



Overcoming Data Hurdles to Improve Customer Engagement Strategy

The Challenge

PriceSmart is the largest operator of membership warehouse clubs in Central America and the Caribbean and has recently entered the South American region with clubs in Colombia. PriceSmart serves over 2.8 million cardholders across 38 warehouse clubs in 12 countries and one U.S. territory.

Like the membership model of US clubs, Costco Wholesale and Sam's, the high bar for success at PriceSmart is membership renewal. While lifecycle marketing is a strong suit for PriceSmart, the company executives also recognized the importance of infusing customer insight into the lifecycle strategy to make smarter marketing decisions and reduce attrition risk. With clearer optics into member renewal behaviors, PriceSmart set out to increase renewals with better predictability and stronger member engagement tactics within the lifecycle strategy.

As a membership based retailer, there's no shortage of customer data at PriceSmart. However, transforming that data into real customer insight and making it actionable by marketers across multiple geographies was a bigger challenge than the in-house team at PriceSmart bargained for. So PriceSmart turned to VeraCentra for a solution.



“With the VeraCentra solution, we now have a much deeper view of our member behaviors – and we keep learning more. We have detailed insight and as a result, we’re more confident in our plans and marketing strategies.”

Jose Luis Marin

Senior Vice President, Marketing
Price Smart

The Solution

After clearly understanding the data PriceSmart had available, VeraCentra correlated various data points to create meaningful member insight and centralized the transformed data into the Customer Data Hub.

- The data scientists at VeraCentra developed models to identify the behavioral differences between renewing members and non-renewing members. Key insights emerged as the main drivers for renewals including:
- Identifying the lifecycle stage when a member becomes at risk of non-renewal
- Knowing how likely a member is to renew based on activity
- Understanding renewal rates and risk based on the socio economic status of the region where a member resides
- Realizing the impact of distance to store on renewal rates

With complex geographic diversity, and the need to uniquely market across 13 different countries, each regional marketer was given access to the Customer Data Hub.

Armed with new knowledge about member behaviors, the marketing team jumped into action; shifting tactics to better communicate and engage members at various stages in the lifecycle.

The Results

Today, PriceSmart's data is continuously extracted and transformed into member insight and is quickly distributed to each regional marketer to inform engagement strategy. Local tactics are deployed to engage members while reducing attrition risk and the breakdown of lifecycle segments is 10 times more targeted.

As membership renewal rates continue to climb, more member visits and increased spend per visit are driving more sales for PriceSmart.