Success Story: Costco Wholesale

VeraCentra Intelligence Solution Provides Insight for Fast Decision Making and Improved Marketing Outcomes.

"With VeraCentra, we are able to make faster decisions; so we are able to improve our acquisition and retention efforts and better target our up-sell initiatives to different levels of membership within Costco."

Robert Csonaki, Director Strategic Marketing

About Costco Wholesale

Costco opened its first warehouse in Seattle, Washington in 1983. A few decades later, Costco is now the largest club operator in the United States with over 50 million members and over 550 locations. Costco is consistently named as one of the top companies on the Fortune 500 list. Costco is well known for delivering quality and value and has been named number one in retail for customer satisfaction by the American Customer Satisfaction Index (ACSI). Led by CEO Jim Sinegal, Costco is expected to continue its impressive growth trend into the future.

The Challenge

The Costco marketing team supports corporate growth objectives with acquisition, retention and up-sell initiatives. Breaking through barriers that prevent Costco from achieving its objectives is the standard operating mode of the marketing team.

One such barrier was identified by Robert Csonaki, Director Strategic Marketing. With over 50 million members and 550 locations, Costco generates massive amounts of data with numerous systems generating reports that support Costco’s vast operations.

But for Robert, accessing the right data for campaign analysis fast enough to influence the results of campaigns that follow was a significant challenge. To gain insight into campaign performance, Costco marketers had to wait 90 – 120 days. Oftentimes Costco was into their third campaign cycle before reports were available on the previous campaigns. According to Robert, “The inability to make fast decisions significantly reduces campaign performance.” Customer acquisition, retention and up-sell programs were all negatively impacted by sluggish report generation.

VeraCentra Intelligence provides Costco with additional advantages:

- Flexibility to quickly change as marketing evolves
- Good value with ongoing support
- Fast implementation
- Easy to use analysis tools
- A marketing perspective technology applications
The Solution

After dismissing large enterprise marketing systems, Costco turned to VeraCentra to implement an on-demand marketing intelligence solution to get real-time reporting for fast decision making and refinement of Costco’s targeting methods. VeraCentra routinely captures marketing data, response data, customer behavioral data and lifestyle segmentation data routinely and organizes that data for Costco analysis, which speeds up insight to action to improve campaign performance.

According to Robert, “We looked at seven figure solutions which were too much, over robust and too costly. VeraCentra had the right deliverables, the most flexibility and the best value for Costco.”

The fact that VeraCentra is designed by marketers for marketers was a real value to Costco. “We know there are generic business intelligence solutions out there, but having our own marketing data mart designed and implemented by a team that understands what marketing needs was a real benefit” Robert adds.

The VeraCentra solution enables Costco marketers to slice and dice data in a way that produces new insights that further customer acquisition, retention and up-sell initiatives. The analysis of trends, lifestyle segmentation, customer behaviors as well as campaign test results used to take months but with VeraCentra, analysis is easily done right from the desktop.

The Results

Reporting is now in real-time versus 120 days. And meaningful information is available to Costco marketing right from the desk top. Marketing can now analyze and diagnose in real-time versus piecing together flat reports. The speed to decision making has improved 75% resulting in increased campaign effectiveness and better decisions are being made based on timely data. “The exciting part about implementing VeraCentra is that we are now able to breathe life into more conceptual ideas that have been sitting on the shelf”.

About VeraCentra

Offering the first on demand business intelligence solution designed specifically for marketers, VeraCentra helps marketers succeed in an increasingly competitive marketplace by providing marketing intelligence software and automated multi-channel communication systems. VeraCentra enables marketers to harness vital marketing data for fast analysis that fuels smart decisions. VeraCentra also helps marketers easily execute relevant communications that increase customer engagement levels and drives profitable customer relationships. VeraCentra’s subscription based software provides affordability and low risk entry into sophisticated
marketing systems.

VeraCentra literally translates to ‘true center,’ mirroring the firm’s commitment to help marketers uncover the truth about the needs and behaviors of their customers, and formulate, execute and measure new customer centric marketing strategies based on deep customer knowledge. Successfully delivering cross channel marketing services since 1988, VeraCentra is trusted by national brand leaders including Costco Wholesale, Intuit Software and Johnson and Johnson.
For more information please visit www.veracentra.com or call (707) 224-6161.