MULTICHANNEL MERCHANT

Building Marketing Excellence

By **John Parsons**

Shoppers love a store special. Whether customers are looking for something specific or just browsing around the store, seeing a sale item satisfies two desires simultaneously: Saving money and meeting a need. Knowing this, retailers do their best to offer strategically-placed products at compelling prices, making sure shoppers know all about it.

A time-honored way of delivering this message is the store circular. Whether received in the mail, inserted in a newspaper or available at the door, circulars serve as a treasure map of sorts. They guide shoppers to items retailers need to sell, while also encouraging them to buy more items along the way. If the piece is well designed, it also reinforces the store's positive brand image and increases customer loyalty.

With the help of marketing services agency PureRED and the Comosoft LAGO system, home improvement giant Lowe's created a cost-effective process for its complex, printed & digital circulars.

A (Very) Complicated Process

Circulars are an effective way to boost sales, but they can be complicated. Each circular contains multiple items for sale. Each item can display a wide array of detailed information, including special pricing, product details, marketing copy, and of course a good photo. A good circular must also be well organized, visually appealing and, above all, accurate. If a store special is advertised in a circular, inventory levels must be monitored to ensure a good customer experience.

Here's where things get really complicated. Major retailers use multiple systems to plan, track and execute promotions plus the human resources to put it all together. With thousands of individual items to sell, they must be organized in a product information management (PIM) database. Within a PIM, each product has its own unique stock-keeping unit (SKU), plus an endless array of other information to help the company keep track of inventory levels, location, original manufacturer, original cost and price. Each product's images and descriptive copy are stored in a separate digital asset management (DAM) database, also organized by SKU number. Some retailers also add a marketing planning system to decide what items to promote.

Even with access to all of this data, product managers and page designers must use extraordinary skill and patience to create a single circular. But there is never just one circular per week. If the retailer has multiple locations across the country, each with its own sales

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priorities, and if the final output is both printed and digital, then the "simple" circular becomes a formidable challenge indeed.

Faced with the prospect of specialized, costly labor to create a continuous flow of attractive, compelling and accurate circulars, larger retailers increasingly require an automated, streamlined process.

Building the Business

Founded in 1921, home improvement chain Lowe's has become a Fortune 50 retailer, with over 2,000 locations and 300,000-plus employees worldwide. For virtually any type of building, repair or renovation project, Lowe's has an impressive array of products at affordable prices.

Retail circulars are a major component of Lowe's in-store marketing strategy. Each piece is a combination

of good design, a consistent brand image and of course clear and eye-catching descriptions of products on sale.

However, with over 400,000 unique SKUs available in store and online, it's no small task to create the multiple versions of circulars needed to drive increased customer traffic. Each of the 9,000 brands with products sold by Lowe's provide an enormous amount of data, totaling over 6 million images, logos, text descriptions and other business-critical information. It's managed by a central mainframe system (for pricing and inventory purposes) and in a proprietary DAM system. On any given week, a single, six-page circular—based on complex product data gleaned from these systems—may involve as many as 500 separate, regional versions.

The PureRED Partnership

Before 2008, Lowe's handled this complicated process in house using QuarkXPress and an advertising production software program (APS) which was functional but no longer supported by the developer. Individual data points such as a sale price could be changed

at the last minute, but manual entries were inherently risky. In most cases, work done on an individual ad could not be used in subsequent projects, forcing production designers to start from scratch. Unintentional, manual errors could adversely affect customer relationships, profits, or both. For a circular program involving 2,000 stores and hundreds of thousands of items, there was clearly a need for a new approach.

For budgeting reasons and to allow the creative teams to focus on circular creation and remove them from daily corporate meetings, Lowe's outsources its circular production program to _PureRED_, an Atlanta-based marketing services agency with operations in 16 locations across the U.S. Impressed with PureRED's 50+ year record of success with retail brand, content, and operational transformation, Lowe's tasked the agency with the challenge of a of creating an efficient, sustainable print and digital circular program.

PureRED set up a new studio facility, across the street from Lowe's corporate headquarters in Mooresville,

North Carolina. PureRED hired existing Lowe's resources, established secure connections to the company's mainframe, DAM and marketing planning systems and

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began creating a more efficient process. Their challenge was not only to streamline the production of the printed circular program, but also to repurpose that content into the emerging world of digital.

Shortly after the 2008 transition, PureRED teamed up with developer *Comosoft* to tackle the challenges facing Lowe's. Comosoft had created a remarkable solution for retailers and catalogers—the LAGO platform. By integrating data from PIM systems with related DAM and marketing planning data, LAGO provides a level of automation for complex printed catalogs, inserts and circulars. Using custom plugins for Adobe InDesign, LAGO gives production designers the ability to import entire, pre-formatted blocks of SKU-related data onto the page as a single, drag-and-drop action. Each block can include one or more images, descriptions, part numbers, color and size variants and of course prices. Because the information is still linked to the central data source, changes can be updated automatically on the page, right up to the moment the file is sent to the printer.

PureRED also tapped LAGO's ability to automatically create multiple versions of a circular from a single event or project. Depending on regional or demographic differences, a version of any circular can be generated without the need to "save as" and make changes manually. Each version is exported to its own press-ready PDF/X file and sent to the most appropriate printing facility for that particular Lowe's store.

"What makes Lowe's work so successful is PureRED's high level of expertise with LAGO—combined with their intimate knowledge of retail marketing," said Comosoft Vice President Mark Jones. "LAGO gives retail-

ers and catalogers a suite of powerful data handling and design tools. The folks at PureRED have used these tools with truly remarkable results."

The Need for Customization

Every major corporation has legacy IT systems—some in house, some purchased—to handle the myriad tasks of managing a business. When conditions change or technology becomes obsolete, a company cannot simply toss out a system and start over. This was the reality at Lowe's. Its mainframe system was critical for managing its 400,000+ item inventory. Its DAM system contained a vast collection of over 6 million digital assets. The company relied on its marketing planning tool to create strategic campaigns for the entire company. Although PureRED and Comosoft were tasked with replacing the outdated, no longer supported APS software, they had to do so while still preserving and enhancing the value of the other systems. A total system replacement was not an option.

Fortunately, Comosoft and PureRED have a long and successful history working with legacy systems. Some of LAGO's out-of-the-box features could be used immediately, but due to pricing complexities at Lowe's, a new

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module had to be developed to accommodate the pricing process. After a thorough analysis, Comosoft was able to bridge multiple data sources to create an efficient, significantly improved workflow.

The LAGO custom solution imports and normalizes product data and digital assets from Lowe's mainframe and DAM systems, as well as campaign priorities from their marketing planning tool. Item updates, once a manual process, occur automatically via a data import process, populating each circular version with the most current information prior to final output at multiple printing facilities across the country.

The LAGO-customized modules enhance Lowe's IT process in other ways. Using custom calculators, PureRED team members not only build each event and

On the Flipp Side
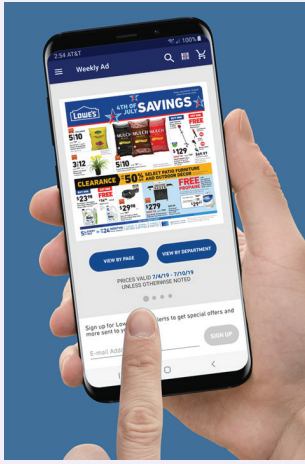
Another significant benefit of the PureRED/LAGO relationship—besides the efficient production of printed circulars—is that retail platform developer *Flipp* uses this data to populate the weekly section of the Lowe's mobile app for iOS and Android. The app, which can be set to recognize the user's location and nearest store, automatically features the most relevant circular out of over 350 digital versions created each week.

Every page of the circular is interactive. Zooming in and touching any of the advertised products takes the user to a secure ecommerce page for ordering that item. The page indicates how many units of that item are available in the user's local Lowe's store as well as home delivery options and even store locations by aisle and bay. This output is powered by LAGO as a key part of the Flipp platform. Comosoft has been a partner with Flipp since 2016.

The app's ecommerce page also includes a list of all the items on a page including the same image, description, price and store location. Each item also includes customer star ratings and sale notices.

the multiple versions involved, but also prepare individual items for final pricing, ensuring the correct price from Lowe's mainframe is reflected on the final page. These calculators also provide conversions to retail prices based on how Lowe's would like to advertise them. Lowe's reviews the prices and sends the final data files to import back into LAGO. Once the process is complete and the final production files are delivered to the printer, Lowe's generates custom pricing reports from the LAGO system and sends them to the appropriate stores. The information in LAGO contains all the promotional data for advertised items.

PureRED account managers and page designers not only execute the creative aspect of each circular but also understand the client's product and keep abreast of daily changes, rules and guidelines as an extension of the company's internal operations.

An Added Benefit: Freedom

Large retailers typically produce very large volumes of printed materials, not only circulars and catalogs but also in-store signage and a flood of personalized direct mail. With such high print volumes, cost savings is paramount, as is the need for quality and accuracy. Print procurement managers need the ability to choose their print providers based on these factors, not because of any dependency on a printer's proprietary systems.

Fortunately for Lowe's, the PureRED/Comosoft solution is printer-agnostic. Final PDF/X files from LAGO can be sent to any printer in the world with high confidence it will be faithfully and accurately reproduced. Lowe's circular printing requirements simply cannot be constrained by any printing company, no matter how large.

The PureRED team is also confident that a large printer with a proprietary production system would not be able to replicate their success with Comosoft LAGO. "Lowe's print circular challenges were specific," said PureRED Managing Director, Butler Burdine. "A one-size-fits-all solution would not work for Lowe's."

Looking to the Future

Many of PureRED's clients are increasingly interested in using LAGO to make their circular operations more efficient. Together with PureRED, they are also exploring ways to improve their overall efficiency when it comes to final pricing.

"LAGO has many additional features that could benefit both PureRED and Lowe's," Burdine said. "We're excited about the opportunities ahead."