Supermarket provides individual pricing based on shopping habits

Offering consumers coupons based on their online shopping habits is something that Dibsie began offering back in 2011 and now this concept has now been given a real-world twist. Using data amassed from loyalty card usage, Kroger is now offering personalized discounts in-store to give shoppers money off their favorite brands in real time.

The store has begun to offer the service to its Kroger Rewards scheme customers, providing a price for certain products depending on each member's individual shopping history. Working with consumer research firm dunnhumbyUSA, the supermarket analyzes data and sends coupons via email to those who are likely to take up the offer. For example, if a brand brings out a new soft drink and a user has a history of buying the company's existing products, they may receive money off the new drink, whereas someone who has never expressed an interest through their purchases would pay full price. Similarly, a customer whose loyalty card data suggests they shop for a family might get offered a discount on a larger version of a product they already regularly buy. There is no need to print off and scan and the coupons in-store as the prices are automatically added to each users' Rewards card and applied to the final bill at checkout.

Ultimately, such a scheme is designed to encourage consumers to try new products or add some extra items to their weekly shop. With development of the technology, it is possible that traditional pricing systems could be replaced with personalized costs for every product. With supermarket chain Safeway also rolling out a similar scheme this summer, is this an idea for retailers to get in on early?

Website: www.kroger.com
Contact: www.kroger.com/help/Pages/contact_us.aspx

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