

Performance of Grocery Retails Evaluation Report

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Instruction of the Report

- The grocery retails and dataset used in the report were fabricated.
- There were 14 predictors used in the linear regression analysis.
- The analysis tool I used was SPSS.

Linear Regression - how the client brand performance impact preference for the brand

- **R-square** of the model is 69.8%, suggesting that almost 70% of variance in outcome (Is a store I prefer over others for my grocery needs) can be collectively interpreted by these 14 independent variables. This metric indicates that **the model is well fitting**.
- In addition to R-square, **statistical significant** also shows the well-fitting of model because it is smaller than 0.05, meaning that variables provide relevant explanatory power.
- Among 14 variables, only 4 variables are meaningful. As for their influence on the “preference”, all of them have **positive relationship** with the outcome. In other words, when the scores of the variable increase, the score of “preference” will increase, too.
- Among these 4 variables, **“has competitive pricing” is the most influential one** because of its highest beta size.

Attributes	Standardized Coefficients (Beta)
has competitive pricing	0.679
has good sales	0.297
has a quality deli counter	0.260
creates baked goods on site for bakery section	0.080

variables are order by the strength of importance

Insights

- We consider four meaningful variables to be key drivers on customer preference: **“has competitive pricing”, “has good sales”, “has a quality deli counter”** and **“creates baked goods on site for bakery section”**. In particular, “has competitive pricing” is the most influential key driver. Because of its positive relationship with “preference”, we could assume that customers are more likely to prefer your brand over others when they highly agree with your brand having competitive pricing.
- The same interpretation can be applied to other three variables, as well. When customers have highly agree with your brand having good sales, quality delivery counter and baked goods on site in bakery section, it's more likely for them to choose your grocery store over other competitors.
- Most importantly, “has competitive pricing” is the one to significantly affect customers' intent to purchase from your brand.

Linear Regression - how the client brand performance impact purchase intent

- **R-square** of the model is 66.4%, suggesting that 66% of variance in outcome (Is a store I will shop at in the future) can be collectively interpreted by these 14 independent variables. Although R-square is a slightly lower than the first one (69.8%), the model is still well fitting.
- In addition to R-square, **statistical significant** also shows the well-fitting of model because it is smaller than 0.05, meaning that variables provide relevant explanatory power.
- Among 14 variables, only 4 variables are meaningful. As for their influence on the “purchase_intent”, all of them have **positive relationship** with the outcome. In other words, when the scores of the variable increase, the score of “purchase_intent” will increase, too.
- In this model, we can find that the influential factors on “purchase_intent” are different with the ones on “preference”. In fact, **“has competitive pricing” is still the most influential one** because of its highest beta size.

Attributes	Standardized Coefficients (Beta)
has competitive pricing	0.701
has good sales	0.376
has quality baked goods	0.241
has products I can't get at other stores	0.164

variables are order by the strength of importance

Insights

- These four meaningful variables are key drivers to affect customers' purchase intent: **"has competitive pricing", "has good sales", "has quality baked goods" and "has products I can't get at other stores"**. In particular, "has competitive pricing" is the most influential key driver. Because of its positive relationship with "purchase_intent", we could assume that customers are more likely to shop at your grocery store in the future when they highly agree with your brand having competitive pricing.
- The same interpretation can be applied to other three variables, as well. When customers have highly agree with your brand having good sales, quality baked goods and products they can't get at other stores, it's more likely for them to go to your grocery store in the future.
- Most importantly, **"has competitive pricing" is the one to significantly affect customers' purchase intent.**

Recommendation

Overall, the first two important key drivers for customers' preference and purchase intent are same: "**has competitive pricing**" and "**has good sales**". We could assume that no matter when customers choose the grocery store or make decision on which store they will shop at the future, **both pricing and sales are what they care about**. Therefore, we recommend **your marketing strategy to focus on price and sales**. As for other key drivers, below is our recommendations.

Preference

- **Good customer service** is one of reason why customer prefer your brand to others. For now, customers regard the delivery counters in your store to be quality. Therefore, we suggest you to **do monthly customers satisfaction survey**, ensuring customers keep satisfied with the service and handling customers' complains in real time.
- When customers have the needs of grocery, the factor that your brand surpasses others is **baked goods on site in bakery section**. Therefore, the next thing you can do is to **expand bakery section**, making baked goods more visible in your store.

Purchase Intent

- Unlike preference, purchase intent is the probability of customers to buy products. It means that the key driver is the aspect you are lack of and need to get improvements on it.
- **Quality baked goods:** We suggest your brand to **select high-quality of ingredients on bread baking**, making sure your brand having quality baked goods than others .
- **Products that customers can't get at other stores:** This aspect indicates that customers prefer differentiated products. Our recommendation will be **providing diversified and unique products in the store**, thus differentiating your brand with others.