

## CASE STUDY SUMMARY

Project Name	Client	Brief Description	Key Analyses
Market Basket Analysis	Super Market Chain	Assessed tickets & customer data and defined customer segments to analyze customer buying patterns and devise strategies to improve customer visit frequency	



## Market Basket Analysis

(Super Market Chain)

**Assessed tickets & customer data and defined customer segments** to analyze customer buying patterns and devise strategies to improve customer visit frequency

# BASKET ANALYSIS FOR A SUPER MARKET CHAIN

## ABOUT THE CLIENT

Company is an **organic supermarket chain** with 18 stores across Brazil

### SITUATION



- Company witnessed a downfall in traffic over the last 12 months. Hence, the client wanted to improve their store performance by increasing customer retention & visit frequency.
- Merilytics **partnered with the company to analyze tickets & customer data to derive insights and devise strategies to arrest the traffic downfall and improve visit frequency**

### VALUE ADDITION



- Segmented customers based on the purchase frequency and basket size** by analyzing the tickets data (250 M) and customers data (700 K).
- Analyzed share of baskets across product groups** to understand the difference in purchase behavior across customer segments.
- Carried out a comprehensive **market basket analysis to analyze customer buying patterns and derive insights that were useful in designing the product promotion combos, store planograms and POS recommendations.**
- Investigated purchase patterns of customers who stepped up their frequency** across the duration of their association, to suggest customized marketing communications & product group recommendation rules that should be incorporated in the company's CRM to drive up the customer purchase frequency.

### IMPACT



- The **product group recommendation rules were incorporated in the client's CRM** to enable targeted marketing.
- Store planogram changes were implemented** that could potentially increase the basket size of the customers
- These analyses were **codified and transitioned to the company's in-house team** to enable self-sufficiency

# RECOMMENDATIONS FROM BASKET ANALYSIS & CUSTOMER JOURNEY ANALYSIS

## Recommendations from basket analysis & customer journey analysis

ILLUSTRATIVE

If customers purchase product from these groups,		There is high probability to purchase products from
Pulses, Eggs	=>	Fruits
Yogurt, Pulses		
Bread, Vegetables		
Eggs		
Bovine, Pulses, Vegetables	=>	Pulses
Vegetables		
Bovine, Vegetables		
Seasoning, Vegetables		
Fruits, Seasoning		
Fruits, Bread, Vegetables	=>	Bread
Peru Chester Chicken and Chicken		
Yogurt, Fruits		
Creamy, Fruits		
Fruits, Pulses, Vegetables		

Recommendations from Basket Analysis

If a customer bought a product from this group in phase 0 (1x/month frequency),	The first product group that customer can be recommended during phase 1 (2x/month frequency):	The second product group that customer can be recommended during phase 1 (2x/month frequency):	The third product group that customer can be recommended during phase 1 (2x/month frequency):
FRUITS	FRUITS	PULSES	VEGETABLES
FRENCH AND CHEESE BREAD	FRENCH AND CHEESE BREAD	FRUITS	PULSES
PULSES	FRUITS	PULSES	VEGETABLES
BREAD	FRUITS	PULSES	BREAD
SODA	FRUITS	SODA	PULSES
YOGURT	FRUITS	YOGURT	PULSES
FRESH	FRUITS	PULSES	FRESH
READYMADE	FRUITS	PULSES	YOGURT
SIMPLES	FRUITS	SIMPLES	PULSES
VEGETABLES	FRUITS	PULSES	VEGETABLES

Recommendations to step up customer's frequency

# CRITICAL NUMBER OF VISIT BEFORE ATTRITION & DURATION TO STEP UP FREQUENCY

Critical # visit before attrition & Duration to step up frequency

ILLUSTRATIVE

Share of customers attriting across visits



Analysis on customers who stepped up their visit frequency vs. those who did not

Analysis on attrited customers to evaluate the critical visit beyond which the drop-off is significant.

Avg. monthly frequency vs. Duration

