



## Monthly Metrics #1: Why understand Category Role?

Traffic



Spend



Monthly Metrics is a new series from Shopper Intelligence aimed at enhancing your teams' understanding of shopper metrics and helping them to draw meaningful implications for your category and customer strategy. In the first instalment we look at Category Role.

Understanding Category Role...it's a core part of any good category review and rightly so – this is where we can start to get a sense of what it is that defines the DNA of a category according to shoppers. Fundamentally the aim here is to identify category characteristics that help us to define the possible growth levers for the category, and this growth can only really come from two different sources:

1. Gaining more shoppers in the category (Traffic)
2. Getting our existing shoppers to spend more money or trade-up (Spend)

Of course, there's more to it than just Traffic and Spend – different categories will have different traits across these broad areas, hence the need to dig a little deeper:

		Traffic →					Spend →			
Traffic	Spend	Main Reason I Go Shopping	Don't Want To Run Out	Promotions Encourage Shopping	Price Beacon	Retailer does well (loyalty)	Often Buy Extra	Incremental New and Different	Don't Mind Paying More	Buy Because I Feel Like It
Average of all 5 'traffic' statements	Average of all 4 'spend' statements	HEAVY INVESTMENT IN PRE-STORE COMM.	REGULAR PRE-STORE COMM. IN STORE PROMPT	DRIVE PRE-STORE PROMO ACTIVITY	SHOPPER MARKETING INVESTMENT – USE OF FLYER/MAG	IMPORTANT TO DO THIS CATEGORY REALLY WELL – DIFFERENTIATE TO COMPETITION	LEVERAGE PROMO DEALS AND INSTORE VISIBILITY	HIGHLIGHT NEW PRODUCTS	LOOK TO PREMIUM OPTIONS	STRONG IN-STORE VISIBILITY AND SECONDARY DISPLAY

At Shopper Intelligence we define a category's ability to drive **TRAFFIC** through 5 traffic driving metrics:

1. Main reason to go shopping
2. Don't want to run out
3. Promotions encourage shopping
4. Price beacon
5. Retailer does well (loyalty)

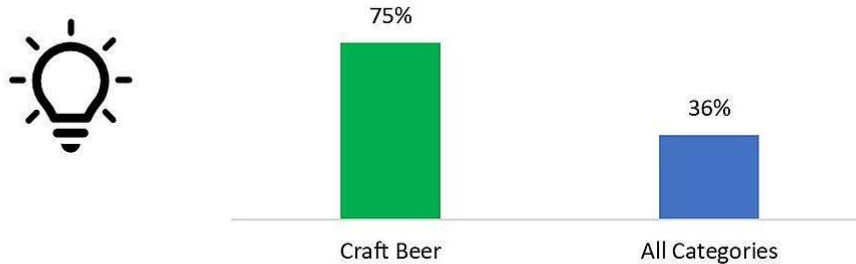
And a category's ability to drive **SPEND** through 4 spend driving metrics:

1. Often buy extra
2. Try new and different
3. Don't mind paying more
4. Buy because I feel like it

Each of these will require a different strategy for how the category should consider tackling the path to growth.

### Example: Craft Beer

#### “willing to try new and different”



Craft Beer is the number 1 category across the whole store for which shoppers agree they are “willing to try new and different”, this highlights the high potential the category has for NPD.

Clearly innovation should be a core part of the category growth strategy...but who and how to target? A logical next step would be to identify a target shopper group for this strategy.

In this example we identified some unique shopper traits from our data to show how this could be achieved for a category:

1. Agreement is higher in the over 40s (77% vs 69% for under 40s)  
Implication: communications must be age appropriate
2. Agreement is higher in more affluent shoppers (81% for ABC1 vs 62% for Others)  
Implication: innovation can target a premium strategy

3. Agreement is higher in Male shoppers (82% vs 62% for female)  
Implication: target male shoppers with messaging and comms
4. Agreement is higher for Main Shop shoppers (77% vs 72% for top-up)  
Implication: mission will be an influence so consider larger pack-sizes for innovation

Clearly this is just one element of the potential strategy and there are other areas we should explore to further develop the most appropriate tactics to give the best chance of success.

Next month we'll share thoughts on the significance of understanding Shopping Mode (Grab & Go) and the implications this presents.