

DECODING THE GROCERY SHOPPING EXPERIENCE

Positioning Analysis

MKTG 612 Marketing Analytics

GROUP 1B

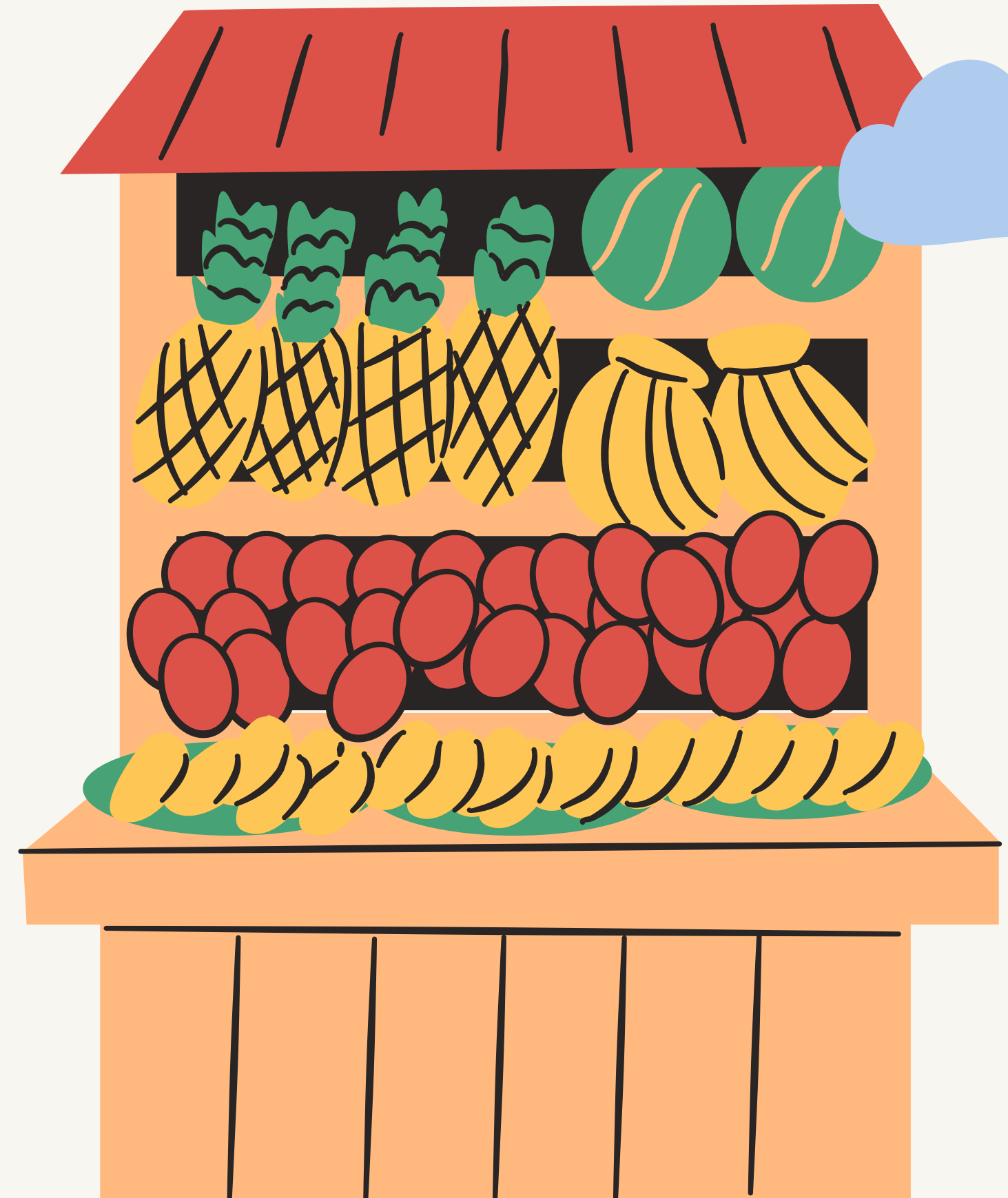
Deepthi Bhimanapati

Hemanth Varma Pericherla

Vaishnavi Karingala

Anurag Reddy Katta

Sri Lalitha Somaraju



Background

Overview of the Grocery Retail Market:


The grocery retail market is highly competitive, driven by evolving consumer demands for sustainability, affordability, and convenience. Consumers now prioritize brands that align with their values, offer value for money, and provide seamless shopping experiences.

Competitive Landscape

- Whole Foods: Premium, eco-conscious, and organic but lacks affordability and convenience.
- Costco: Budget-friendly with wide variety; excels in value but limited convenience.
- Target: Balanced attributes and convenient but lacks strong differentiation.
- Trader Joe's: Unique and local offerings but weak in convenience services.




Objectives



Analyze consumer perceptions of Whole Foods in comparison to its competitors across key attributes, including sustainability, affordability, product quality, and convenience.

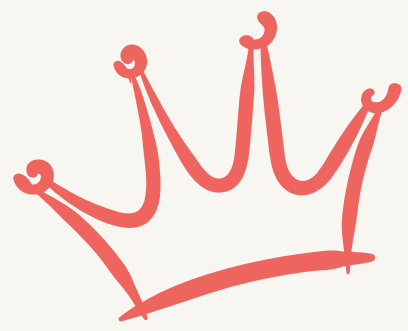


Identify the factors influencing consumer preferences and brand choice in the grocery retail market.



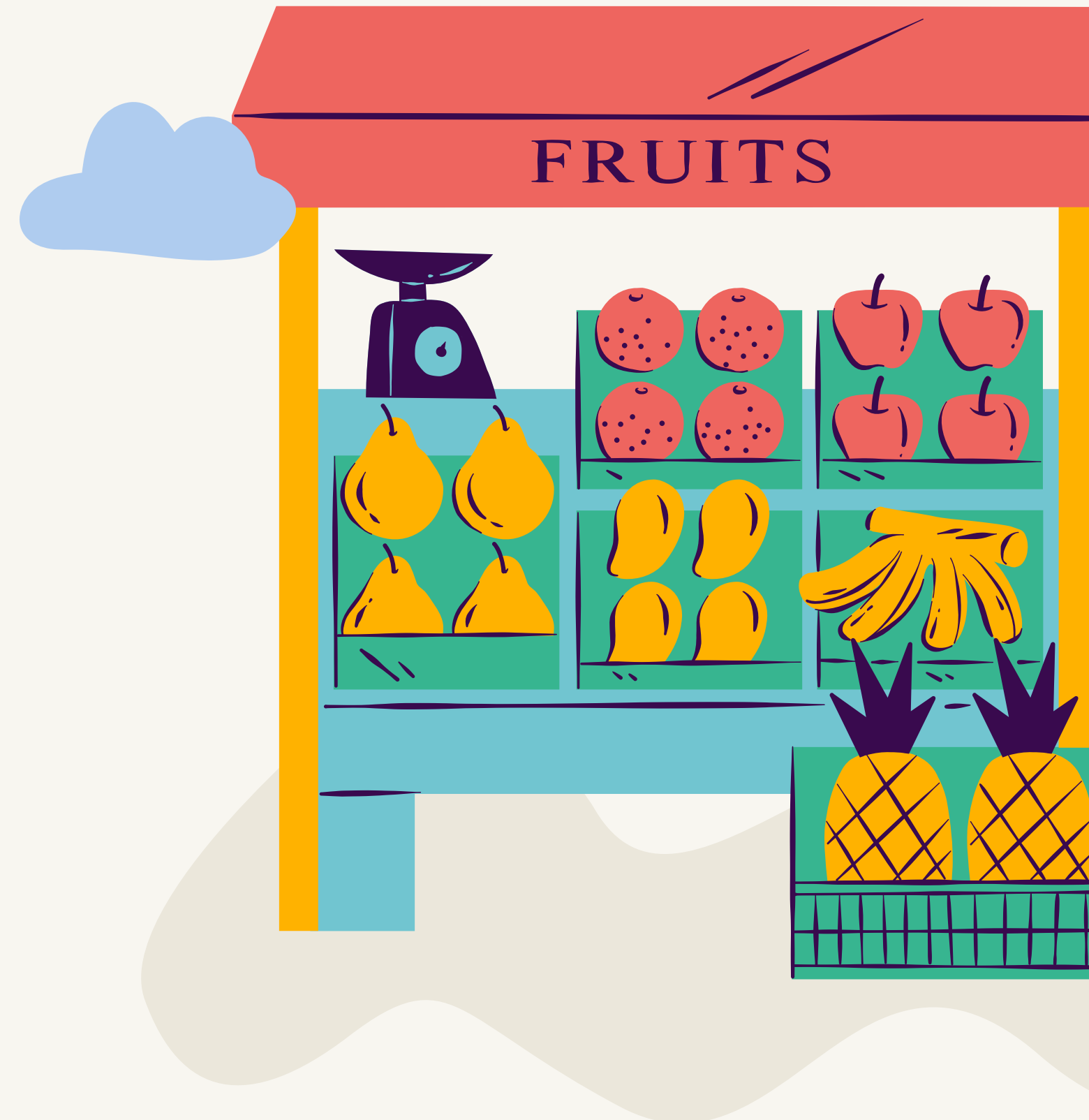
Evaluate Whole Foods' differentiation strategy and identify strategic opportunities for enhancing its market positioning through targeted improvements in key areas.





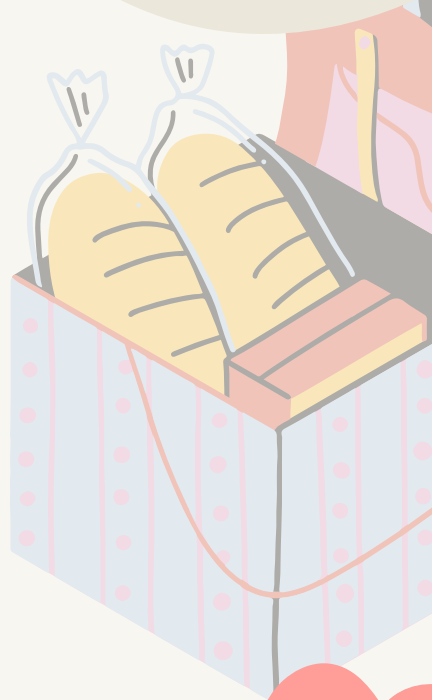
Data Collection

- Method: Survey-based data collection (Qualtrics).
- Sample Size: 69 respondents via convenience sampling.
- Demographics: Age groups, gender, dietary preferences, household size, and income.
- Research was conducted ethically considering the privacy of the participants





Findings



Perceptual Map & Variance Analysis

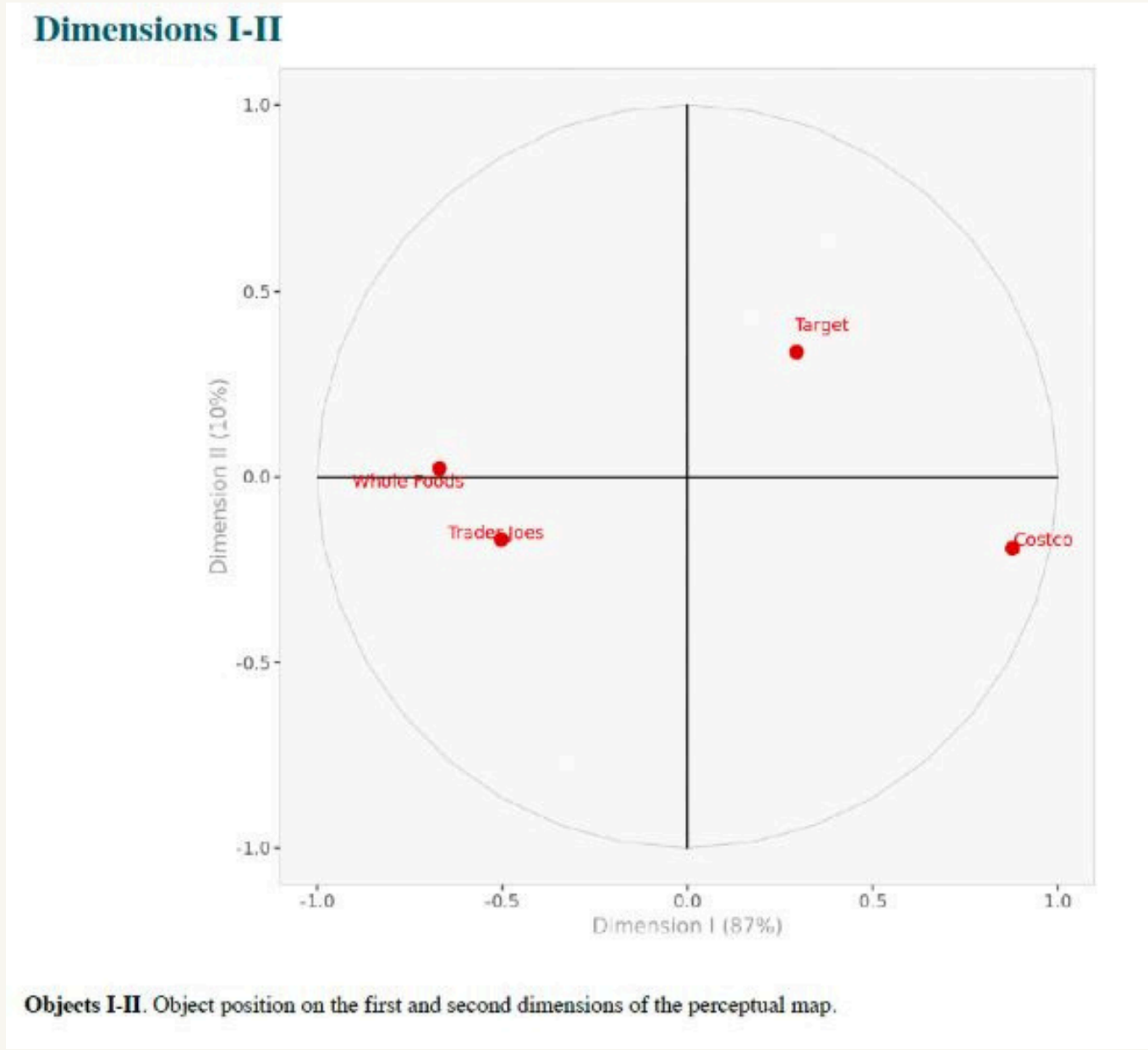
Purpose: The perceptual map illustrates how consumers perceive the positioning of Whole Foods, Costco, Target, and Trader Joe's based on key attributes.

Key Dimensions:

Dimension 1 (87.2%): Represents budget-friendly, eco-conscious practices, product variety, and the overall shopping experience.

Dimension 2 (10.1%): Focuses on convenience, including curbside pickup, online ordering, and proximity to home/work





Variance: The first two dimensions account for 97.2% of the variance, making them highly reliable for analysis



	Variance explained	Cumulative variance
Dimension 1	87.2%	87.2%
Dimension 2	10.1%	97.2%
Dimension 3	2.8%	100.0%
Dimension 4	0.0%	100.0%

Variance explained. Variance and cumulated variance explained, by dimension.

Brand-Specific Insights

			
<p>Strengths: Strong in eco-conscious practices (0.887) and healthy products (0.484), aligning with its premium brand image.</p> <p>Weaknesses: Low scores in budget-friendliness and membership benefits, indicating affordability challenges.</p>	<p>Strengths: Excels in affordability (0.813) and product variety (0.826), appealing to budget-conscious shoppers.</p> <p>Weaknesses: Limited focus on eco-conscious initiatives compared to competitors.</p>	<p>Strengths: Balanced attributes, including self-checkout (0.377) and online ordering (0.509).</p> <p>Weaknesses: Lacks strong differentiation across affordability, sustainability, or convenience.</p>	<p>Strengths: Known for locally sourced goods (0.505) and festive items (0.527).</p> <p>Weaknesses: Falls short on convenience features like curbside pickup (0.225) and grocery delivery (0.895).</p>

Attribute-Specific Insights

Affordability vs. Premium Positioning:

- Costco: Scores highest in budget-friendliness (mean score: 3.9).
- Whole Foods: Excels in eco-conscious practices (mean score: 2.3) but lags in affordability (2.0).

Convenience:

Target: Leads in attributes like self-checkout and proximity, appealing to urban shoppers.

Trader Joe's: Scores lowest in convenience, highlighting a service gap.

Sustainability and Health:

Whole Foods & Trader Joe's: Strong alignment with locally sourced goods and healthy products.

Overall Shopping Experience:

Costco & Target: Rank highly, with Costco excelling in affordability and Target in convenience.

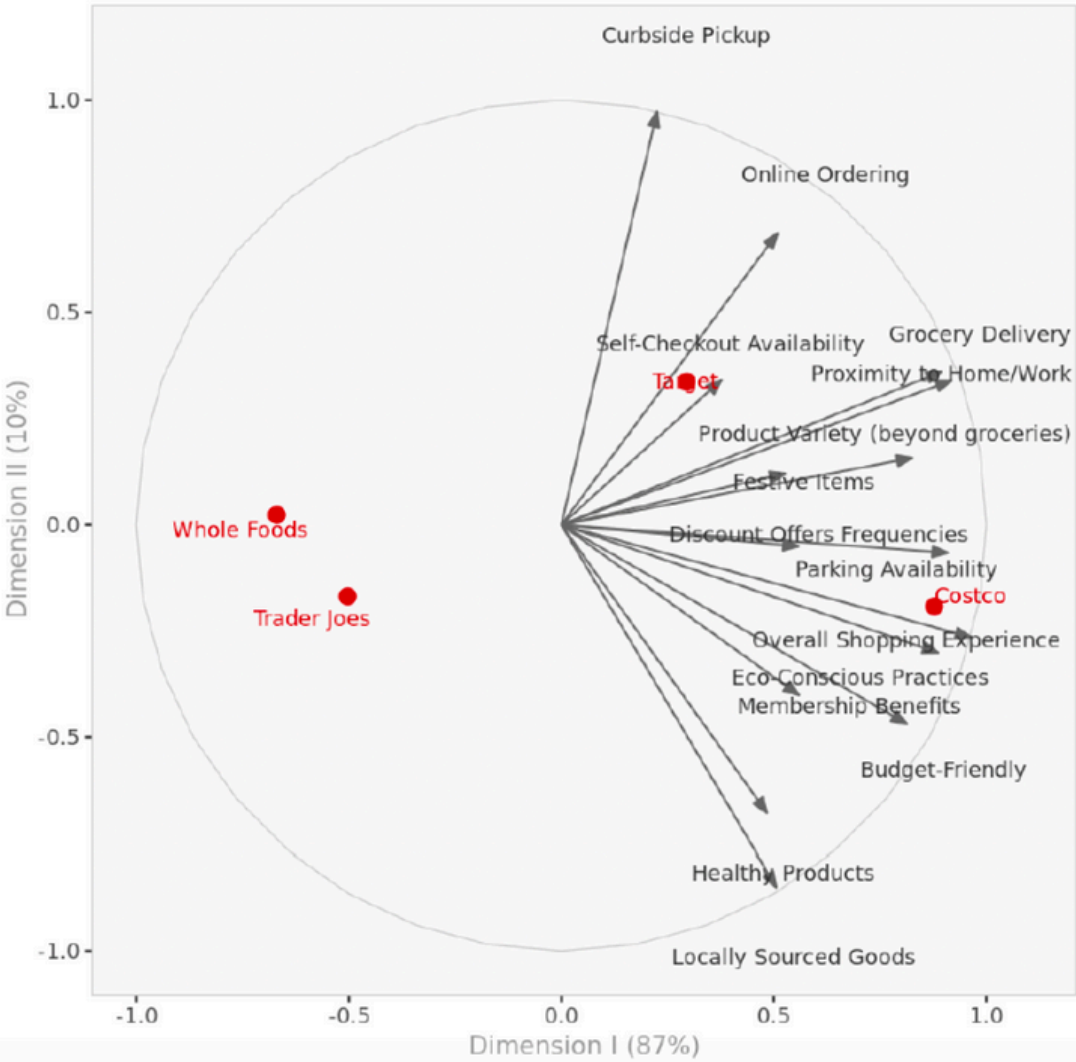
Coordinates

	Dimension I	Dimension II
Budget-Friendly	0.813	-0.469
Discount Offers Frequencies	0.558	-0.051
Membership Benefits	0.559	-0.401
Eco-Conscious Practices	0.887	-0.301
Healthy Products	0.484	-0.679
Locally Sourced Goods	0.505	-0.850
Festive Items	0.527	0.121
Product Variety (beyond groceries)	0.826	0.158
Online Ordering	0.509	0.687
Curbside Pickup	0.225	0.973
Grocery Delivery	0.895	0.361
Self-Checkout Availability	0.377	0.341
Proximity to Home/Work	0.918	0.340
Parking Availability	0.909	-0.066
Overall Shopping Experience	0.964	-0.265

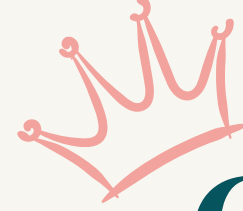
Attributes coordinates. Displays the coordinates of all the attributes in every dimension.

Attributes coordinates

Dimensions I-II



Dimensions I-II Graph



Customer Preferences



Average Brand Preference Scores:

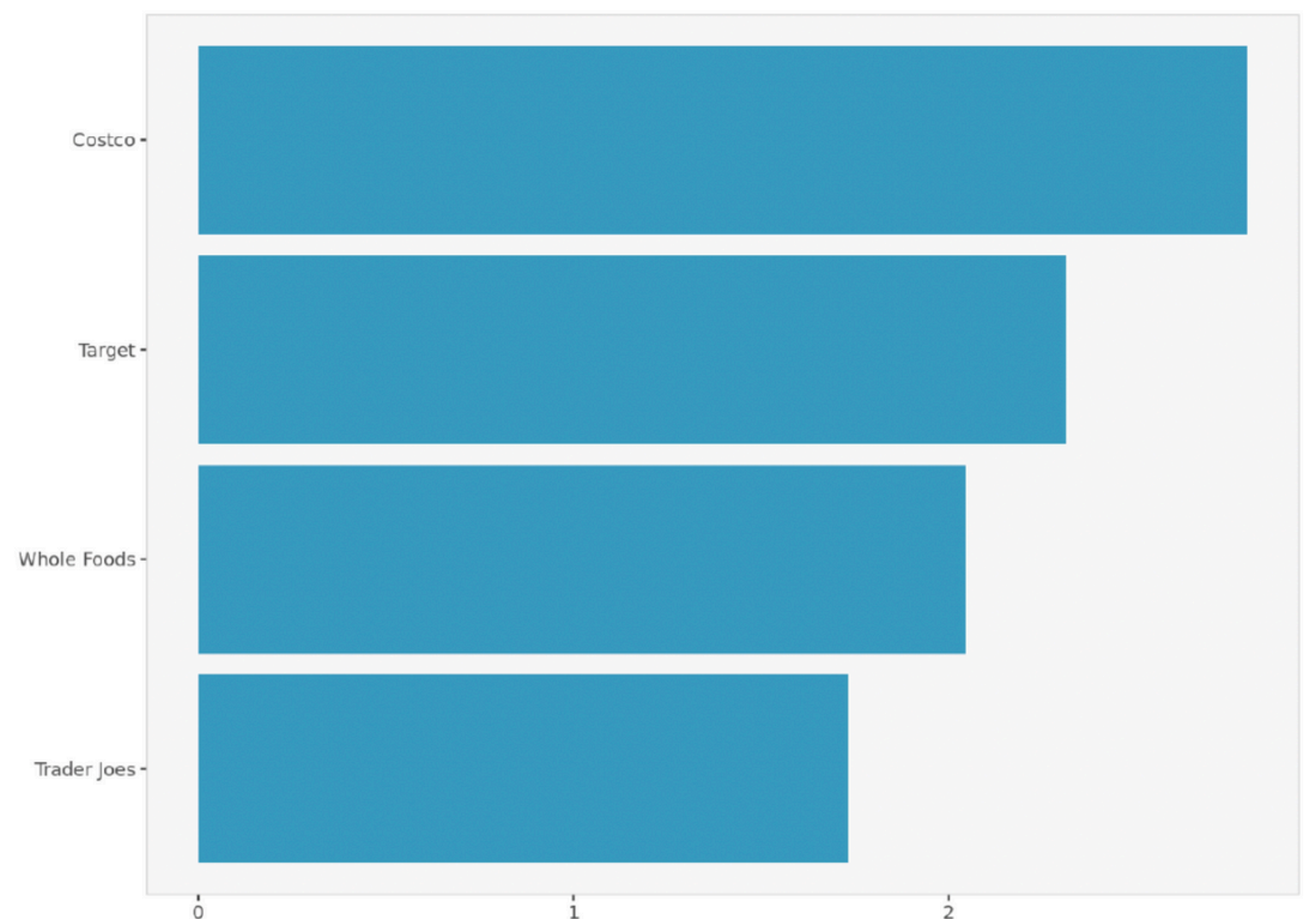
- Costco: 2.80 (Leads in affordability and value-driven offerings).
- Target: 2.31 (Balanced attributes, strong in convenience).
- Whole Foods: 2.05 (Preferred for eco-conscious practices).
- Trader Joe's: 1.73 (Niche appeal but weak in convenience).

Preference data

	Average preference
Costco	2.80
Target	2.31
Whole Foods	2.05
Trader Joes	1.73

Average brand preference. For each brand, displays its average preference value in decreasing order.

Average brand Preference data



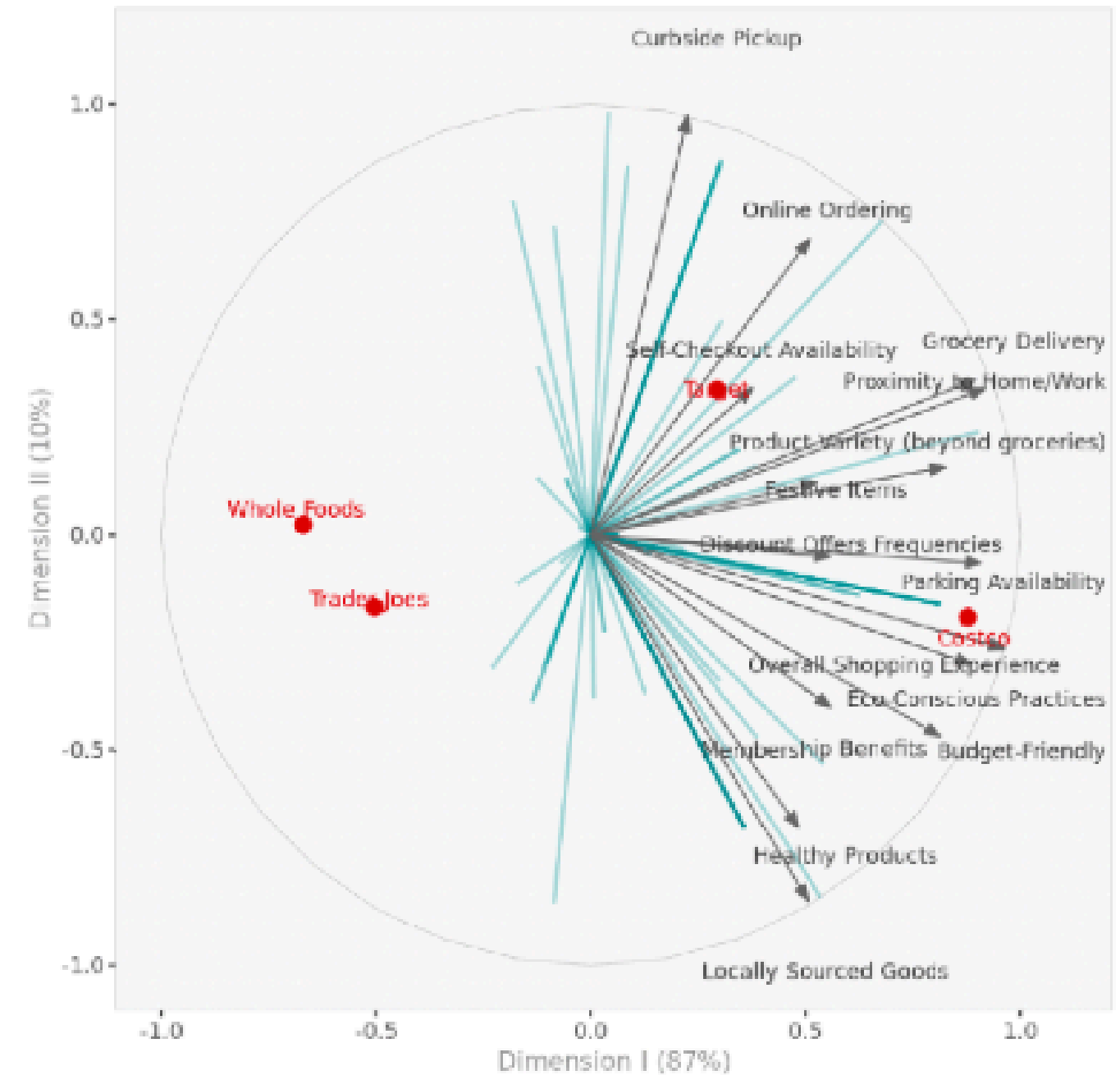
Average preferences histogram. For each brand, displays its average preference value.

Average preferences histogram

Purchase Behaviour Insights:

- Budget-friendly options and eco-conscious practices are key drivers.
- Grocery delivery and curbside pickup are increasingly important post-pandemic.

Dimensions I-II



Perceptual Map I-II. Complete perceptual map with objects, attributes and preferences on the first and second dimensions.

Perceptual Map I-II

Perceptual Data

Perceptual data

	Whole Foods	Costco	Target	Trader Joes
Budget-Friendly	2.0	3.9	2.9	2.4
Discount Offers Frequencies	1.5	3.6	3.0	2.3
Membership Benefits	1.7	3.8	2.3	1.5
Eco-Conscious Practices	2.3	3.0	2.7	2.4
Healthy Products	2.7	3.4	2.8	2.7
Locally Sourced Goods	2.3	3.0	2.4	2.4
Festive Items	1.8	3.6	3.3	2.5
Product Variety (beyond groceries)	2.0	3.8	3.4	2.4
Online Ordering	1.9	3.3	3.3	1.4
Curbside Pickup	1.8	2.0	2.8	1.5
Grocery Delivery	1.5	2.6	2.4	1.7
Self-Checkout Availability	2.3	3.5	3.2	1.6
Proximity to Home/Work	2.2	3.7	3.3	2.2
Parking Availability	2.1	3.6	3.1	2.4
Overall Shopping Experience	2.5	3.9	3.2	2.7

Perceptual data overview. Perception values for each attribute are shown in red if they are significantly (1 standard deviation) less than average perception of all brands. Perception values are shown in green if they are significantly more than average perception of all brands.

Perceptual Data Overview





Positioning Analysis

Dimensions of the Perceptual Map:

Dimension 1: Affordability and Product Variety (budget-friendly pricing, shopping experience, product range).

Dimension 2: Convenience (online ordering, curbside pickup, proximity).

Whole Foods must address gaps in affordability and convenience to compete with Costco and Target's broader market appeal.

Consumer Perceptions:

Whole Foods: Premium brand excelling in eco-conscious practices but lags in affordability and convenience.

Costco: Budget-friendly with high product variety and practicality.

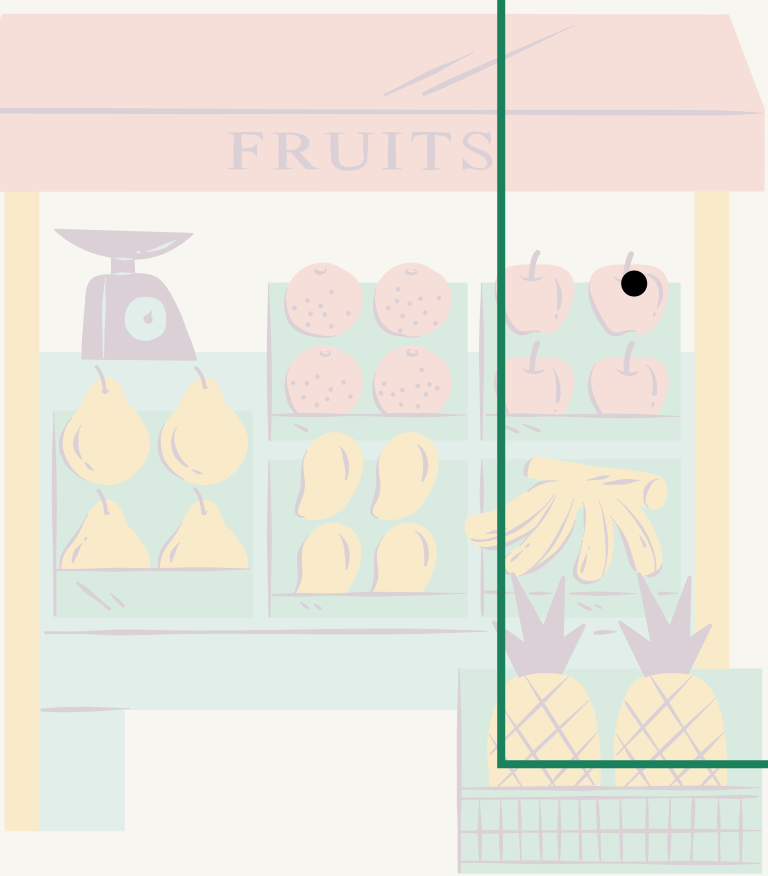
Target: Balanced, excelling in convenience and affordability.

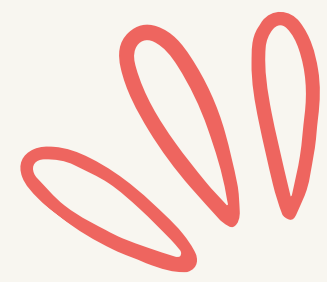
Trader Joe's: Niche appeal with locally sourced goods but weak in convenience.

Repositioning Whole Foods

Whole Foods should retain its strengths in sustainability and health while improving affordability and convenience to appeal to a broader audience.

Short-Term Strategies	Long-Term Strategies
<ul style="list-style-type: none">Launch a loyalty program with discounts on essentials. <p>Expand curbside pickup & grocery delivery services.</p>	<ul style="list-style-type: none">Develop an economy-friendly product line under Whole Foods brand.Strengthen partnerships with local farmers to lower costs and enhance eco-image.





Marketing Recommendations

1. Enhancing Affordability:

- Launch “Budget-Friendly Basket” with affordable essentials.
- Offer exclusive discounts for Amazon Prime members.

2. Improving Convenience:

- Expand online ordering & delivery options.
- Introduce self-checkout stations & in-app curbside pickup.

3. Reinforcing Sustainability & Wellness:

- Highlight local sourcing & eco-friendly packaging.
- Increase biodegradable/reusable packaging with signage.

4. Community Engagement:

- Partner with local farmers for “Community Markets.”
- Educate on sustainable living through social media & workshops.

5. Data-Driven Personalization:

- Personalize promotions based on customer data (e.g., budget-conscious families, health enthusiasts).

THANK YOU

