

CASE STUDY

Perfecting the combo ratio to appeal to shoppers needs



dunnhumby Shop

Feedback from supplier:

“Using customer insights through the dunnhumby tools like Shop has helped us to identify winning combos that provide value to shoppers and that work exceptionally well in the less affluent retailer environment.”

Retailer behaviours post the 2 initial promotions

The retailer was so impressed by the positive results that they continued to run this promotion regularly.

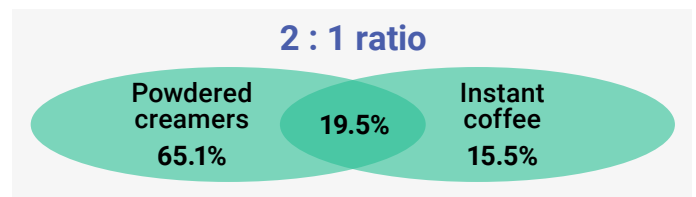


Challenge

- The largest segment in coffee (Instant coffee with **97%** sales share) was losing Price Sensitive shoppers (-**3.2%**) within a less affluent retailer
- Instant chicory (contributing **80%** sales share within instant coffee) is losing **-0.09pts** in basket penetration

Insights

- **Coffee creamers** was seen as a top product within the instant chicory coffee basket which was identified using the basket report
- The interaction between the 2 segments was high, with **19.5%** of shoppers purchasing across the 2 segments which was derived from the cross-shop report
- The cross-shop report also helped determine that customers who purchase in both these segments purchase in a ratio of 1x instant chicory coffee to 2x creamers
- 2 promotions were therefore implemented offering 2x powdered coffee creamers & 1x instant chicory coffee



Results

Promotion 1

- **48%** of baskets contained the combo offer
- Coffee creamers & instant chicory coffee grew ahead of the category (**+52.6%** & **+64.3%** respectively, with the category growth of **+15%**)
- The promotion appealed to Price Sensitive shoppers
- Instant chicory saw an increase in basket penetration which was **3.5x** higher than outside of the promo period

Promotion 2

- **57%** of baskets contained the combo offer
- Coffee creamers & instant chicory coffee grew ahead of the category (**+992.8%** & **+437.6%** respectively, with the category growth of **+166.3%**)
- The promotion appealed to Price Sensitive shoppers & attracted more Price Sensitive & Super Price Sensitive shoppers versus outside of the promo period
- Instant chicory saw an increase in basket penetration which was **2.1x** higher than outside of the promo period