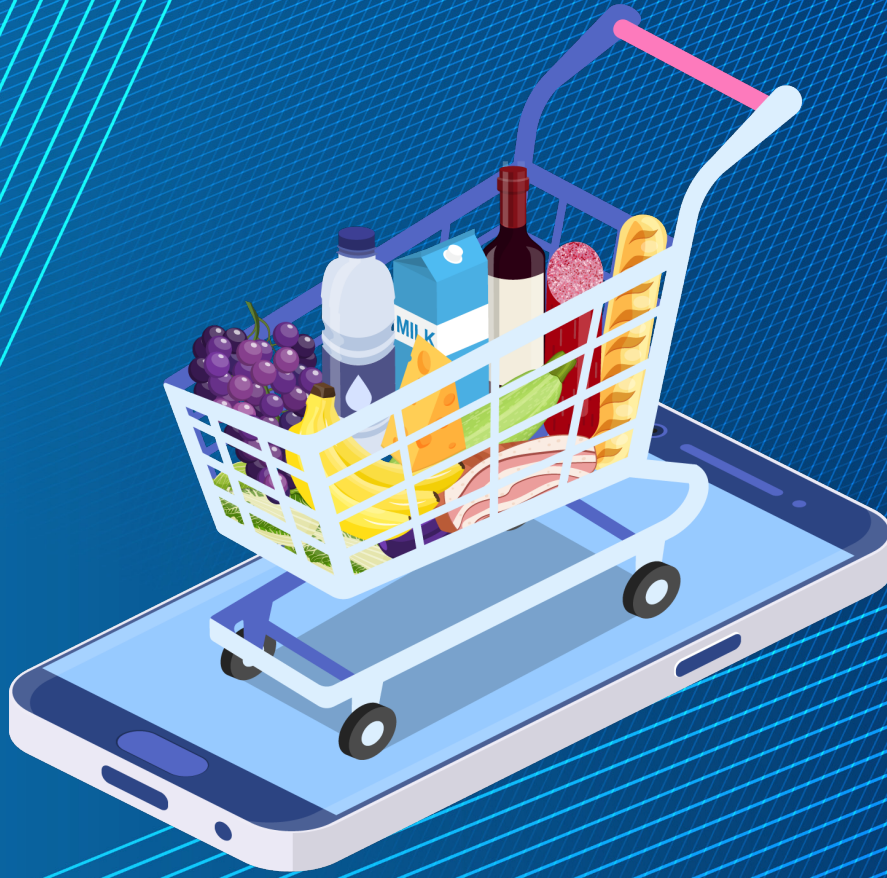




Numerator



SIMA THOUGHT LEADERSHIP DATA SERIES: PART 1

Category Management and Shopper Insights in an Omnichannel World:

The importance of understanding data collection methodologies and usage opportunities for superior shopper insights and activation.

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INTRODUCTION

Zetabytes and zetabytes...we are inundated with data. The acceleration in the growth rate of available data is unprecedented. As we move forward in leveraging all of this information, there is no doubt we will become increasingly dependent on automation and machine learning to allow us to get to the real value of the data and thus, the insights and activation.

This acceleration in the amount and types of data also means that it is critically important to understand the source of the data, the methodology behind the data capture and the value for potential insights.

This is the first in a series of SIMA Thought Leadership white papers that focus on data specifically used within category management and shopper insights, the methods of data collection and the potential use cases. For this paper we will focus on the most common data sources, which are Retail Point-of-Sale (POS), Loyalty Data, Consumer Panels and Shopper Journey Surveys.

DATA CONSIDERATIONS

Before we delve into the data, we have a few points of importance to note:

1. Data nuances

Every data set has nuances which give the data its own personality. For example, some databases may offer a lot of depth in detail (capturing all elements of a purchase), while missing breadth of coverage (such as the number of retailers) --but the data are still very valuable. Some may be great in terms of the coverage, while excluding important little details like size, flavor, item-level detail, etc.—it may still be of value for insights, depending on your usage and objectives.

Understanding each source's nuances is important to knowing when it is appropriate to use each data set.

2. Different does not mean wrong

Our industry uses many different data sets and this can sometimes lead to confusion. We may have data points on the same element, coming from different sources and methodologies that do not match. The tendency is to call one of these wrong, which may or may not be the case. In some instances, different numbers may be just that – different. Unless there is a comparative data set that is ‘Truth Data,’ we may have to decide which set of numbers we feel more ‘comfortable’ with (which makes the knowledge of the appropriate use cases for a data set all the more important).

3. Validation: an often-misused term

Similar to ‘different’ not being wrong, we often see the term validation misused when comparing multiple data sets for the same data elements. There is definitely a tendency to try to validate a new data set against known data to see if the numbers are aligned. Without absolute ‘Truth Data’ this exercise can be misleading and can only be considered a comparison, not a validation. Users of the data must also be careful in calling a data set ‘truth’ ...be sure the truth is really the absolute known fact.

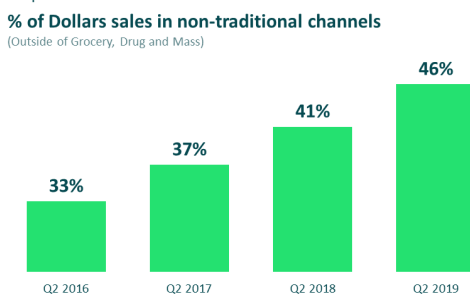
IMPORTANCE OF OMNICHANNEL DATA

Effectively competing for shoppers’ attention in today’s complex shopping environment requires an omnichannel view of shopping behavior. Non-traditional channels like Online, eCommerce, Specialty and Small Format are becoming as important as the more traditional Brick & Mortar Grocery, Drug, and Mass channels in capturing shoppers’ dollars. The implications are clear: as companies look for growth, marketing strategies need to be omnichannel focused. Shoppers consider online and offline a seamless experience and where possible, our data should reflect this.

Figure 1: % of Dollar Sales Outside Traditional Channels (Grocery, Drug, Mass)

Non-traditional is becoming the new traditional.

As companies look for growth pockets, POS and traditional Brick & Mortar-based panels obscure growth in the marketplace.



Data Source: Numerator B&M and Mini-America Statics, Basket Sales, 6/30/18-6/29/19

DATA SOURCES TO BUILD SHOPPER INTELLIGENCE

A myriad of data sources are available to support shopper research in building an understanding of shopper behavior, each serving a different role in providing shopper insights. This paper in the series will focus on the data sources most commonly used in category management and shopper insights: Retail Point-of-Sale (POS), T-Log, Loyalty Data, Consumer Panels and Shopper Journey Surveys. We'll cover the methods of data collection and the potential use cases for each of these data sets, with a particularly deep dive in to panel data and analytics.

RETAIL POINT-OF-SALE (POS) DATA

POS data are transactional data that are fundamentally used for measuring sales at an individual retailer. It is collected by store scanners that record the sale of every unit – scanned from every shopper and every shopping trip. These data are collected directly from retailers by store, by week and by UPC. Syndicated POS data (typically available through Nielsen, IRI or NPD) aggregates retail POS data to a channel level for traditional Brick & Mortar (Grocery, Drug, Mass, Club, DIY, Apparel, etc.) from a set of cooperating retailers. In some cases, POS providers also deploy auditors to collect in-store causal conditions (presence of features or displays, display locations, point-of-sale materials, etc.) to enhance the store sales data.

POS data has inherently subjective aspects but remains (in most instances) the most appropriate data source for “what happened”. The source of these subjective aspects can be divided into two primary areas: customizations by the manufacturer and data harmonization by the solution provider.

POS data notoriously has inherent subjective aspects but remains in most instances the most appropriate data source for “what happened” in the brick and mortar world.

Customizations include the category definition (which UPCs are included and excluded), hierarchy (including which segments are broken out or collapsed together), at which level of the hierarchy baseline is calculated (which impacts the dynamics between promoted and nonpromoted volume), and customized attribution.

Data harmonization includes channel-level data projections to compensate for a sampled store methodology (algorithm applied to balance using a portion of predictive stores for the chain vs. complete census store data at Total US, regional and retailer market area levels). Algorithms also exist for predicting trends in promoted and nonpromoted sales (baselining), as well as for replacing store data that could be missing for a period of time due to system upgrades, consolidations, data capture damage, new UPCs and other incomplete reporting.

POS data for a category can vary widely from manufacturer to manufacturer and is often a source of confusion with the retailer, at best. Much effort goes into ensuring that, at a customer team level, the manufacturer and retailer data sets align – most commonly for dollar sales and % change vs. year ago for the category topline, as well as key segments and brands. There is nothing worse than sitting in front of a buyer who refutes the data, regardless of the great story it tells. With the advent of cloud computing, these holes in the data are much less frequent than in the early days of POS data reporting.

Many manufacturers have a custom internal view of the data (especially public companies that must report to Wall Street on share) vs. the syndicated external view. Many retailers provide access to their view of the data to save time and prevent these misunderstandings.

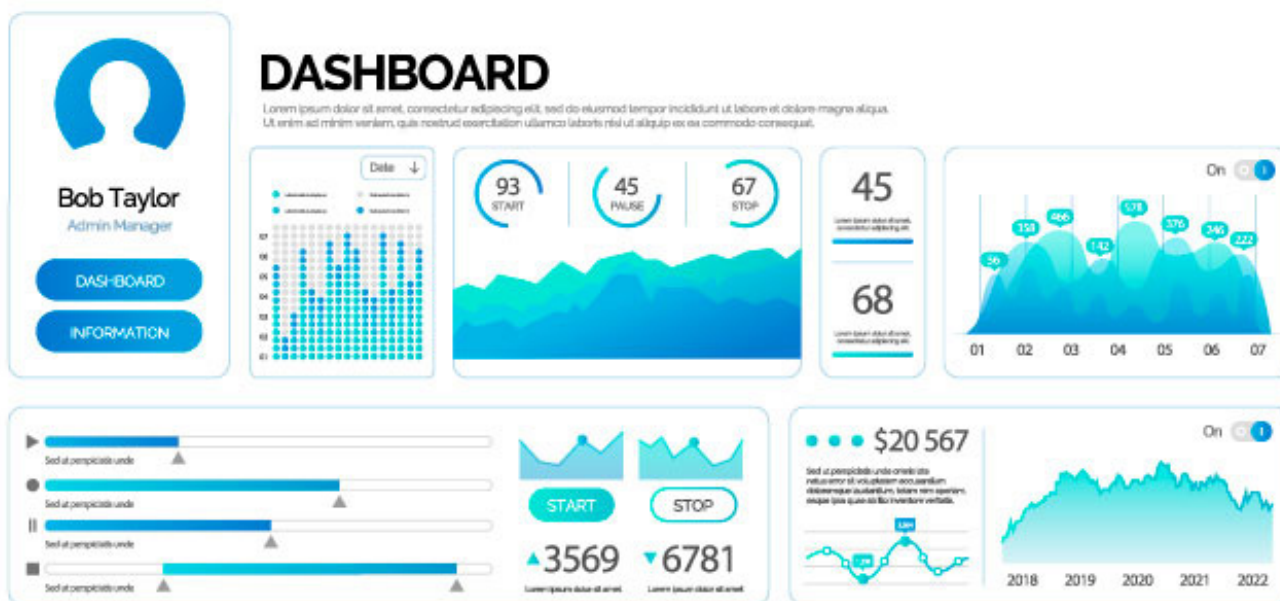
Because of its method of collection, retail POS data provides the most accurate and granular data for what it is intended to measure, namely, sales at a specific retailer. It is the best source of data to answer questions such as:

- What are my category sales at a given retailer (in the syndicated POS data set)?
- What factors are driving sales performance (price, distribution, velocity, etc.)?
- What is my share within a given geographic area and how does that compare to my competition?
- Where does my product have an opportunity gap?
- What are my top selling SKUs at a given retailer?
- What is my average price (and what is my price gap to private label)?

Retail POS data are best used to track performance from a volumetric, distribution and pricing perspective, not only within the manufacturer walls as KPIs, but also with the retailer partners. Most manufacturer sales leaders are incentivized on sales growth objectives (dollars) as measured by POS. Their category management counterparts are graded based on overall distribution gains, points of distribution on key core items, as well as new item penetration.

Retail POS is a good data source for counting sales and performance measurement within the stores and channels it is available. From a category management perspective, it is a primary data source used in assortment analytics. Of course, additional data (that can demonstrate interaction between items, brands and their impact to the category, as well as shopper importance metrics) should also be layered into a robust assortment recommendation.

Figure 2: Retail POS Metrics Drive Dashboards (example)



In summary, POS data are best used for tracking sales, share, distribution, in-store price/promotion and sales lift – but not as a source for understanding the behavioral aspects of sales (i.e., “what” but not “why”). Depending on the retailer’s level of engagement, and whether or not your company is a category captain, some POS may provide excellent coverage. To gain a clear picture of the Total US, multiple solution providers’ data must be purchased. Not every retailer releases their data to every solution provider. Still other retailers choose to keep their data either completely confidential or they share with category captains only.

TRANSACTION LOG (T-LOG) DATA

T-Log data come from the retailers' transactional data set and are less frequently used than other data types. These data are extremely granular individual basket data that can be used to understand what is purchased together, understand categories and items most frequently found in baskets, and the value of an average basket. There is always a privacy concern with masking or releasing personal shopper information (which also exists within loyalty data), so these data are typically shared with select vendors who have demonstrated capabilities with managing large data warehouses, bringing best-in-class insights to bear on the business, and are trustworthy enough to keep the data confidential and not share with other retailers or customers teams within the manufacturer. Some retailers may opt to provide reports based on these data rather than releasing it in its entirety.

LOYALTY CARD DATA

Loyalty Card data are longitudinal purchase data collected from an individual retailer's shopper base. Shoppers generally sign up for a Loyalty Card (or provide their phone number to link to their loyalty account) in an effort to get extra promotions and perks, often including retailer-specific offers and fuel points, and sometimes guidance on how to eat healthier or other member benefits. Some retailers also use credit card information to create a data set where shoppers do not have to sign up to participate (or to augment their loyalty-card-collected shopper data).

Loyalty Card data provides information on what specific shoppers are buying in the retailer's stores. This shopper insight can be helpful for understanding how categories and brands are performing within the retailer – in terms of attracting their current shoppers, evaluating how much shoppers are spending in that retailer on a category, examining what categories tend to be in the same shopping baskets within the retailer (to look for cross promotional ideas) and for targeting the store's shoppers with specific shopper marketing activations.

Typical Shopper questions addressed by Loyalty Card data include:

- What % of the retailer's shoppers purchase the category (or a specific brand or item) in the retailer's stores?
- Do these shoppers come back and buy the category (or brand or item) in the retailer again?
- How often do these shoppers buy the category in the retailer's stores?
- How much do they spend on the category or on adjacent categories in the retailer's stores (in total vs. on the average shopping occasion)?
- What retailer shopper segments should I focus on and how are the segments different from each other?
- What are the best programs to target specific shopper segments in the retailer's stores?

Since demographic information about the shopper is not usually collected during the sign-up process (it is typically limited to very basic information such as name, address and email address), third party data is often used to model demographics onto the Loyalty Card data. This starts to provide some context around "who" these shoppers are most likely to be.

Although Loyalty Card data provides an understanding about a retailer's shoppers, since it is specific to a single retailer, the insights and activation would be primarily used for those retailers and not the full omnichannel market. In some cases, there are aggregators who may have multiple card data, giving you a broader picture of the shopper behavior.

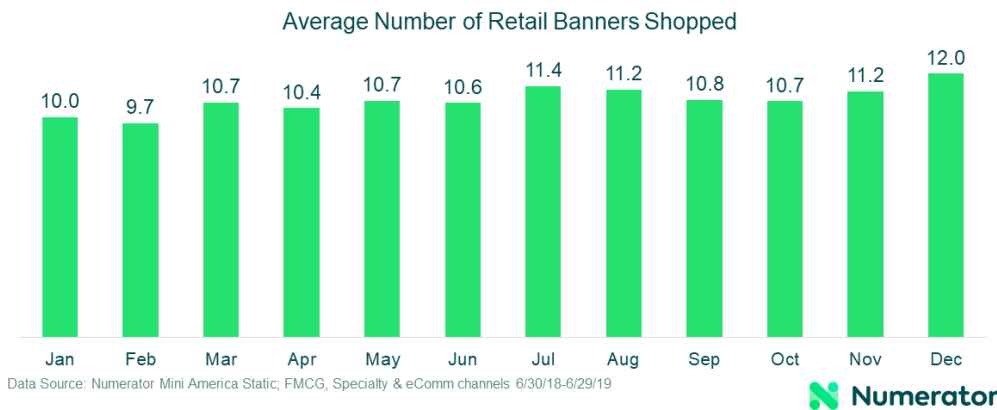
Loyalty card data can also be used in very specific shopper marketing programs for an individual retailer, making the targeting capabilities very effective and efficient. This capability is becoming more and more popular as retailers and manufacturers look to personalize the shopping experience with curated offers based on shopper behavior.

PANEL DATA

Another type of data set that is of critical importance in today’s world is Consumer or Shopper Panel data. Most shoppers today do not shop at only one store or retailer. In fact, the average shopper makes purchases in 10 to 12 unique retailers in any given month.

Figure 3: Average Number of Retailers Shopped by Month

On average, consumers shop in 10-12 unique retailers each month



This means that insights about things like channel shifting (how spending varies across channels), “leakage” (shoppers buying the category in a different retailer), share of wallet (percent of total spend on a category among known category shoppers) or other cross-shopping/cross-retailer behaviors are critical to being able to understand omnichannel shopper behavior. Other data sources do not provide these types of insights. For these types of critical insights, one must turn to Consumer or Shopper Panel data.

Consumer Panel data is also a longitudinal data source in that it tracks the same shoppers over time. These data are collected by recruiting a panel of households or shoppers that provide ongoing data on what they buy. It is a diagnostic tool for understanding reasons behind sales levels and trends (what shoppers buy, how they buy, and why they choose to buy). It contextualizes product movement in terms of who the shopper is by providing additional household or person attributes.

Panel metrics provide insights that help us understand what is happening with consumers and shoppers to drive the overall behavior reported in retail POS data. For example, they can help determine whether a decline in sales is due to fewer households buying the category or due to existing buyers purchasing less than they did previously.

This means that insights about things like channel shifting, “leakage”, share of wallet or other cross-shopping/cross-Retailer behavior are critical to being able to understand omnichannel shopper behavior.

As is common knowledge in the industry, panel metrics are dissected into two primary components: penetration (the % of households buying) vs. buy rate (the amount the average buyer spends when they buy). Buy rate can be further segmented into two key components: purchase frequency (how many times a buyer buys, measured by the number of purchase occasions) and spend per trip (how much, on average, buyers spend each time they buy).

Different marketing levers can then be used to impact shopping behavior, depending upon where the best opportunities lie. For example, to attract a higher number of buyers, an advertising strategy might be used to increase penetration. Or, to encourage buyers to purchase more, a stock-up strategy could be implemented to increase spend per trip, thereby increasing overall buy rate of existing shoppers.

Figure 4: Marketing Strategies that Impact Panel Metrics

Panel Metric		Marketing Levers Used to Impact
Penetration		Advertising Changes in Product Offering Trial and/or Travel Packs Coupons Displays In-Store Product Sampling
Buy Rate	Purchase Frequency	Smaller Package Sizes In-Pack/On-Pack Promotions Sweepstakes/Contests Coupons Displays Advertising Alternative Uses
	Spend per Trip	Buy One Get One Type Deals Larger Package Sizes Bonus Packs Displays with Larger Sizes

Panel data is a very robust data source that provides many more insights beyond just a basic understanding of the underlying shopper components driving sales. It can provide other important attributes and deeper diagnostics of buyer and shopper behavior that are essential in building the right omnichannel approaches to reaching shoppers and maximizing opportunities. In addition to collecting what panelists are buying, a significant amount of other information can be collected from the panelists to enhance the ability to segment and examine their behavior from a demographic, psychographic and attitudinal basis.

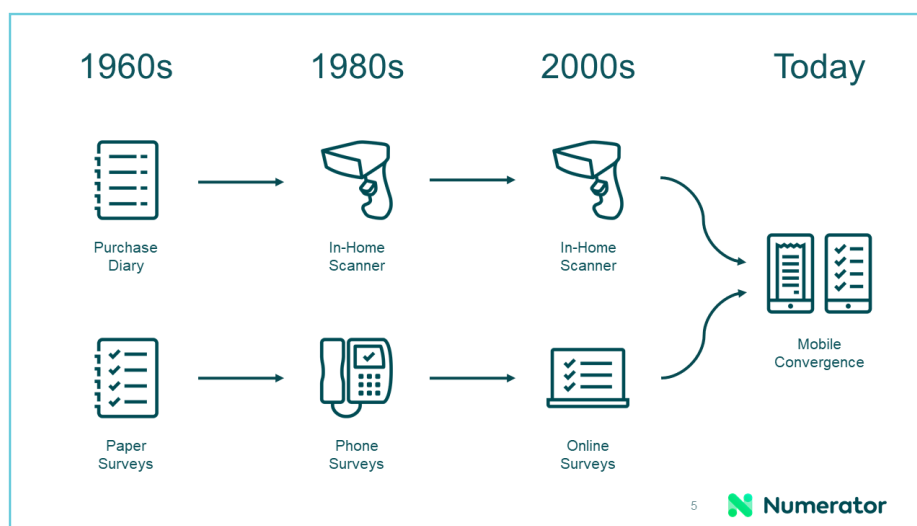
With all of its rich content, Panel data is a powerful complement to retail POS data to help answer questions such as:

- Who is buying the category and what is their profile (both in terms of demographics and shopping/buying behavior)?
- What is driving sales for the category (penetration, buy rate, etc.)?
- What else is in the basket when a given category is being purchased?
- What categories are a retailer’s shoppers buying outside of that retailer and where are they shopping for them?
- Why are they buying (what attitudes, beliefs, interests drive them)?

The Evolution of Panel Data

Panel data has evolved over time, as the industry has leveraged the technology available for collecting data on the shopping and purchasing landscape of consumers and shoppers. Initially, Panel data was collected via paper diaries where the (typically female) homemaker would painstakingly write down everything she purchased for a selected number of categories in a paper booklet. From there, in-home scanner technology took over, which enabled richer data with less burden on the individual panelist. Key metrics were entered into the scan unit, such as price, presence of deal, and whether or not a coupon was used. Note that this created the idea of “perception of deal” (whether or not that promotion was truly in place, or recognized by the shopper, at the time the item was purchased). Another downside of this methodology is that not every item gets scanned and certain categories can be understated, such as baby items (diapers and wipes), pet food and bottled water. In addition, entire trips could be missed, especially very small, item-specific, mission-based occasions such as party supplies and convenience store snacking.

Figure 5: The Evolution of Panel Data



Scanner technology is still in use today, although much easier interfaces and more modern technologies are now available such as receipt capture.

Modern Technology:

Leveraging the technology that shoppers already have at their fingertips (their Smartphone) takes the burden off them for reporting their shopping trips. Snapping a quick picture of their receipts takes only seconds using a gamified app that’s similar to app interfaces they already know and use. Because of this, panelists can record all of their trips across all outlets, channels and trip types. The panel company can then use machine learning to transcribe the receipt and input the data elements into the database. Of course, similar to nuances with scanner technology, some receipts may not always be captured as it is up to the panelist to report the receipt.

it is important to know the data set you are working with and the pros and cons and breadth and depth of the data.

Additional receipt capture for reporting shopper behavior also includes online receipt scanning. In these cases, there are software apps used by the shopper that serve a function (tracking their budget, organizing email, etc.) and while they serve the shopper, the shopper has an opt-in to allow the receipts to be ‘read’ via machine, capturing the details of the purchase such as item, price, number of units and total basket.

Modern Data Exchange Contract:

With today’s shoppers, it is essential to be upfront about data access and usage. Using a transparent opt-in for panelists to share receipts and participate in a clear exchange of value is preferable to undisclosed participation.

Modern Channel Coverage:

Some panels have superior coverage and depth of coverage in Brick & Mortar while some panels have data collection that has been specifically designed to capture omnichannel buying, irrespective of shopping location. As mentioned in the opening of this paper, it is important to know the data set you are working with, the pros and cons, and breadth/depth of the data.

Modern Forum for Input:

Issuing shopper surveys to panelists, asking them about their attitudes, impressions and reasons surrounding shopping and purchase behavior, is a robust opportunity for the use of panel data and accesses respondents with validated purchase behavior instead of claimed behavior. This can enable the frictionless and holistic collection of behavioral and attitudinal panel metrics from a single device that is always with today’s shopper.

UNDERSTANDING YOUR OBJECTIVES

Of course, it’s important to use the right data set and analytics to meet your objectives – and as mentioned up front in this paper, knowing the methodology will enable you to match your objectives to the data. For panel data, you will want to know:

- Retailer Coverage: What retailers are included in the reporting?
- Brand Coverage: Are the data available at UPC level? If not, at what level is product reporting available? Does the data set include brand, sub brand, etc.?
- Category: Can the category definition be customized?
- Granularity: What are the sample size counts at the various levels of granularity (including channel and retail banner level)? Where do the data begin to breakdown due to low sample counts?

APPLICATION OF PANEL DATA IN AN OMNICHANNEL WORLD

If the objectives of your analyses include a true omnichannel view, you will want to make sure the panel covers both online and offline behavior. Shopper marketers can develop the right strategies for growing category sales and help their retail partners uncover the best ways to grow their business.

The strategies used in the past may not be the most effective for today’s shoppers. For example, historically, a big focus was put on stock-up trips driving category

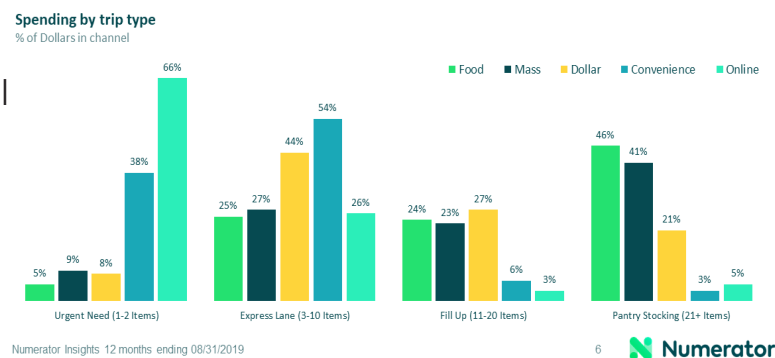
growth. However, an omnichannel view reveals that this is not true for every channel – in fact, smaller trips drive the majority of Online trips (the exact opposite of traditional Brick & Mortar outlets).

There are implications of these insights for traditional retailers as well, as they strive to execute strategies like “Click & Collect” (aimed at making it more convenient for their shoppers so that they capture as many of their shopping trips as possible). Understanding what categories tend to be in the smaller Online trips, in order to promote or convert these category purchases into a “Click & Collect” trip, provides insightful information to drive growth for the retailer.

Figure 6: % Spending by Trip Type

The importance of stock-up trips varies greatly across different channels.

Stock-up trips are more important for food and mass, while smaller trips fuel online and c-store.



There are many different omnipanel-based analyses that are helpful to Insights and Category professionals. Two of the more commonly used analyses include:

Leakage and Share of Wallet

This analysis focuses on answering questions around how much of a particular category's purchases are going to other retailers. Shoppers who purchase a category and who shop in a particular retailer are identified. At this point, they do not have to buy the category in the retailer, the important characteristics for the segment of shoppers to be analyzed are that they are A.) known category buyers and they are B.) known shoppers of the retailer.

The reasonable assumption is if these shoppers want to buy the category, and they are already shopping in the retailer's stores, then they should be able to be converted to buying the category in the retailer's stores. If they aren't, why aren't they?

Two groups are identified from this segment of shoppers: "Closers" (shoppers who did buy the category in the retailer) and "Non-Closers" (the retailer's shoppers who did not buy the category in the retailer but did buy the category somewhere else).

Purchase data is then used to help quantify how many of the retailer's category shoppers are buying the category in the retailer's stores vs. elsewhere (Closers vs Non-Closers) and how much they are spending.

Additional shopping insights are then provided among the Closers to examine how much of the total spend of these shoppers the retailer is capturing, where the missed spend is going (which retailers), and what are the top items that these shoppers tend to buy outside of the retailer.

Two key metrics are used to provide essential insights for the retailers and Category Managers:

- **Share of Wallet:** typically refers to the percent of spend that the retailer's category buyers are spending on the category in that retailer (what they are capturing).
- **Leakage:** typically refers to the percent of spend that the retailer's category buyers are spending elsewhere (missed opportunity of the purchases being "leaked" to other retailers).

Specific business questions for the Shopper Marketer that can be addressed include:

- Are shoppers buying the category at my preferred retailers, or somewhere else?
- Which retailers are doing the best job of converting a category's shoppers into category buyers?
- Which retailers are losing category dollar volume to other retailers, and to what other retailers are those "leaked" category dollars going?
- Is a retailer's category leakage a result of shoppers buying the category elsewhere, or simply buying less of the category overall?
- Which particular shopper groups or demographic groups are driving category dollar conversion or "leakage" (dollar loss) at a particular retailer?

This same type of analysis can be done at the total retailer level to examine the total spend of a retailer's shoppers. Here, the analysis is focused on where else they are shopping and what they are spending in those retailers overall.

It should be clear to shopper marketers how important it is to have an omnichannel view of the shoppers' behaviors when assessing Leakage and Share of Wallet type metrics. For example, an attempt to understand how a traditional Brick & Mortar retailer should set strategies using data that is void of Online purchasing may miss the mark. Understanding behavior in online and offline shopping is of the utmost importance.

Basket Affinity

This type of analysis looks at what else tends to be in the basket when a given category is also present. In other words, it examines the likelihood that two products are purchased on the same shopping trip.

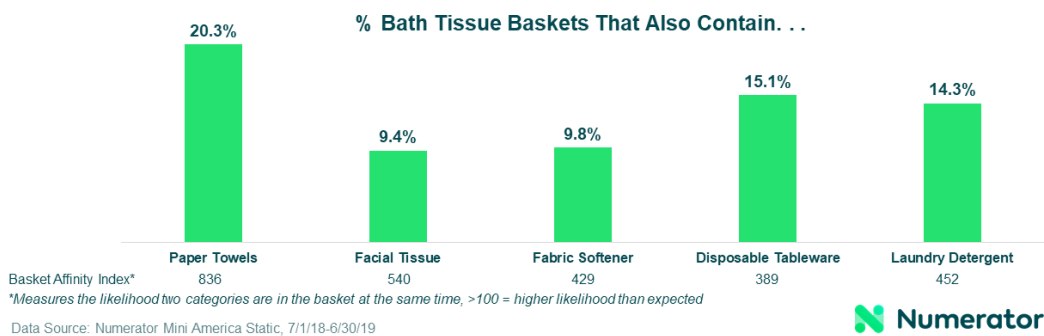
Where Loyalty Card data can provide similar data within a single retailer, the advantage of omnipanel data is the ability to compare these types of category baskets across retailers, as well as the ability to look at a retailer's entire franchise (e.g., Walmart, including both the Brick & Mortar and Online purchases).

For example, if a Brick & Mortar retailer is attempting to set the right strategies for “the most effective cross-category promotions aimed at recapturing shoppers who are migrating to Online shopping,” having an omnichannel view is extremely valuable.

Typical business questions addressed by this type of analysis include:

- What else is in the basket when a given category is being purchased? How does this vary for traditional Brick & Mortar vs. Online/eCommerce baskets?
- What percentage of trips that contain my category also include an adjacent category?
- How much do shoppers spend on the basket with and without my category?
- Is the propensity for two products being cross-purchased significantly higher than would be expected?
- When an adjacent category is purchased along with my category, how does that impact the amount spent on my category?
- Are retailer baskets larger when two categories are purchased together, indicating the combination drives incremental sales for the retailer?

Figure 7: Basket Affinity Example
Top 5 categories that are more likely to be in Bath Tissue Baskets in Walmart



When using the Basket Affinity data, be sure to look at the key metrics in harmony. For example, one must be aware of how many baskets apply to each product before making any assumptions about data applicability. In essence, understand that a high Affinity index could be driven by inadequate sample size. Secondly, it is critical to consider the percentage of basket appearances in conjunction with the Affinity index, as shown in Fig. 7 above. This gives a relativity scale of importance, lending additional teeth to the Affinity metrics (or likelihood of two products being purchased on the same trip).

GOING DEEPER WITH SURVEY

After uncovering shopper insights from panel data, surveys are often used to dive into the “why” behind buying and shopping behavior, to better inform the Shopper Marketer’s plan. The three main areas where surveys are often used are: 1.) to help brands understand how to drive their innovation, 2.) build their brand, and 3.) optimize the shopper’s path to purchase. Below are a few examples of how surveys can help optimize the path to purchase.

Shopper Journey Surveys

By digging into the shopper journey you can glean a better understanding of key purchase triggers – whether it is when a need was triggered, when the product was first encountered, when the product was experienced or when a product is bought (or not bought) again – along the path to purchase. These rich insights can be leveraged to improve brand positioning and strategy.

Typical business questions answered by these types of surveys are:

- How do shoppers plan their purchases? (online vs. in-store, need state and awareness)
- What drove their brand choice at the shelf? (price, value, availability and packaging)
- What were the other brands that were considered during planning or purchase? (portfolio or competition)
- How well does the product meet the shopper’s needs? (quality, variety and unique benefits)
- How loyal are your buyers? (willingness to recommend to others)
- How is the brand performing throughout the consumer journey? (Zero, First and Second Moments of Truth)

Lapsed Shopper Surveys

After identifying lapsed shoppers, it’s important to understand why they left. Lapsed Shopper Surveys can help win customers back to a brand by better understanding what motivates shoppers, their omnichannel activity and their purchase behavior.

Typical business questions answered by these types of surveys include:

- Why is my brand declining?
- How have out-of-stocks and/or inventory challenges contributed to recent declines?
- What are the drivers of recent sales declines and leakage?
- What factors have contributed to switching behaviors?
- What usage occasions are we missing?
- Where does my brand fit and what do we do next?
- What are the key ‘barriers’ to purchase

Leakage Surveys

After leveraging panel data to understand the retailer performance for shopper segments (Closers and Non-Closers) and examining the top items that Non-closers (shoppers who shopped in the Retailer but who did not buy the product in that Retailer) were attracted to in other Retailers, surveying the Non-closers to find out why they buy elsewhere can be immensely helpful. By understanding the why behind their actions, strategies can be created to change that behavior.

Typical business questions answered by leakage surveys include:

- Why are shoppers choosing another retailer to buy my brand?
- Why are shoppers choosing online or in-store?
- What factors have contributed to switching behaviors?
- What do shoppers think of one retailer versus another?
- How can I encourage shoppers to close?

A growing area within Shopper Research involves the integration of surveys with omnipanel data. Since some panels are receipt-based, surveys can be fielded to their panelists via the same app they use to provide those shopping receipts. This gives a more holistic understanding of consumers' purchase behaviors and opinions. In fact, these surveys can be targeted to panelists with validated shopping and purchase behavior (instead of claimed behavior), thereby eliminating the need for screeners, shortening surveys and triggering those surveys in the right moment to minimize recall bias.

USING THE RIGHT DATA SOURCES FOR THE RIGHT SHOPPER INSIGHTS

In order to develop actionable and volume-driving Shopper Marketing [SB1] strategies, it is important to use the different data sources that are available for the right applications. For example, Retail POS data is good at measuring sales for the stores in which POS is available. So, in many cases, (if Retail POS data is available) building a solid understanding of the marketplace and sales trends for the categories and adjacent categories should start with this data source. Retail POS data can provide important clues on why sales and share levels could be changing (due to distribution changes, promotional activities, competitive pricing activity, new competitors entering the marketplace, etc.).

Panel data then provides complementary diagnostics and insights around how consumers are reacting to those changes and activities. It helps drill down into shopper behavior responses and reasons for the Retail POS-observed change. For example, are category buyers shifting their purchases to different channels, have their attitudes toward a Retailer's private label products changed, to what extent are they taking advantage of new distribution options (like Click & Collect) when they shop for a category, etc.

It is essential when working with both retail POS and Panel data to keep in mind how these two data sources have been designed and why they are different. Because retail POS and Panel data are two different data sources, they will not match. Panel data will have more fluctuation to it, given its sample variability (Panel data represents the shopping and purchasing behavior of, in some cases, hundreds of thousands of households, whereas retail POS data picks up purchases from virtually all households from the retailers and outlets where it is collected).

Sometimes, Retail POS data will have "blind spots" that a panel might cover (such as eCommerce, Specialty Outlets and other non-cooperating POS retailers). As such, the "Total Outlet" universe actually being included or measured is different.

One additional caution on the use of retail POS vs. Panel data. Given the lack of POS data for eCommerce and Online sales, it is tempting to try to use Panel data to fill this void. While Panel data (especially when designed for omnichannel coverage and high consumer engagement) can provide insight around consumer and shopper behavior in this area, using it as a diagnostic tool is still the best option.

Insights and Category professionals can and should use Panel data to understand shopping behavior in these difficult to measure outlets, however, using these data as a sales tracking and share tool requires a careful approach, as Panel data is not specifically designed to provide the precision for tracking sales and share as is retail POS data. The user needs to know the strengths and weaknesses in leveraging panel data for tracking purposes, and proceed with caution.

SUMMARY

Shopper Insights, Shopper Marketing, and Category Management professionals have many different data sources available to help identify the right marketing strategies and tactics, but there is not a “one size fits all” option.

Researchers and analysts need to understand the differences between the key data sources so that they are aware of the strengths and weaknesses of each of them as they build out their plans. The best and most effective plans will leverage multiple data sources and focus on an omnichannel approach, and two critical components in building these plans are retail POS data (where it is available) and Panel data.

The analyst as well as the end-user of the data must understand the collection methodology and nuances of the data in order to properly use the data, and thus identify opportunities for growth from both a strategic as well as a tactical perspective. All users must keep in mind that every data set has strengths and weaknesses and understand how to leverage them.



Numerator

About the Authors

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Sue is an established market research principal, bringing broad experience in both consumer insights and shopper insights. At Numerator, Sue helps demystify the Numerator OmniPanel, building a bridge from conventional thinking on consumer panels to the disruptive panel capabilities of Numerator. Prior to joining Numerator, Sue spent over 30 years immersed in consumer and shopper insights at Nielsen. Sue studied Mathematics at Cornell College, with an MBA from the University of Iowa.

Heather Cahoon

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Holistically combining discrete datasets to tell actionable stories about human behavior is Heather Cahoon's passion. Her current role with The Shopper Insights Management Association (SIMA), where she leads content generation, enables sharing her blended research and category management expertise with the CMA/SIMA membership. Cahoon has had a keen eye for innovation and leveraging technology throughout her career, while leading teams for Top 10 category management manufacturers, and calling on every class of trade in the industry. At InfoScout (now Numerator), she heavily influenced use case development from the rich and emerging data source. At IRI, Cahoon developed revolutionary analytical approaches combining advertising and controlled store testing with panel data applications.

Leslie Warshaw

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Curiosity, passion and a vision for the industry is what brought Leslie Warshaw to the SIMA organization. Although she has been in a variety of research and product development roles throughout her career, her current focus is with The Shopper Insights Management Association (SIMA) where she is responsible for overseeing all of the organizations' activities including membership, publications, training and best practices. Previously, Warshaw experienced the bay-area start-up world where she led the CPG practice at Rakuten Intelligence (formerly Slice Intelligence), a source for data and analytics around online shopper behavior and at InfoScout (now Numerator). Before that, she was Global Senior Vice President of Product Development at Kantar and at Nielsen where one of her roles was as Vice President of Product Development and Sales. At Nielsen, Warshaw played an instrumental role in the development of groundbreaking products that linked purchase behavior with media targeting as a way to measure the sales ROI of media spend.

About CMA/SIMA

CMA/SIMA is a professional association that helps members succeed and win with shoppers. CMA/SIMA does this by furthering thought leadership, professional development, and industry best practices for Shopper Insights and Category Management professionals worldwide. The Association is the only industry source for certification that ensures entire teams are qualified to practice category management and consistently produce actionable shopper insights.

About Numerator

Numerator is a market intelligence firm that brings together omnichannel marketing, merchandising, and sales data to make pursuing new possibilities simple for brand, retail, and agency clients. Numerator is the only company in the marketplace to connect omnichannel purchase data and comprehensive path data to deliver an unmatched view of the consumer shopping and purchase experience. The Company serves over 2,000 customers across a wide variety of market intelligence categories.