

CASE STUDY

# Understanding customers to recover sugar category sales



## dunnhumby Shop



## Challenge

- The Price Sensitive format from the Retailer had a decrease in sales of regular sugar due to price increases and an increased price gap vs main competitors.
- The commercial team approached dunnhumby looking to have relevant customer data, profiles and behaviour, and a proposal to recover category sales.

## Insights

- It was found that the decrease in sales for the category was concentrated in one specific big size package (regular sugar 2kg) while smaller presentations presented growth in sales.
- It was also found that smaller packages were not cannibalising bigger presentation and the main source of losses for big size packages was customers abandoning the category.
- More than half of the customers (**52%**) who abandoned sugar were still buying other food grocery categories in the format.

## Results

- It was recommended to increase the use of loyalty programme promotions to attract customers who had abandoned the sugar category in the previous period but still buy groceries at the Retailer.
- Sugar category growth of **+75.9%**, **+375%** sales increase and **+153%** sales increase for impacted SKU after 23 weeks of continuous promotions for customers.
- **+7.52pts** sales penetration increase for impacted SKU.