



THE CHALLENGE

# Why the Weekly Circular Is No Longer Enough

For decades, the printed weekly circular was the engine of grocery retail advertising. It drove trips, communicated value, and anchored the shopper relationship. But the economics have shifted — and the circular's limitations are now a strategic liability.

<b>Wasted Trade Spend</b> 60%+ of ad spend reaches shoppers who were already going to buy.	<b>Zero Personalization</b> One price for every household, whether they're a \$300/week loyalist or a time cherry-picker.	<b>No Agility</b> No ability to pivot when inventory moves or slower than expected.
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The solution isn't abandoning the promotional mindset, it's keeping the discipline of the weekly circular while replacing its broadcast model with a personalized, data-driven one. This document shows how.

THE FRAMEWORK

## The Four Strategic Brackets

Every successful grocery ad strategy — print or digital — organizes featured items into four roles. Getting this balance right is what separates stores that use promotions to drive genuine trip growth from those that simply subsidize purchases that were already going to happen.

<b>Power Drivers</b> TRIP ANCHORS High-frequency staples priced to win - often loss leaders. Ground beef, milk, fresh corn. These earn the visit.	<b>Reach Builders</b> BASKET EXPANDERS Items that reinforce one-stop shopping: bacon, paper towels, soft drinks. Broaden the household footprint.	<b>Profit Magnets</b> MARGIN PROTECTORS Premium SKUs (ribeye, deli sides, craft beer) that fund the deep discounts elsewhere. Never discounted.	<b>Niche / Tail</b> DIFFERENTIATION Organic, gluten-free, ethnic foods. Appeal to high-value mission shoppers. Printed ads are waste on them; digital targets them precisely.
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**Planning Note**  
For shoppers with small baskets (8 items or fewer) or new customers without purchase history, the full 16-item structure is especially valuable. It introduces category variety & encourages basket expansion beyond habitual purchases.

WEEKLY ADVERTISING

# The 16-Item Front Page

The standard recommendation is 16 or more featured items per week, allocated by department to balance traffic, margin, and basket expansion simultaneously. Each slot has a job.

Department	Slots	Strategic Role	Purpose
Meat	2	Power Driver	Primary trip anchors and volume drivers
Produce	2	Power Driver	Drive freshness perception and household penetration.
Dairy	2	Reach Builder	High-frequency staples that ensure repeat visits.
Dry Grocerv	3	Assortment Pillar	Variety and price perception stability.
Seafood	1	Profit Magnet	Higher average item retail and specialized ring.
Bakery	1	Profit Magnet	High-margin convenience complementing fresh meat.
Frozen Food	1	Reach Builder	Household penetration and pantry loading.
Salty Snacks	1	Impulse / Volume	High unit velocity; pairs well with beverages.
Soft Drink	1	Power Driver	Critical for volume, especially during seasonal peaks.
Beer / Wine	1	Profit Magnet	High-ring items that increase average basket size.
Paper Products	1	Reach Builder	Signals value and completes the major-trip picture.

DIGITAL TRANSFORMATION

# The Three-Phase Roadmap

Moving from print to personalized digital isn't a single switch. It's a phased transition that builds new data capabilities, retrains customer habits, and evolves vendor relationships along the way.

PHASE 01 Digital Hybrid	PHASE 02 Assortment-Led Personalization	PHASE 03 Predictive Merchandising
Months 1-6	Months 6-12	Year 2+
<ul style="list-style-type: none"> <li>- Slim print circular to 8 Power Driver items</li> <li>- Launch loyalty app with 8+ personalized digital deals</li> <li>- Track migration from print coupon to digital offer clipping</li> <li>- Communicate the transition in-store and via email</li> </ul>	<ul style="list-style-type: none"> <li>- Retire print circular; go fully digital</li> <li>- Deploy Basket Attachment triggers (Taco Shells → Cheese offer)</li> <li>- A/B test offer depths vs. control groups</li> <li>- KPIs: AOV, Items Per Basket, Shopping Trip Frequency</li> </ul>	<ul style="list-style-type: none"> <li>- AI auto-adjusts discount depth by churn risk score</li> <li>- High-value shopper absent 14+ days triggers aggressive win-back</li> <li>- Inventory-aware: mid week pivot if GMROI target missed</li> <li>- One-to-one offers run on autopilot within your parameters</li> </ul>

DIGITAL ARCHITECTURE

# Three Layers, One Storefront

Instead of one ad seen by all customers, the digital model delivers three simultaneous layers — each serving a different personalization purpose. Together they maintain mass price perception while using data to change behavior and expand baskets.

Layer	Audience	Logic
<b>Community Layer</b>	All Shoppers	5-10 deep-discount loss leaders. Maintains competitive price perception across the full shopper base.
<b>"Me" Layer</b>	Individual Household	15-20 items based on past purchase history. Your customer's personal weekly staples — automatically curated.
<b>Discovery Layer</b>	Propensity-Based	5 items the customer should be buying based on their basket profile. The 'You might also like' experience that expands the ring.

By operating across all three layers simultaneously, the digital storefront stops subsidizing purchases that were already going to happen — and starts using margin strategically to change behavior.

## RE-INDEXING FOR DIGITAL

# The Four Brackets in a Personalized Environment

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In digital, "blocks on a page" become "priority scores in an algorithm." Each bracket takes on a new behavioral expression:

### Power Drivers → Behavioral Triggers

If a customer hasn't purchased milk or ground beef in 7 days, the system surfaces an offer automatically. The trigger is purchase recency, not editorial judgment.

### Reach Builders → Category Discovery

Loyalty data reveals category switchers. A customer who regularly buys pasta but has never purchased your premium sauce receives a personalized coupon to expand their basket, automatically.

### Profit Magnets → Loyalty Rewards

These offers are served exclusively to high-spend customers with demonstrated willingness to pay for quality. They don't need a discount. They need a "New Arrival" or "Premium Selection" alert that makes them feel recognized.

### Niche / Tail → Precision Personalization

A gluten-free offer can be served to the 5% of your audience who care about it, without wasting front-page real estate on the other 95%. This is where digital advertising most dramatically outperforms print.

## CPG PARTNERSHIPS

# Rethinking the Vendor Relationship

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The shift to digital transforms the conversation with CPG brand partners. You're no longer selling them a block on a page, you're selling them guaranteed access to a targeted customer segment.

### TRADITIONAL MODEL

Brand pays for front-page placement that reaches every shopper — including the 60% who already buy that product. Trade spend reinforces existing behavior.

### DIGITAL MODEL

Brand's offer is served only to shoppers who don't currently buy their product. Every dollar of trade spend goes toward conquest and new trial, not reinforcing existing purchases.

Digital advertising also enables mid-week pivots that print cannot. If a department item isn't hitting its GMROI target by Wednesday, the system automatically shifts the offer to a higher-propensity customer segment on Thursday, without printing a new circular.

THE BOTTOM LINE

# Stop Subsidizing What Was Already Going to Happen

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Every week a mass circular runs, margin is spent on shoppers who were already coming in. Every week a high-value shopper churns quietly, without a single personalized reason to stay.

The framework in this document isn't a technology bet. It's a merchandising discipline built for the way shoppers actually behave today — and a platform that executes it automatically, at scale, in real time.

**The right offer, to the right customer, at the moment of intent.**

**Let's talk about what this looks like for your stores.**

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