

# **Performance of Grocery Retailers Evaluation Report**

MBAN Pin-Chia (Cynthia) Chou

# Instruction of the Report

- The grocery retail and dataset used in the report were fabricated.
- There were 14 predictors used in the linear regression analysis.
- Each variable is 1 to 7 agreement scaled scores.
- The analysis tool used in the report was SPSS.

# **How is the performance of client brand on customers' expectations**

Importance versus Performance Analysis

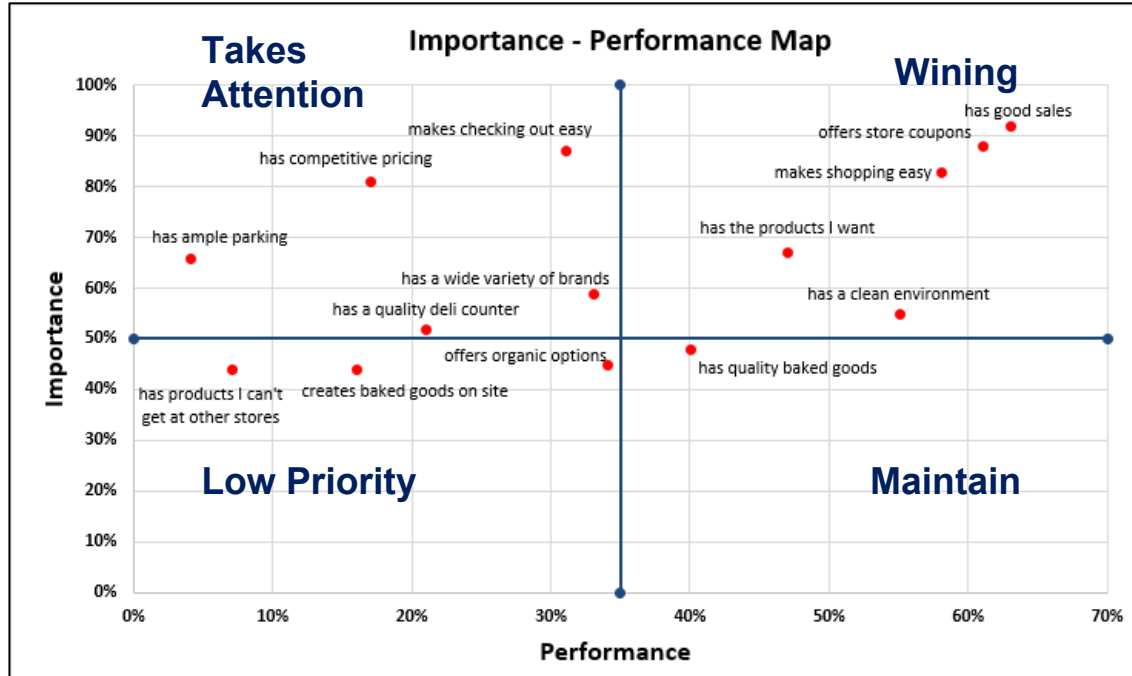
# Importance versus Performance Analysis

## Importance and Performance Attributes

- Importance: how significance of the attribute customers think the client brand should be acquire with?
- Performance: how much do customers agree that the client brand perform well on the attribute?

Attributes
has the products I want
has a wide variety of brands
offers organic options
has products I can't get at other stores
makes shopping easy
makes checking out easy
has a clean environment
has a quality deli counter
has quality baked goods
creates baked goods on site
has ample parking
offers store coupons
has good sales
has competitive pricing

# Importance-Performance Map



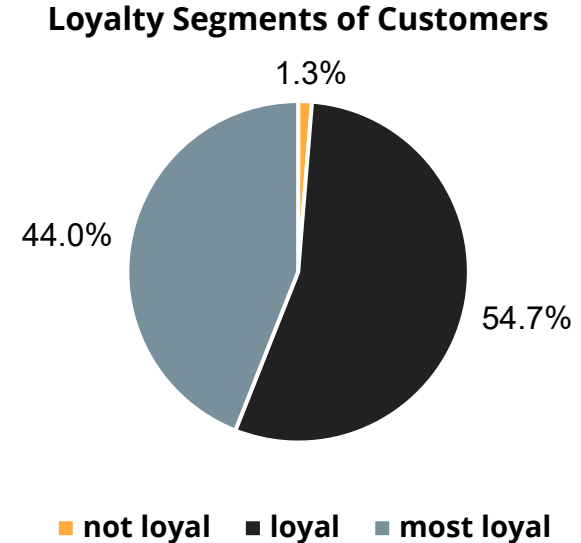
- The map indicates what aspect the client brand should put more efforts to satisfy customers' expectations.
- Typically, **"Takes Attention"** and **"Low Priority"** are the area that client brand need to do some improvement.
- In the following slides, we will conduct key driver analysis to see which specific aspect should the client brand focus on.

# **What is the most influential factor on different customer behaviors**

Key Driver Analysis by Linear Regression

# Composite Loyalty Score

- The composite loyalty score ("loyalty\_score") is the average score of variable "Preference", "Recommendation" and "Purchase\_intent".
  - Descriptive result:
    - Range of score is 5
    - Average score is rounded to 5.59
  - We divide the score into three groups to determine how many percentage of customers is the most loyal one.
    - score 1 to 2.99: not loyal
    - score 3 to 5.99: loyal
    - score 6 to 7: most loyal
- **44% of customer are most loyal to the client brand.**

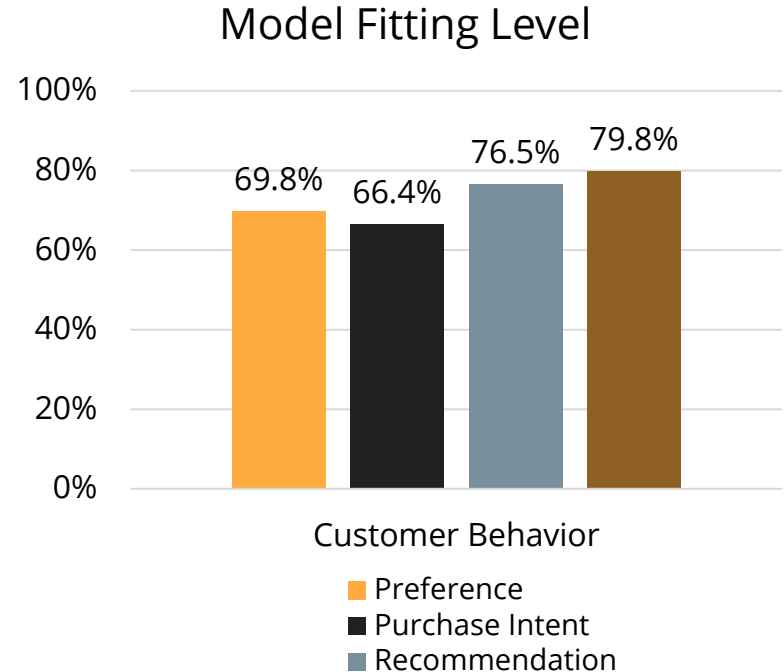


# Linear Regression - how the performance of client brand influences customers behaviors

This section will elaborate how the performance of client brand has impact on different customers behaviors: preference, purchase intent, willingness of recommendation and loyalty.

## **Model analysis:**

- Overall, four model are well fitting with over 65% of variance in outcome interpreted by the 14 predictors.
- These model are able to provide relevant explanatory power.
- According to model fitting level, the model with loyalty score as outcome has the best fitting, which is about 80% of variance of loyalty score fitted in the model.





# Linear Regression - how the performance of client brand influences customers behaviors

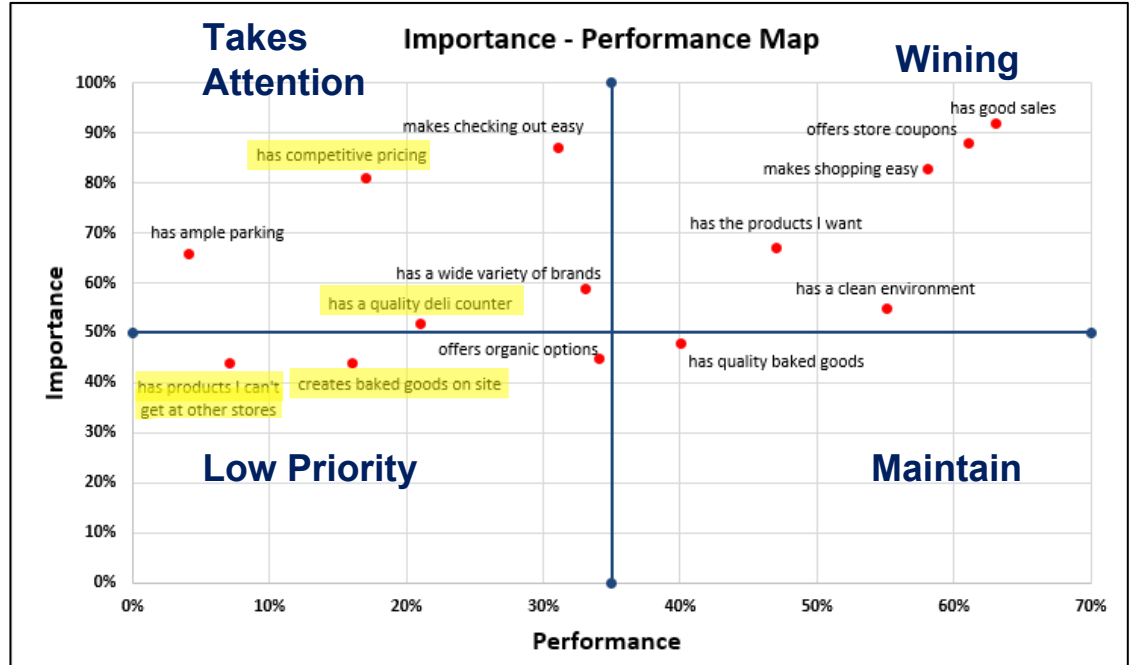
Attributes	Preference	Purchase Intent	Recommendation	Loyalty
has competitive pricing	0.679	0.701	0.732	0.781
has good sales	0.297	0.376	0.284	0.351
has quality baked goods	N/A	0.241	0.183	0.163
has a quality deli counter	0.260	N/A	0.149	0.118
creates baked goods on site	0.080	N/A	0.127	N/A
has products I can't get at other stores	N/A	0.164	N/A	0.108

- The table demonstrates the standardized coefficients of significant predictors for each customers' behavior (outcome).
- Across four customers' behaviors, both **"has competitive pricing"** and **"has good sales"** are the top 2 significant aspects to affect customers' preference, purchase intent, willingness of recommendation and loyalty.

# **Recommendation on Key Drivers**

# Key Drivers

Based on Importance-Performance Analysis and Key Driver Analysis, we will suggest the client brand to reallocate the budget on the aspects marked yellow to improve current performance.



# Recommendation

We separate the recommendations into two parts based on the importance of aspects in the IPA map.

## Top Priority (Takes Attention)



### ***Good customer service:***

We suggest to **do monthly customers satisfaction survey**, ensuring customers keep satisfied with the service such as delivery counters and handling customers' complains in real time.



### ***Competitive pricing:***

We suggest to **provide seasonal discount**, not limited the discount to holiday (Black Friday or Christmas).

## Secondary Priority (Low Priority)



### ***Baked goods:***

We suggest to **promote the bakery goods on social media** and **provide free samples of items**, making baked goods get good exposure.



### ***Products differentiation:***

We suggest to **launch unique products from client brand**, thus differentiating client brand with others.