

# CASE STUDY

## Shopping Behavior Assessment

Industry: Grocery

### Challenge

**Our client, a large regional grocery chain, observed a declining trend in one of their key meal categories.** The retailer wanted to quickly define and implement strategies to stem and reverse this trend. In order to create a successful marketing plan, they needed to evaluate customer context and better interpret in-store product purchases in order to identify the drivers of product and category selection behaviors and preferences and how they interact.

### Goals

- Evaluate current product offerings and contribution to market basket composition
- Identify drivers of category sales and factors influencing declining purchase trends
- Build customer segments based on store- and category-level purchase behaviors
- Provide specific strategies to improve the meal category sales performance

### Approach

Anthem gathered over 90MM transaction and over 2B item records covering 15 months of sales across the chain. We performed hygiene on the data by performing quality checks and normalizing the data, and codified business rules. We further enhanced the product-level data by assigning attributes to define each product across multiple descriptive dimensions, derived insights around each individual category, examined seasonal trends at product and category levels, and performed a market basket analysis to identify interactions across key items and categories, focusing on the broader meal category at the heart of the analysis. We further incorporated information on market share shifts, and substitutes and competitive threats.

**Shopper segmentation was built based on customers' store-level behavior, types of products purchased and consistency with which they were bought, and distinctive behaviors associated with primary motivators.** We mapped item-level purchases to categories/sub-categories to develop insight from the frequency and quantity of purchases within the portfolio and at the individual shopper level. After isolating behaviors and patterns, we clustered shoppers into unique segments.

The **Portfolio Shopper Scorecard** was developed by selecting key segment-shifting measures based on shopper-level information, frequency and conversion.



Shopper Segment	% of Cores	% of All Trans	Transactions with Breakfast Item	Average \$ per Transaction	Breakfast \$ per Transaction	% of Sp on Breakfast
Isolated	11%	9%	50%	\$ 44.48	\$ 5.92	13%
Homers	28%	20%	50%	\$ 23.23	\$ 3.31	14%
Additional Groceries	8%	12%	20%	\$ 45.58	\$ 8.39	18%
Free & Donuts	8%	10%	63%	\$ 28.98	\$ 4.79	17%
Breakfast on the Go	7%	10%	73%	\$ 39.23	\$ 11.81	30%
Whole Store Shopper	10%	7%	57%	\$ 44.30	\$ 6.66	14%
Even Breakfast	7%	9%	72%	\$ 28.80	\$ 7.77	26%
Additional Breakfast	9%	13%				

Portfolio Shopper Scorecard

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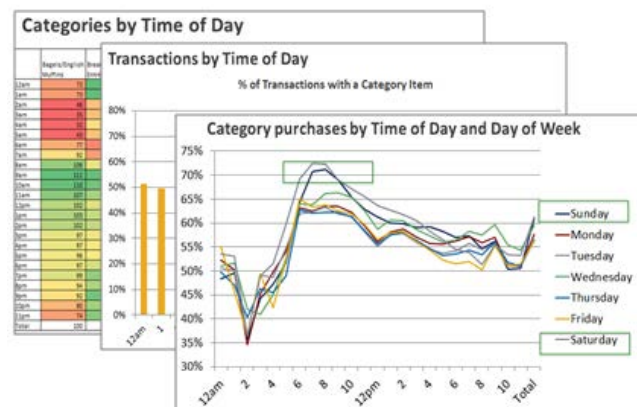
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This enabled us to determine how shoppers behave in each category, and the primary drivers of purchase. **The scorecard measured the category's progress against objectives on an ongoing basis and introduced opportunities to enhance category strategies.**

### Results

We identified that the target meal category had deeper penetration among all store shoppers than previously hypothesized, but lower overall purchase frequency. A small subset of items serves as key meal category drivers. **We were able to isolate eight distinct shopper segments, differentiated by the way in which segment members shop the target meal category, and a willingness to focus on ingredients rather than products for immediate consumption** – providing a new way of thinking for marketing managers.

We also highlighted opportunities for targeted campaigns toward key segments to alter behavior and drive sales at the category level with the use of the Portfolio Shopper Scorecard, centered around day of week differences, and a consumer valuation that assigned a value score to aid in targeting and resource allocation.



Key recommendations included the following:

- **Focus on targeted marketing efforts** to increase frequency among current category shoppers rather than converting non-buyers
- **Leverage dominant sub-categories** as key traffic nodes in-store
- **Utilize time-based display shifts** to appeal to differing mix of shoppers at given time/day
- **Drive identified Saturday shopping habits among best customers** to load pantry for more in-week consumption
- **Fight back against competitive threats** with more immediate consumption efforts

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### About Anthem Marketing Solutions

Recognized by Inc. Magazine as one of the nation's fastest growing companies, Anthem Marketing Solutions provides data-driven solutions to today's omni-channel marketers, focusing on growing long-term customer value.