

Retail Case Study

2013



UNDERSTANDING
DATA IS ONE THING,
KNOWING WHAT TO DO
WITH IT IS ANOTHER

Assessment Day Case Study: candidate brief

- You are a Solution Lead in dunnhumby
- Tesco's soft drinks category has seen a decline in sales in recent weeks and has asked your supplier for help in understanding why.
- Shopper Loyalty is also paramount to the Tesco buyer for retaining shoppers in the soft drinks category.
- Your supplier has asked you to compile some reports and recommendations on the category which they will take to Tesco.

Your objectives are to:

- Identify the key brands and corresponding shopper metrics that are:
 - Contributing to this decline.
 - Demonstrating growth.
- Identify key brands that support loyalty in the category and which data would you use to illustrate this.
- Based on your findings, recommend strategies for retailer (including direct communications with Tesco customers) that would support sales growth and drive loyalty within the category.

Candidate brief – cont.

- Please take the time to examine the documentation and prepare for a presentation to your **retailer** in powerpoint format
- Please **use the visual aids** materials as necessary to support your presentation.
- Use the information in this pack together with any other ideas you may have, when coming up with your presentation.
- Please note you will not be able to call for more information than is provided in this brief.

Candidate brief – cont.

- You will have up to **15 minutes** (uninterrupted) in which to make your presentation, and you should attempt to use all of this time.
- You will then be questioned by the assessor on your recommendations and analysis for a period of up to 15 minutes.

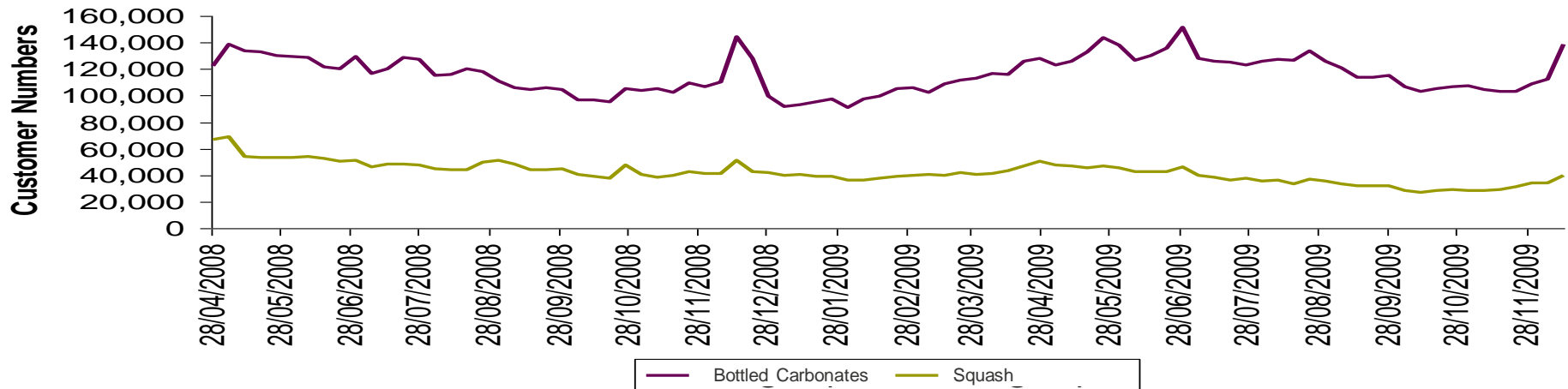
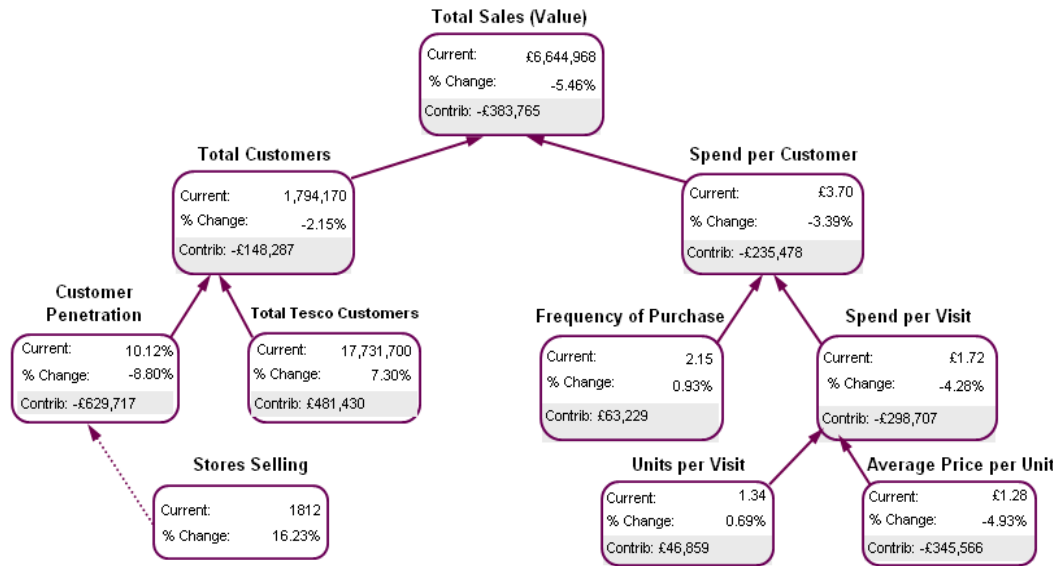
In this exercise you will be assessed on your ability to:

- **Comprehend** the information provided
- Provide **practical recommendations** for action
- **Justify** these using relevant arguments
- Communicate your views in a **clear and succinct manner**.

Total Category

Key

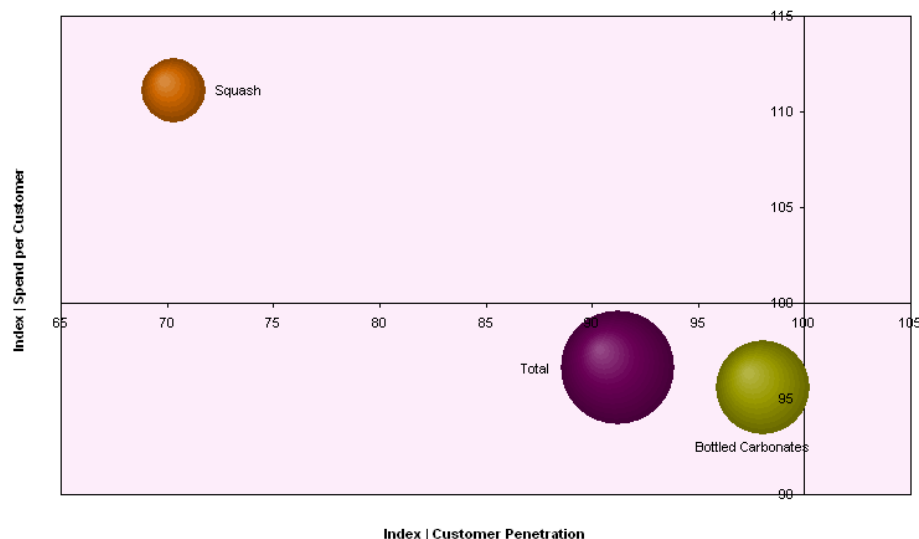
- “Current” shows the latest actual figure
- “% Change” shows how this differs from the previous period
- “Contrib” shows how much this % change is worth in £
- Customer penetration is the number of customers buying the subgroup as a percentage of customers shopping in Tesco for the given time period



Latest Period: 22-6-2009 to 20-12-2009

Previous Period: 16-6-2008 to 14-12-2008

Total Category – Key Measures by Subgroup



Key

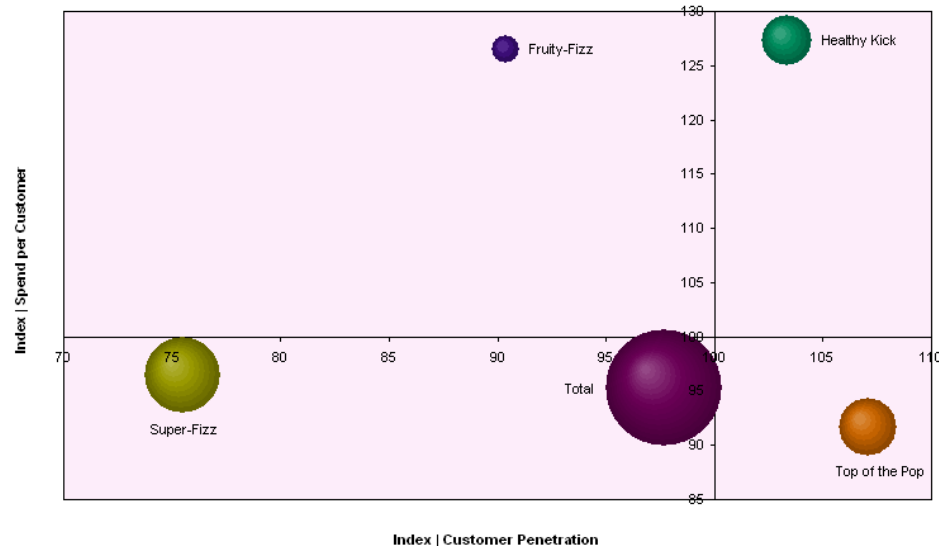
- Size of bubbles represent number of customers
- The index provided shows change versus prior period
- Customer penetration is the number of customers buying the subgroup as a percentage of customers shopping in Tesco for the given time period

| Key Measure & Index vs. PP | Total Sales (Value) | Total Sales (Units) | Total Customers | Total Visits | Customer Penetration | Stores Selling | Spend per Customer | Frequency of Purchase | Repeat Rate % | Ave. Price per Unit |
|----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|
| Total | £6,644,968 95 | 5,176,320 99 | 1,794,170 98 | 3,853,190 99 | 10.1% 91 | 1,812 116 | £3.70 97 | 2.1 101 | 42.3% 100 | £1.28 95 |
| Bottled Carbonates | £4,516,388 101 | 4,105,270 110 | 1,503,330 105 | 3,167,530 107 | 8.5% 98 | 1,809 122 | £3.00 96 | 2.1 102 | 41.1% 100 | £1.10 92 |
| Squash | £2,128,580 84 | 1,071,050 73 | 572,020 75 | 896,880 75 | 3.2% 70 | 1,176 85 | £3.72 111 | 1.6 100 | 27.9% 99 | £1.99 115 |

Latest Period: 22-6-2009 to 20-12-2009

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Bottled Carbonates by Brand



Key

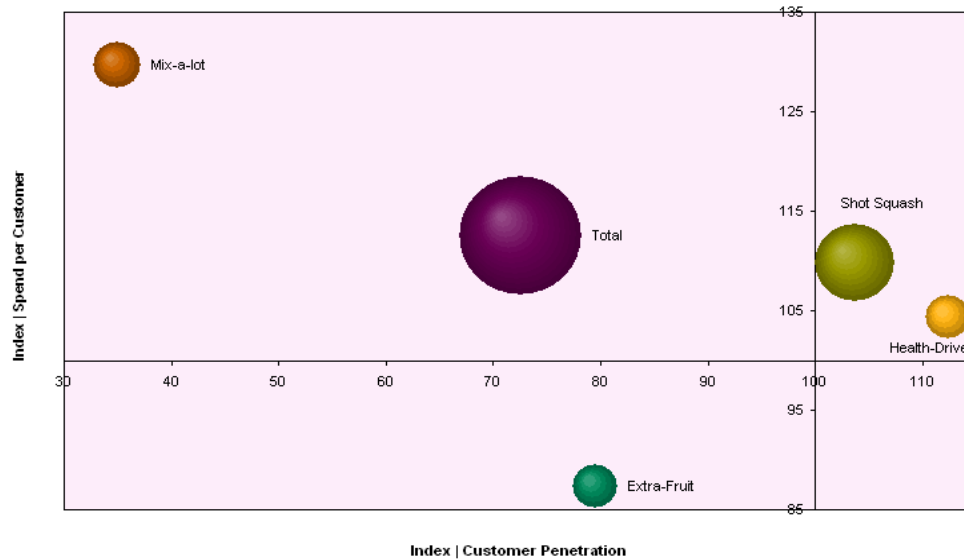
- Size of bubbles represent number of customers
- The index provided shows change versus prior period (>100 is growth, <100 is decline)
- Customer penetration is the number of customers buying the brand as a percentage of customers shopping in Tesco for the given time period

| Key Measure & Index vs. PP | Total Sales (Value) | Total Sales (Units) | Total Customers | Total Visits | Customer Penetration | Stores Selling | Spend per Customer | Frequency of Purchase | Repeat Rate % | Ave. Price per Unit |
|----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|-------------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|
| Total | £4,482,167 100 | 4,083,330 109 | 1,497,960 105 | 3,153,450 106 | 8.4% 98 | 1,809 122 | £2.99 95 | 2.1 101 | 41.1% 100 | £1.10 91 |
| Super-Fizz | £1,927,293 78 | 1,752,410 83 | 812,920 81 | 1,484,830 81 | 4.6% 75 | 1,053 71 | £2.37 96 | 1.8 100 | 33.5% 95 | £1.10 94 |
| Top of the Pop | £1,150,057 105 | 1,022,320 112 | 507,730 115 | 819,010 110 | 2.9% 107 | 1,691 165 | £2.27 92 | 1.6 95 | 27.4% 92 | £1.12 94 |
| Healthy Kick | £884,955 141 | 667,650 121 | 237,370 111 | 448,980 124 | 1.3% 103 | 1,049 134 | £3.73 127 | 1.9 112 | 33.0% 120 | £1.33 117 |
| Mild & Light | £264,670 761 | 538,550 3,302 | 298,020 2,547 | 443,430 2,941 | 1.7% 2,374 | 778 176 | £0.89 30 | 1.5 115 | 22.3% 164 | £0.49 23 |
| Fruity-Fizz | £255,192 123 | 102,400 101 | 64,980 97 | 94,760 104 | 0.4% 90 | 700 96 | £3.93 127 | 1.5 107 | 19.9% 116 | £2.49 122 |

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Squash by Brand



Key

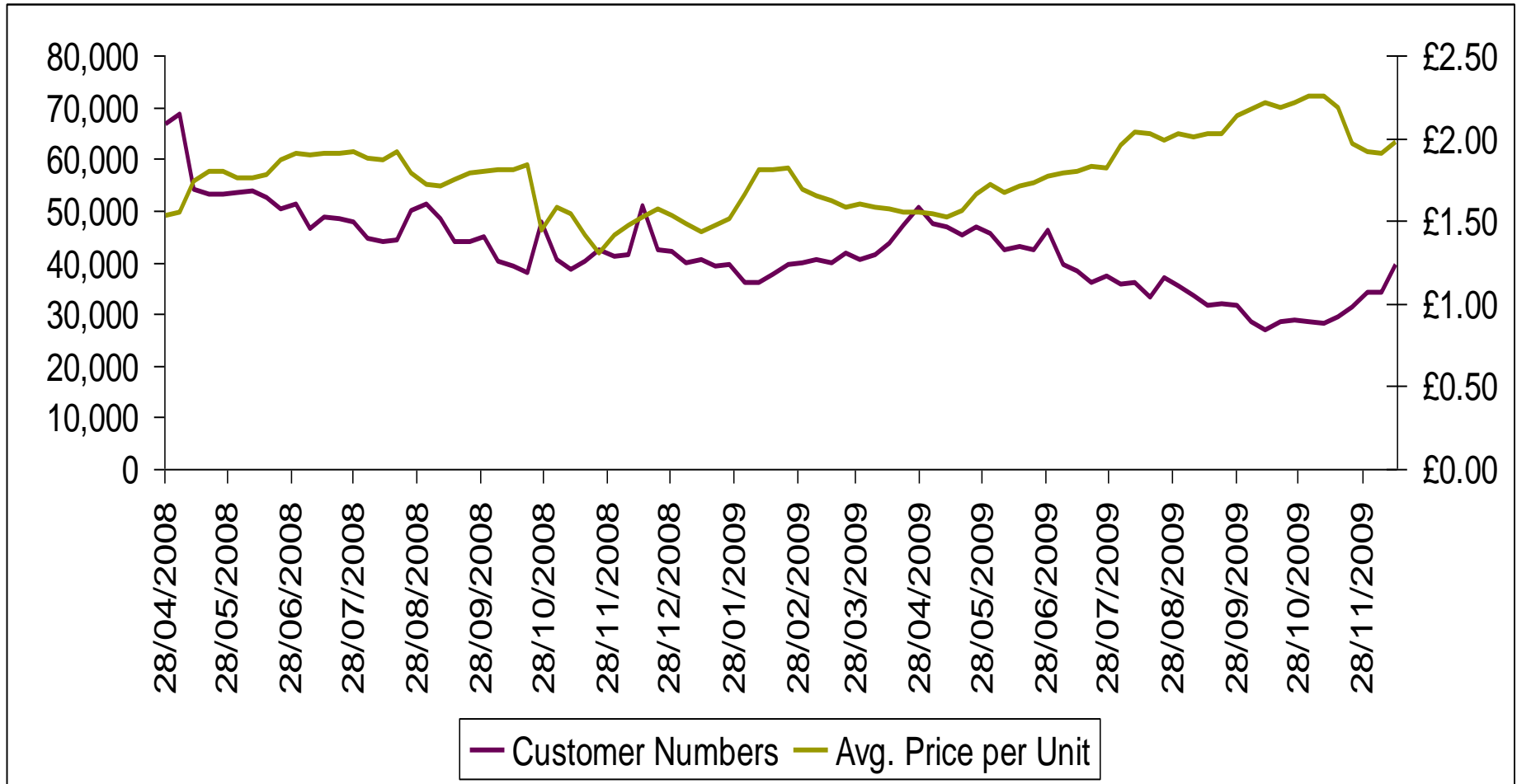
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| Key Measure & Index vs. PP | Total Sales (Value) | Total Sales (Units) | Total Customers | Total Visits | Customer Penetration | Stores Selling | Spend per Customer | Frequency of Purchase | Repeat Rate % | Ave. Price per Unit |
|----------------------------|----------------------------|--------------------------|--------------------------|--------------------------|-----------------------|-----------------------|------------------------|-----------------------|------------------------|------------------------|
| Total | £1,703,115 88 | 847,090 77 | 457,330 78 | 711,470 79 | 2.6% 73 | 1,167 84 | £3.72 113 | 1.6 102 | 27.5% 104 | £2.01 113 |
| Shot Squash | £743,069 122 | 271,330 109 | 170,640 111 | 244,740 113 | 1.0% 104 | 1,114 89 | £4.35 110 | 1.4 102 | 22.9% 106 | £2.74 112 |
| Mix-a-lot | £279,602 49 | 163,440 36 | 104,060 38 | 136,210 36 | 0.6% 35 | 794 102 | £2.69 130 | 1.3 96 | 17.3% 89 | £1.71 135 |
| Extra-Fruit | £245,591 75 | 152,900 93 | 91,890 85 | 136,460 90 | 0.5% 80 | 788 71 | £2.67 87 | 1.5 106 | 25.1% 113 | £1.61 80 |
| Health-Drive | £241,598 126 | 111,930 122 | 83,810 121 | 107,190 122 | 0.5% 112 | 772 105 | £2.88 104 | 1.3 102 | 15.7% 103 | £2.16 103 |
| Light Choice | £141,946 - | 119,280 - | 83,020 - | 103,000 - | 0.5% - | 686 - | £1.71 - | 1.2 - | 14.3% - | £1.19 - |
| Merchant | £51,281 843 | 28,200 860 | 21,120 695 | 25,710 814 | 0.1% 647 | 312 177 | £2.43 121 | 1.2 117 | 13.0% 329 | £1.82 98 |
| PipeDrink | £28 0 | 10 0 | 10 0 | 10 0 | 0.0% 0 | 1 0 | £2.80 109 | 1.0 87 | 0.0% 0 | £2.80 163 |

Latest Period: 22-6-2009 to 20-12-2009

Previous Period: 16-6-2008 to 14-12-2008

Total Squash



Who buys my subgroups?

| | Convenience | | Finer Foods | | Kids Choice | | Mainstream | | Price Sensitive | | Traditional | | Total | |
|------------------------------------|-------------|-------|-------------|-------|-------------|-------|------------|-------|-----------------|-------|-------------|-------|------------|-------|
| | Act | % Var | Act | % Var | Act | % Var | Act | % Var | Act | % Var | Act | % Var | Act | % Var |
| Bottled Carbonates | 177,571 | 3% | 497,196 | 6% | 101,923 | 4% | 390,637 | 3% | 239,557 | 14% | 96,446 | -5% | 1,503,330 | 5% |
| Squash | 61,669 | -35% | 262,663 | -11% | 33,837 | -31% | 120,596 | -33% | 53,462 | -35% | 39,791 | -32% | 572,020 | -25% |
| Custs shopping any of above | 214,589 | -7% | 611,041 | 3% | 121,741 | -5% | 459,322 | -5% | 268,773 | 4% | 118,705 | -11% | 1,794,170 | -2% |
| All Tesco | 2,869,364 | 6% | 2,506,034 | 6% | 1,676,440 | 8% | 5,210,001 | 8% | 3,971,188 | 10% | 1,498,672 | 1% | 17,731,700 | 7% |
| | | | | | | | | | | | | | | |

dunnhumby media



Clubcard Statement



Buy Scan Win
(in-store competitions)



Direct Mail



Clubcard Bonus



Tesco PFS Nozzles



Tesco.com



Car Park and in-store sampling



Tesco Magazine



Tesco.com sampling



Tesco trolleys



Basket Media

Definitions

- **Stores Selling:** The number of stores where the product or subgroup has been sold during the time period.
- **Total Sales (Units):** The number of units sold of the product or subgroup during the time period.
- **Total Sales (Value):** The total value sold of the product or subgroup during the time period.
- **Total Customers:** The total, distinct, number of customers that have bought the product or subgroup in the time period.
- **Total Visits:** The number of times a customer has made a transaction which included the given product or subgroup in the time period (i.e. how many times was the product or subgroup bought).
- **Customer Penetration:** The number of customers buying a given product or subgroup as a percentage of customers shopping in Tesco for the given time period.
- **Spend per Customer:** The average spend per customer on the given product or subgroup in the time period.
- **Frequency of Purchase:** The average number of visits per customer in the time period.

Definitions

- **Category Share (Value):** The value of sales of a given product or subgroup as a percentage of all sales in the specified product universe
- **Average Price per Unit:** The average product or subgroup price during the given time period.
- **Units per Customer:** The average number of product or subgroup units bought per customer in the time period.
- **Units per Visit::** The average number of product or subgroup units bought when a visit to the product or subgroup was made.
- **Spend per Visit:** The average spend on the product or subgroup when a visit to the product or subgroup was made.
- **Repeat Rate %:** The number of customers who visited the product or subgroup more than once, expressed as a percentage of total customers to the product or subgroup in the time period.
- **Number of TPNs:** The number of TPNs with sales in the time period for each subgroup.