscally strong government with high bond ratings. Stand & Poor's describes Coral Springs economy as, "a vibrant regional economy with above-average wealth levels and consistently low unemployment." Fitch, Moody, and Standard & Poor's have rated Coral Springs bonds "AAA". In 2010 CNN rated Coral Springs as the 44th best city to live in. Coral Springs has twice received the Florida Sterling award for excellence in administration and has won many accolades for livability, low-crime rate and family-friendly community.

C. Description of the businesses target market

Publix targets a wide variety of consumers and has its target market in two different market segments: a primary and secondary market. **Publix's** primary target market is the lower and higher portion of the middle class. Due to the recent economic recession, **Publix** has been working to cater the upper class, as well as the poor working class. Middle class families find **Publix** a suitable place to shop as **Publix** is in many convenient locations and offers great deals on savings and affordable products.

Customers who shop at Publix have extra expendable income but are still cost and budget conscious.

III. Research Methods Used In the Study

A. Description and rationale of research methodologies selected to conduct the research study.

Competition for customers has never been so vicious. Competitors are fighting neck and neck to obtain customers. Customer loyalty programs have different benefits for businesses and sometimes can make or break a business. The researchers used different types of primary research to build customer profiles, identify needs and wants of the target market, current usage and effectiveness of Publix loyalty programs and evaluate the potential of a customer rewards program. The different primary research methods that we will use are:



Interview-

Interviews are excellent ways to find information and build customer profiles as you get a first-hand experience. Interviews allow the interviewee to express their true concerns and feelings. According to our Deca advisor, Mr. Kennedy, interviews are efficient to find out what **Publix** does to retain their customer population and how they meet the needs and wants of their customers. The researchers will use the

standardized, open-ended interview. The researchers will have a set of pre-determined questions to ask the manager. The main focus of these questions will be to gather information on these three key areas:

- Customer retention in **Publix** and why?
- How do **Publix** loyalty programs meet the needs and wants of their market?
- Factors that influence customers to shop at **Publix**? (Price, Value, Services)

Surveys-

According to the book *Marketing Essentials*, The survey method is, "a research technique in which information is gathered from people through the use of surveys or questionnaires." The surveys will aid the researchers in finding information on the following key areas:

- Current usage and motivation of **Publix** loyalty programs.
- How often customers shop at **Publix and** what drives them to shop there.
- Customer feedback on Publix price promotions and an alternative customer rewards card program.

The researchers will design the survey as a questionnaire using a combination of **close-ended and yes/no questions**. Close-ended questions will allow the customer to pick from a list of answers and will help the researchers in getting specific information we need, such as how often customers shop at **Publix**, and customers current usage of **Publix** loyalty programs. Yes/No questions will help the researchers also in getting direct

information from the customer. The researchers will distribute these surveys to regular Publix shoppers.

Focus Groups-

The researchers will conduct a focus group session amongst two different groups. Focus groups are an effective primary research method on generating insightful and more in-depth responses from people. We will conduct two focus group sessions, the first one will consist of four Publix shoppers and the second one will consist of four competitor shoppers. Focus groups give us the ability to talk to the session members in a casual group setting leaving members in both groups feeling comfortable and able to speak their true opinions.

B. Process of conducting the selected research method

Research Method: Personal Interviews

We scheduled an interview on Sunday, November 6th, 2011 with Bill Andrews, the manager of Publix at Ramblewood Square in Coral Springs Florida. The researchers used this opportunity to gain understanding of Publix's management style towards the



customer. We asked the following questions to the manager in the interview:

- What do you see as **Publix's** strongest attribute? Weakest?
- What is your store currently doing to maintain its current customer base? Is it proving to be successful?

- Are there any changes you feel need to be made in order to maintain and expand the current customer base?
- Does **Publix's** location play any role in making shopping convenient for the customer and attracting them back to your store?
- Why do you think **Publix** puts great emphasis on their coupon policy?
- On average how many daily customers do you receive?
- Roughly, how much does the company spend on advertising to maintain and build on the customer base?
- On average, what does your current revenue stream look like per week?

He said he would answer the questions as best as he could but could not give out any confidential information.

Research Method: Focus groups

For this research method we set up two groups: one group of **Publix** shoppers and one group of competitor shoppers. The researchers conducted the focus group at Parkland City Library on Sunday November 13th 2011 12:00 p.m. We were able to schedule a separate room with the librarian, Dianne, to conduct the focus group session. Each session lasted for 20 minutes, each with one of the researchers directing the session and another recording feedback from session members. The first session conducted was for **Publix** shoppers and the second session conducted was for competitor shoppers.

The researchers had a set of pre-determined questions to ask the session members, but asked them in a more natural way so we could receive an honest and

natural response from the group. The questions asked in the focus group of **Publix** shoppers focused on current usage of **Publix** loyalty programs. The questions asked to the competitor shoppers were focused on what incentives drive those customers to shop there.

Research Method: Surveys

The researchers contacted the managers of several **Publix** stores and were denied the privilege of surveying customers due to **Publix's** no solicitation policy. Instead we conducted the survey amongst neighbors, family members and teachers who are all regular **Publix** shoppers. The people who were surveyed were given a pen/pencil and a clipboard to complete the survey. All of the people were surveyed under the following conditions:

Survey Conditions:

- Friday, November 11th 2011
- Teachers- In School between 7:40 a.m. - 2:40 p.m.
- Family members and Neighbors- After 6 p.m.

IV. Findings and Conclusions of the study

A. Findings of the research study

After finishing our research study, we noticed the research findings correlated throughout all three research methods. Each research method was used to target key areas of our research study. The survey method was used to find customers' opinion on incentives that motivate them to shop at **Publix** or elsewhere. The interview method was used to gain an understanding of **Publix's** management style toward the customer.

Lastly, we conducted two focus groups as a research method to gain a greater understanding of the incentives of **Publix** shoppers and shoppers at competitor stores.

Findings: Personal Interview

The responses given to us in the interview with Bill Andrew's helped us gain a better insight into **Publix's** management. The following are findings from the interview that we conducted with Bill Andrews:

1) What is Publix's strongest attribute? What is its weakest attribute?

Publix's strongest attribute is customer service. Publix seeks to develop a family-oriented environment and retain customers through customer satisfaction. Publix's weakest attribute is price. In a harsh economy Publix's prices tend to intimidate newer customers who are not familiar of Publix's various price promotions.

2) What is your store currently doing to maintain its customer base? Is it proving to be effective?

Publix's price promotions such as "Love to Shop Here, Save Here" and BOGO's (buy-one get one-free) play a large part in our retaining of customers. Customers find that they are able to save more money at Publix than other grocery stores by taking advantage of the price promotions offered at Publix.

3) Are there any changes you feel need to be made in order to expand your current customer base?

Publix needs to expand the awareness of its price promotions to help with the expansion of its current customer base. Publix also doing various community outreach programs, such as DECA or programs at colleges such as a tailgating

program at FAU (Florida Atlantic University) to help expand business to local communities.

4) Does Publix's location play any role in making shopping more convenient for the customer and attracting them back to your store?

Location plays a significant role in retaining customers. Before they build a Publix store corporate sends out people to check out the property and community environment. Most Publix stores in Florida open up in plazas to expand business into existing customer bases.

5) Why do you think Publix puts great emphasis on their coupon policy?

The supermarket industry is changing and Publix wants to adapt to the changes. Publix also accepts competitor coupons because the economy isn't the greatest and it's a kind of pull factor for the store to attract customers.

6) On average how many customers do you receive at Publix daily?

Mr. Andrews could not give out an exact amount due to the information being confidential but he did give us an estimate that on some days they receive as less as 500 customers and other days they get as high as 900.

7) Roughly how much does Publix spend on advertising to maintain and expand its customer base?

Mr. Andrews told us that this is on a corporate level. Advertising charges vary. Sometimes Publix is charged more than \$1000 for advertising funds and other times they aren't charged anything.

8) On average what does your current revenue stream look like per week, an estimate is ok?

We were not able to receive this information due to this being on a confidential level.

Findings: Survey

The researchers found a large similarity in the response of **Publix** shoppers that were surveyed. A total of forty people were surveyed. We conducted this survey to find out what drives customers to shop at **Publix** and other grocery stores and what needs to be improved within **Publix** to expand their customer base.

Finding Question #1: Why do you shop at Publix?

We found that out of the forty customers we surveyed 70% shopped at **Publix** due to its convenience in location. Customers that chose location as their answer when surveyed gave similar feedback such as:

- **“Publix** is on my way home from work and a few minutes away from my house”
- **“Publix** is located next to my gym and barbershop so its location makes it convenient.
- **“Whenever I shop at a Publix I find I can do more than just shopping for groceries because it’s in the same plaza as my hair stylist and dry cleaners.”**

Finding Questions #2: What type of saving deals do you take advantage of?

For this question the people surveyed were allowed to choose more than one answer. 85% of **Publix** shoppers surveyed took advantage of **Publix’s** BOGO’s to help them save money. Customers replied that BOGO’s were easy to organize their savings around and had a wider product variety.

Finding Question #3: What is the main problem you are faced with when looking to find savings deals at Publix?

About 25% found that the only problem with the price promotions at **Publix** were that too much time had to be spent looking for right deals. When conducting this survey customers' feedback to this question were:

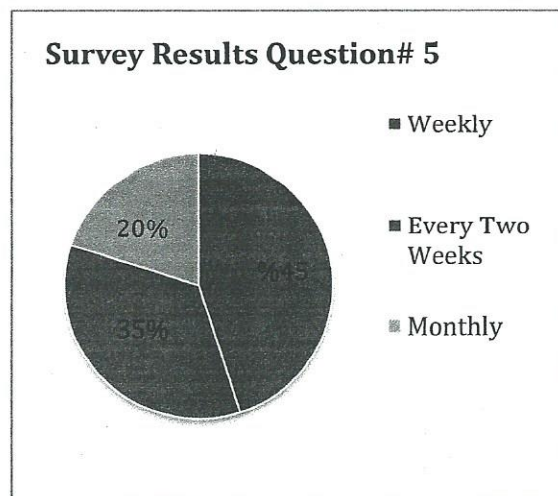
- "If **Publix** made looking for coupons easier and made some coupons more consistent I would take advantage of the opportunity."
- "A lot more people would shop at **Publix** if they could figure out a way to save time when looking to use the price promotions they offer."

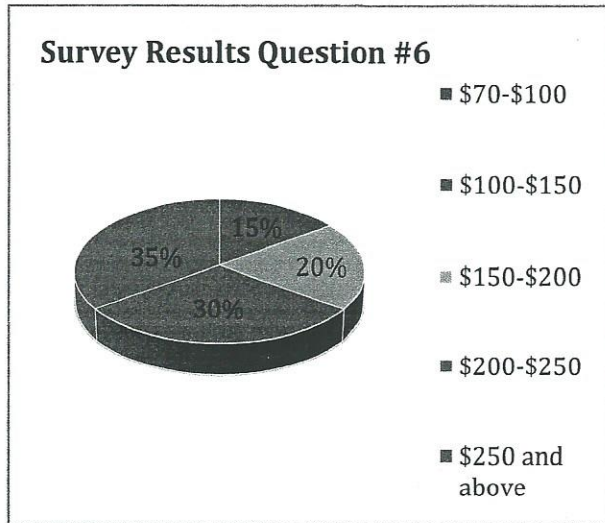
Findings Question #4: Other than Publix, where else do you grocery shop the most?

Other than **Publix**, 70% of the shoppers surveyed said they shopped at Wal-mart as an alternative grocer. Wal-Mart seems to be **Publix's** main competitor in Coral Springs with its runner up being Target and Winn-Dixie.

Finding Question #5: How often do you shop at Publix?

45% of people surveyed said they shop at Publix weekly. 35% said they shop every two weeks and 20% of people said they shop monthly.





Finding Question #6: On average, how much do you spend monthly on groceries?

Amongst the shoppers surveyed 35% said they spend more than \$250 dollars when shopping at **Publix** and 30% said they spend between \$200-

\$250 dollars. 20% of shoppers said they spend \$150-\$200 dollars on groceries every month and 12% said they spend \$100-\$150. None of the people surveyed said they spend \$70-\$100 dollars on groceries every month.

Finding Question #7: Do new coupon deals, product discounts or new easier ways to save motivate you to shop at Publix?

Approximately 80% of shoppers surveyed felt that new product discounts or price promotions helped motivate them to shop at **Publix**. Some customers felt that **Publix's** various price promotions were one of the only reasons why they shopped at **Publix**.

Finding Question #8: Do you access Publix's website to enhance your saving experience?

90% of shoppers surveyed also felt that the **Publix's** website did not aid them in taking advantage of the various price promotions. When conducting the survey **Publix** shopper's felt that **Publix** needed to establish a better web presence and come out with web specific deals.

Finding Question #9: Are you satisfied with Publix's customer service?

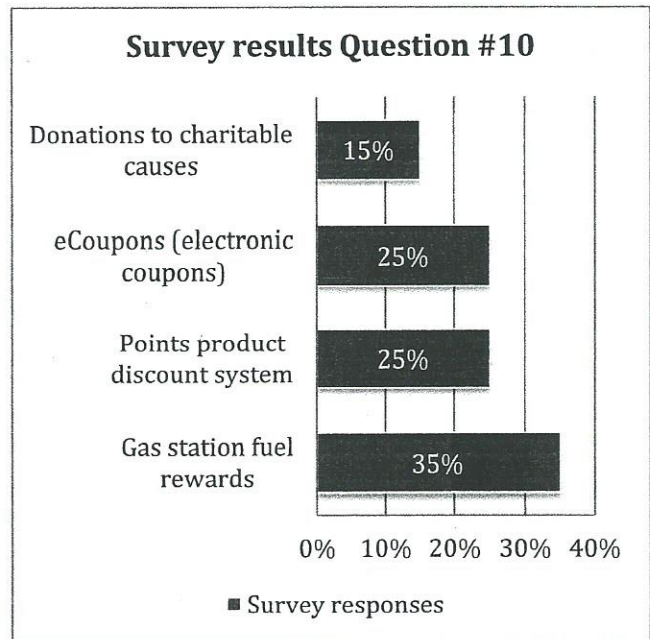
55% of surveyed shoppers felt that **Publix's** customer service is satisfying and enhances their shopping experience. Customers who answered "yes" to this question survey gave positive feedback on Publix's customer service:

"I can see that **Publix** does an excellent job with their customer service and puts in great effort to enhance our shopping experience."

" I shop at **Publix** only because of their pleasant employees. They are very polite and greet me kindly whenever I come into the store."

Finding Question #10: If Publix was to offer a customer rewards card program, which of the following areas would you like to benefit from using this card?

35% of **Publix** customers surveyed said that they prefer gas station fuel rewards as an alternative customer rewards card program at **Publix**. 25% of customer surveyed wanted a point's product discount



card and another 25% wanted **Publix** to utilize eCoupons. 15% of **Publix** customers surveyed preferred to have a **Publix** rewards card program that would provide donations for charitable causes.

Findings: Focus Group

The following are significant points in our focus group session that we felt would be important in aiding our research and future goals/objectives.

Publix Group

Finding Question #1: Why do you choose to shop at Publix?

- All four session members stated that Publix's price promotions motivate them to shop at Publix specifically the BOGO's and coupons.
- 2 out of the 4 members also stated that Publix's location motivate them to shop there.

Finding Question #2: Do you take part in any price promotions offered at Publix?

- 3 of the session members were deeply involved in Publix's coupons and weekly ads to help them save money.
- 1 of the session members utilized Publix's "Upromise" rewards programs for college savings.

Finding Question #3: Are you faced with any problems when trying to utilize Publix's various price promotions?

- The 3 session members who stated were deeply involved in Publix's coupons/weekly ads price promotion felt that there should be a wider variety in products to save on.
- One out of the four session members did not take part in Publix's coupon or weekly ad price promotions due time spent searching for them.

Finding Question #4: If Publix were to offer a customer rewards card program that would provide benefits in either fuel rewards, product discounts, eCoupons or donation to charity?

- All 4 session members felt that the best way to maximize their savings in a downturned economy would be through gas station fuel rewards as this is a great household expense.
- Session members stated that eCoupons would not full solve the problems with coupons product discounts would be another substitute to coupons or BOGO's.

Competitor Groups:

Finding Question #1: Why do you choose to shop at your current grocer?

- Two session members who shopped at Wal-Mart, shopped there due to low product prices. Customers found Publix product prices 15-20% higher than Wal-Mart products.
- The other two session members were Winn-Dixie customers and shopped there mainly because of their fuel perks program.

Finding Question #2: Is there a certain reason why you don't shop at Publix?

- All four session members said the only reasons why they didn't shop at Publix was due to high product prices and that they did not have any alternative customer loyalty program (That they were aware of) to benefit them in alternative ways other than their regular price promotions.

Finding Question #3: Do you take part in any of your grocer's current customer loyalty programs?

- The two Wal-Mart shoppers did not take part in any customer loyalty programs besides coupons; however, the two Winn-Dixie shoppers did take part in their fuel perks program and found it to be one of the only factors attracting them to shop at Winn Dixie

Finding Question #4: Would you shop at Publix if they came out with an alternative customer rewards card program that would benefit them in either gas station fuel rewards, product discounts through points, eCoupons or donations to charitable causes?

- The session members said it would play as a motivating factor for them to go and shop at Publix.
- All four session members felt that the fuel rewards program and product discounts through points would generate the most appeal to customers. The product discounts through points will provide customers an alternative way to save.

After conducting the two focus groups, we sat down and compared the responses from each group. We found that our focus group results positively correlated with our survey results.

B. Conclusions based on findings

After finishing our research study and analyzing the findings extensively we made the following conclusions:

- **Publix's** location plays a significant role in attracting customers.
- Price promotion's, offered at **Publix**, play an important role in motivating customers to shop at **Publix**.
- **Publix** needs to build a greater web presence through alternative price promotions or customer loyalty programs.
- **Publix** has an established stream of customers that utilize its weekly newspaper
- **Publix** needs to expand its variety of products which are complimented with price promotions.
- Customers need a rewards program that gives them recognition.
- A **Publix** rewards card program that focuses on gas station fuel rewards should be designed in order to help bring about a higher retention rate of customers and expand the current target market.

V. Proposed Strategic Plan (Including application of marketing concepts and technology usage).

A. Goals/Objectives and Rationale (short- and long-term benefits to the business of enhancing or introducing a customer loyalty program into current operations)

In order to effectively expand Publix's target, market a secure and beneficial plan was developed to effectively enhance and implement a new customer loyalty program into Publix's current price promotions. The following are objectives/benefits of the plan:

Objective 1:

Grab the attention of Competitor markets

- **Short-Term Benefits:**

Introduction of new customer profiles into Publix expanding customer base.

- **Long-Term Benefits:**

Diversity amongst customer base. This will allow Publix to benefit in sales from different areas of the customer base.

Objective 2:

Inform consumers of potential saving opportunities at Publix

- **Short-Term Benefits:**

Attract customers that shop at competitor stores. This will allow Publix to help compete with competition.

- **Long-Term Benefits:**

Existing customers are likely to spend as much as five times as more than newer customers when shopping. This helps create a longer permanent increase in sales.

Objective 3:

Introduce an effective customer rewards card program

- **Short-Term Benefits:**

Entice newer customers to participate in customers rewards programs or price promotions.

- **Long-Term Benefits:**

Increase sales through higher retention of existing customers. Existing customers also help reduce overall marketing costs.

B. Proposed Activities and Timelines

Promotional Activities:

Publix has always been devoted in building a proper relationship and understanding with their customers. To accomplish all of our previously mentioned goals/objectives, we proposed a series of promotional activities that will focus on customer relationship marketing concepts and effective communication with customers:

- Partner with Fuelperks:

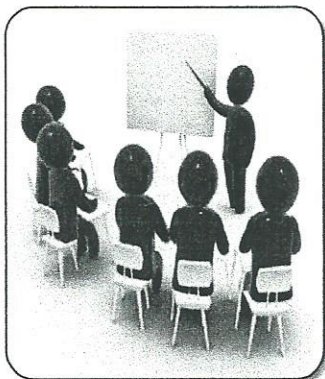
After strict analysis and evaluation of our research findings, we concluded that the best way to mobilize an efficient customer rewards card program was to partner up with **Fuelperks**, a program that allows customers to shop at



participating stores and earn cents off per gallon of gasoline they buy, depending on how much they spend at the participating store.

For example, if a person were to spend \$50.00 dollars at a participating store using their **Fuelperks** loyalty card, that person can save 5 cents per gallon (Up to 20 gallons.) when they visit a participating gas station. Since 2008 **Fuelperks** has saved over \$100 million dollars for its customers and has generated substantial increases in sales for their partners. The Fuelperks rewards program has over 90 gas station partners in Coral Springs and surrounding areas making it ideal for **Publix** shoppers at Ramblewood Square.

○ **Employee Training:**



After the partnership with **Fuelperks**, we proposed an employee training program to train employees at participating **Fuelperks**. This training is to ensure that employees can effectively communicate with customers about **Fuelperks** and its benefits.

○ **In-Store/Billboard Advertising:**

To promote **Fuelperks** in-store and locally we proposed to promote **Fuelperks** through **in-store advertisements** and **billboard advertisements** that are within a 3-5 mile radius of the participating



store. We will rent a total of three **billboards** for twelve months. This will allow us to alert customers in the area and generate interest in the program. We will use a total of four **in-store banner advertisements** that will be placed in the areas with the most customer concentration. One **banner** will be placed at the entrance and another will be placed at the exit. Of the two remaining **banner-advertisements** one will be placed in the bakery/meats and the remaining one will be placed in the dairy section.



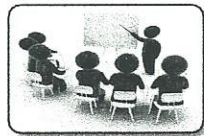
○ **Publix Weekly Newspaper Advertising:**

In addition, the researchers proposed to advertise through **Publix's** weekly ad newspaper. The ad will be a full page on the back of the newspaper, to catch the reader's attention. This method of advertising is

effective because Publix already has an established stream of customers that utilize the weekly newspaper for price promotions. This is also an effective way to communicate in a high-turnover sales environment.

Timeline of Activities:

The timeline of activities was taken into careful consideration. We wanted to implement the activities when sales were at the highest. After evaluating several grocery sales statistics we concluded that the between the months of September and January are when supermarket sales are at their peak. Promoting our activities when sales are the highest allow us to operate when consumer buying activity is at its peak.



C. Proposed Budget

Activities	Price	Length	Total
In-store Banner Advertisement (4)	\$360.00	One time purchase	\$360.00
Billboard Advertisements (3)	\$1575.00	12 months	\$1575.00
Employee Training	\$2,500.00	2 Training sessions	\$5,000.00
Publix Newspaper advertisement	\$350.00	12 months	\$4,200.00
Fuelperks Rewards	\$490,000/per month	12 months	\$5,880,000.00
-	-	-	\$5,891,135.

- **In-Store/Billboard advertisements:** Four in-store banner advertisements will cost a total of \$360.00. Each billboard will cost \$525.00 dollars to rent per month for a total of \$1575.00 dollars per month.
- **Employee Training:** The cost for employee training was determined by calculating developmental costs (i.e. employee salaries) and direct implementation costs (i.e. instructors salary and training material).
- **Publix weekly newspaper advertisement:** To determine the cost of the newspaper we had to consider that Publix makes and distributes its own newspaper so they do not have the same advertising rates as other newspapers. The price is an estimate that was formed by distribution and printing costs at about \$350.00.
- **Fuelperks rewards:** To determine the total cost for this promotion was difficult as we did not have cooperation with management of Publix at Ramblewood Square due to the information being confidential. Instead we used secondary research to help find an estimation of costs for a customer rewards program. After evaluation of our secondary researches as well as our interview questions on how many shoppers Publix at Ramblewood



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square receives, we arrived upon the conclusion that it costs 8-10% of annual revenue of a retail chain to implement a customer rewards program.

The above proposed budget/activities were based on annual rates.

D. Proposed metrics to measure return on investment (ROI), sales, customer retention, customer satisfaction, etc.

The investment will be large expense for Publix and will have to go through corporate evaluation and approval, but in return it will provide a substantial increase in sales with a starting increase of about **8-10%** on annual sales revenue. We did not receive cooperation by Publix's management, so in order to determine the return-on-investment we used secondary research and the results of our primary research to calculate it. Based on our data we calculated the average sales revenue of Publix at Ramblewood Square to be \$58,800,000. The price was found by multiplying the average amount a grocery shopper spend on groceries a month (\$250.00) and then multiplying it by the average amount of customers that **Publix** at Ramble Wood Square receives. After implementing Fuelperks we calculated the increase in annual sales to be around **\$61,740,000.00 --- \$64,680,000.00.**

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VII. Appendix

Publix Customer Survey

Directions: Please answer the following questions as best as you can. **Circle all that apply for questions 1-5.**

Question 1- Why do you shop at Publix?

- a) Quality of products c) Save money e) Other-Please Specify: _____
b) Good customer service d) Location

Question 2 -What types of saving deals do you take advantage of when shopping at Publix?

- a) Online Coupons c) Weekly newspaper ads e) competitor coupons
b) Buy-one-get-one free deals d) Purchase of Publix Brand items

Question 3- What is the main problem you are faced with when looking to find savings deals at Publix?

- a) Time spent on locating deals c) Other-Please Specify: _____
b) Not enough variety of items to save on

Question 4- Other than Publix, where else do you grocery shop the most?

- a) Wal-Mart c) Albertsons e) Other-Please Specify: _____
b) Target d) Winn-Dixie

Question 5- Do new coupon deals, product discounts or new easier ways to save motivate you to shop at Publix?

Yes _____ No _____

Question 6- Do you access the Publix website to enhance your saving experience?

Yes _____ No _____

Question 7- Are you satisfied with Publix's customer service?

Yes _____ No _____

Question 8- How often do you shop at Publix?

- a) Daily c) Every 2 weeks
b) Weekly d) Monthly

Question 9- on average, how much do you spend monthly on groceries? (An estimate is ok)

- a) \$50-\$75 c) \$100-\$150
b) \$76-\$100 d) \$151 & over

Question 10- If Publix was to offer an alternative customer rewards card program, which of the following areas would you like to benefit from using this card?

- a) Gas station fuel discounts c) eCoupons (electronic coupons)
b) Product discounts d) donations to charity

Thank you for completing this Marketing Research Customer Survey on behalf of Mustafa Ali,

Priscilla Blancett and Monarch Deca Chapter

Interview with Bill Andrews Store Manager of Publix at Ramblewood Square:



Publix Customer Surveys:

