

Retail Segmentation and Drivers of Shopping

General Merchandise Retail Industry



Situation

- Client wanted to **better understand customers** via customer relationship management (CRM) database – which segments present, which most profitable, how brand reputation impacted behaviors, what would drive more traffic to stores
- CRM database previously mined; brand perception insights and drivers of customer behavior were missing
- **Client held leading position in industry and wanted to maintain/increase it**



Insights and Model

- Primary research conducted on customers, linked to the customer database, and non-customers. Chief competitors included in the evaluation
- Confirm that preferred messages had the desired overall effect, and **which of these messages worked best for each segment**
- Conducted **driver analysis at the segment level**, yielding quadrant maps of importance by performance, across competitors



Outcome

- **Identified perceptions and key drivers by segment**, enabling tailoring communication across segments to increase loyalty
- Analysis **provided communication plan** to enable movement of guests up “loyalty ladder” from least engaged to most dedicated shopper
- Outlined competitive perceptual advantages client had over competition and available white space in which to dominate the industry