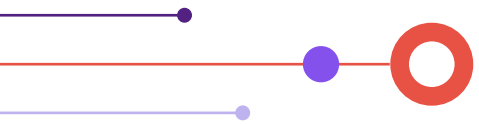
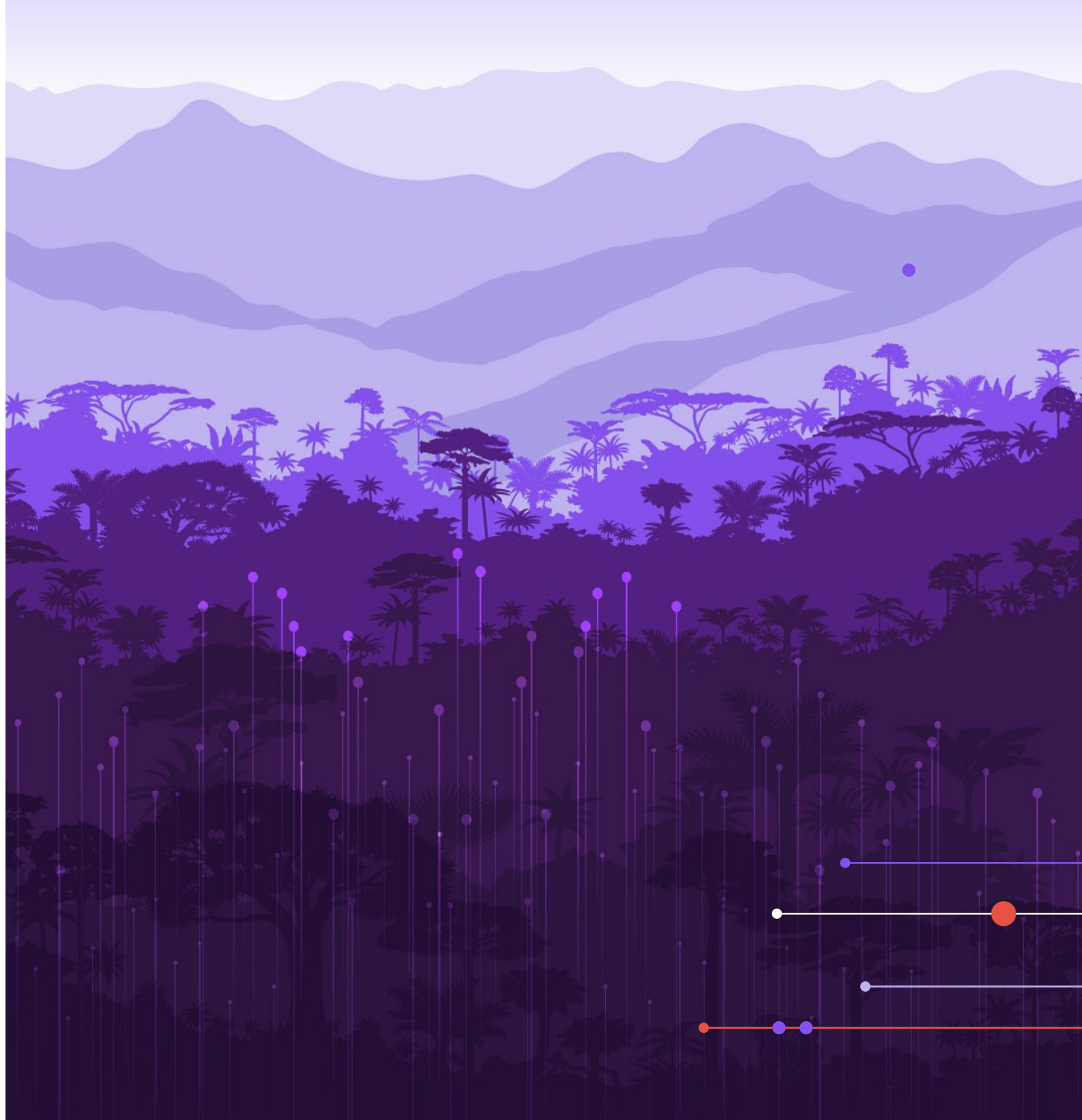


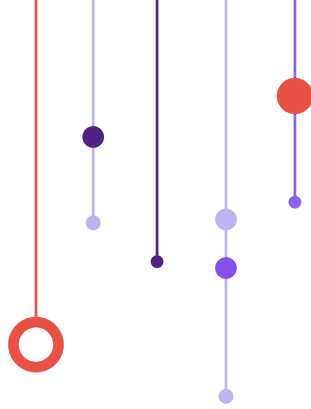
34.51°



Navigate the data jungle:

THE QUEST
TO FIND THE
MISSING SALES





Diagnosing the cause of declining sales and identifying a solution is an all-too-familiar project for many teams. Learn how data science and an understanding of shopper behavior equips teams with the insights they need to pinpoint the problem and prescribe a strategic mix of short- and long-term solutions to find the missing sales.

What you'll learn

- 1. ANALYTICAL INSIGHTS:** How to use data science tools to understand how, where and why sales are declining
- 2. ACTIONABLE RECOMMENDATIONS:** Develop actionable short-term, mid-term and long-term strategies to address a sales decline



LET'S GET STARTED



SETTING THE SCENE

Here's the scenario – you work for a major sports drink manufacturer of “Jungleade.” Your CEO called you concerned about May’s declining sales compared to April. You have been asked to identify the root cause and quickly recommend an action plan for getting back on track.

Choose from the following options to find the right answer.

First, you need to understand HOW your sales are declining

OPTION A: CATEGORY SALES ANALYSIS

Analysis to see if
**total category sales
are down**



CLICK HERE

OPTION B: NEW PRODUCT ANALYSIS

Analysis to see if any
**new products are stealing
share from Jungleade**



CLICK HERE

OPTION C: NEW, LOST, RETAINED ANALYSIS

Analysis to investigate
**New, Lost and Retained
households for Jungleade**



CLICK HERE



OPTION A: CATEGORY SALES ANALYSIS

The top line represents sports drink category sales and the bottom line represents Jungleade sales. We see category sales increase in spring, which makes sense for that time of year, but Jungleade is not following the trend.

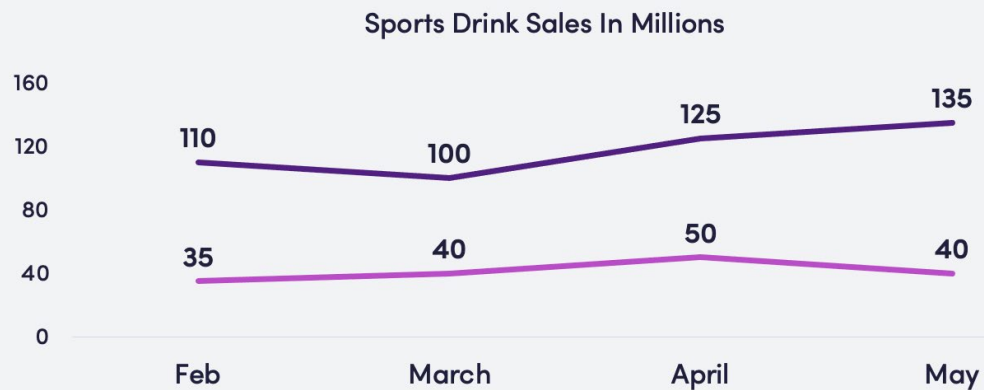
PRO TIP:

Always account for seasonality and category trends in your analysis to remove any bias. In this case, category shrink is not the source of the sales decline.



Category sales have remained stable and do not seem to be driving Jungleade's declining sales.

● Category sales ● Jungleade sales



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Let's try a different option:



[CLICK HERE FOR OPTION B:
NEW PRODUCT ANALYSIS](#)



[CLICK HERE FOR OPTION C:
NEW, LOST, RETAINED
PRODUCT ANALYSIS](#)

OPTION B: NEW PRODUCT ANALYSIS

In this graph, we see innovation sales or sales from new products only represent 10% to 20% of total category sales for April and May of 2023 and 2024.

PRO TIP:

Look at both current trends and YoY trends in your analysis.



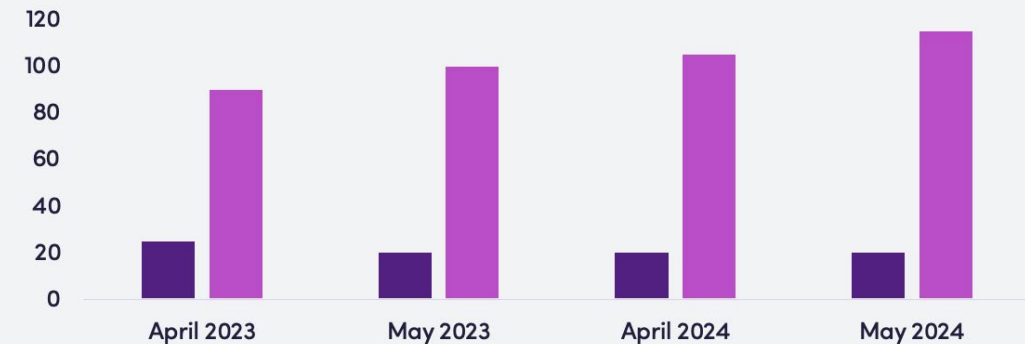
Innovation sales are not driving declining Jungleade sales as they have remained relatively stable YoY and MoM.

Although it is not the culprit, innovation is important to watch and respond to as it can dramatically change a category's trajectory.

Innovation sales are not driving declining Jungleade sales as they have remained stable or declined YoY and MoM.

● Innovation sales ● Non-innovation sales

Innovation Sales Comparison In Millions



[CLICK HERE FOR OPTION A:
NEW CATEGORY ANALYSIS](#)



[CLICK HERE FOR OPTION C:
NEW, LOST, RETAINED
PRODUCT ANALYSIS](#)



OPTION C: NEW, LOST, RETAINED ANALYSIS

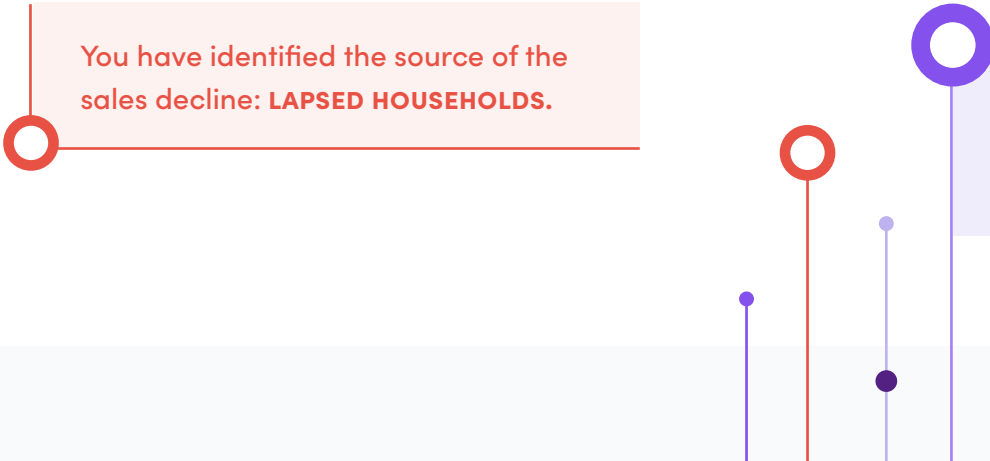
In this example we see that from March to April, 50% of households were retained, 26% were new and 24% lapsed.

PRO TIP:

Always strive to have a new to lapsed ratio greater than 1, also known as “filling the leaky bucket.”



We see that ratio flips from April to May, as lapsed households increased to 27% of purchases for our brand.



You have identified the source of the sales decline: **LAPSED HOUSEHOLDS.**

THIS TYPE OF ANALYSIS CAN ONLY BE CONDUCTED WITH DATA COLLECTED OVER LONG PERIODS OF TIME, SUCH AS 84.51°'s **LONGITUDINAL DATA.**

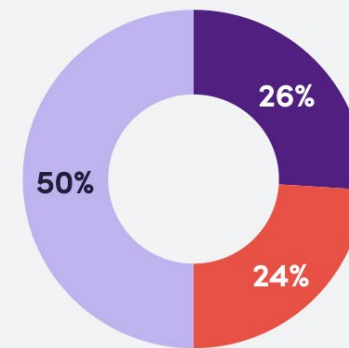


CONTINUE TO NEXT PAGE

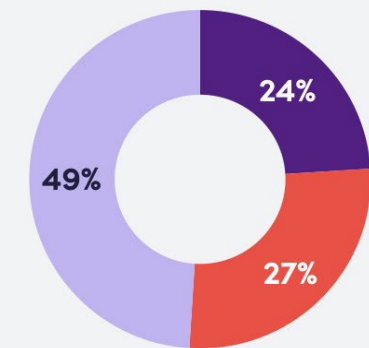
Lapsed households seem to be driving the decreased sales for Jungleade.

● New ● Lapsed ● Retained

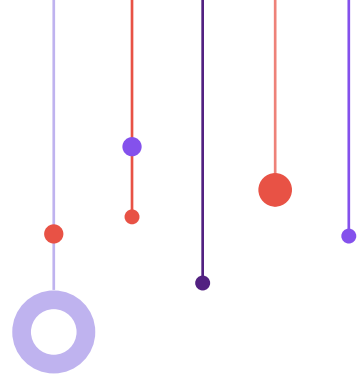
Jungleade March to April
New, Lost, Retained Analysis



Jungleade April to May
New, Lost, Retained Analysis



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Next, we need to understand **WHERE** our sales are going.
Choose from the following options to find the right answer.

Our options are:

OPTION D:
**DETERMINE IF LAPSED
HOUSEHOLDS ARE GOING
TO A COMPETITOR'S BRAND**



OPTION E:
**DETERMINE IF LAPSED
HOUSEHOLDS STOPPED
SHOPPING THE CATEGORY**



OPTION F:
**DETERMINE IF LAPSED
HOUSEHOLDS STOPPED
SHOPPING KROGER**





SPOILER ALERT:

A lapsed household deep dive analysis answers all three questions at once

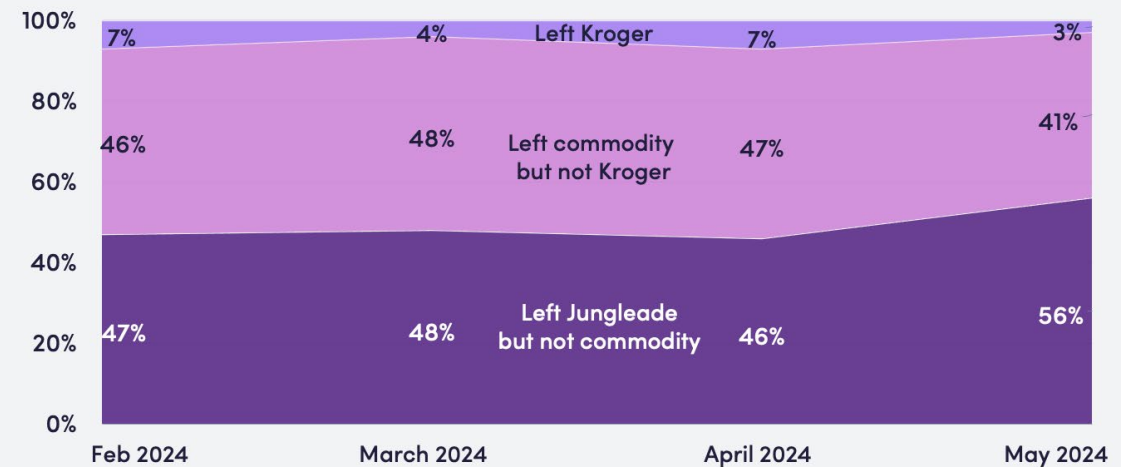
Here we see that lapsed households are primarily still at Kroger with an even split between remaining in the category and buying other products vs. leaving the category entirely.

We also see that the amount of households that left Jungleleade but remained in the category increased in May, suggesting they are going to a competitor's product. So, let's dive deeper there.



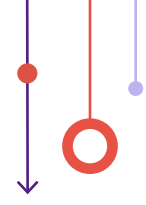
CONTINUE TO NEXT PAGE

Lapsed households are primarily still shopping at Kroger.



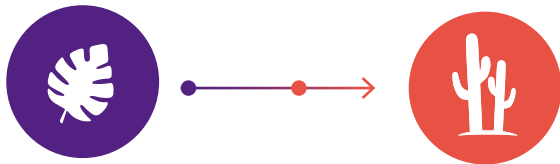
SAMPLE CODE WITHIN 84.51° COLLABORATIVE CLOUD ENABLES CLIENTS TO RUN THIS ANALYSIS OUT OF THE BOX.





A DEEPER DIVE

At the bottom left of this chart we see of all our lapsed households. The majority are going to a competitive brand named Desertade.



Now that we know that our lapsed households are moving to Desertade, we need to identify WHY they are leaving.

Three options to consider:

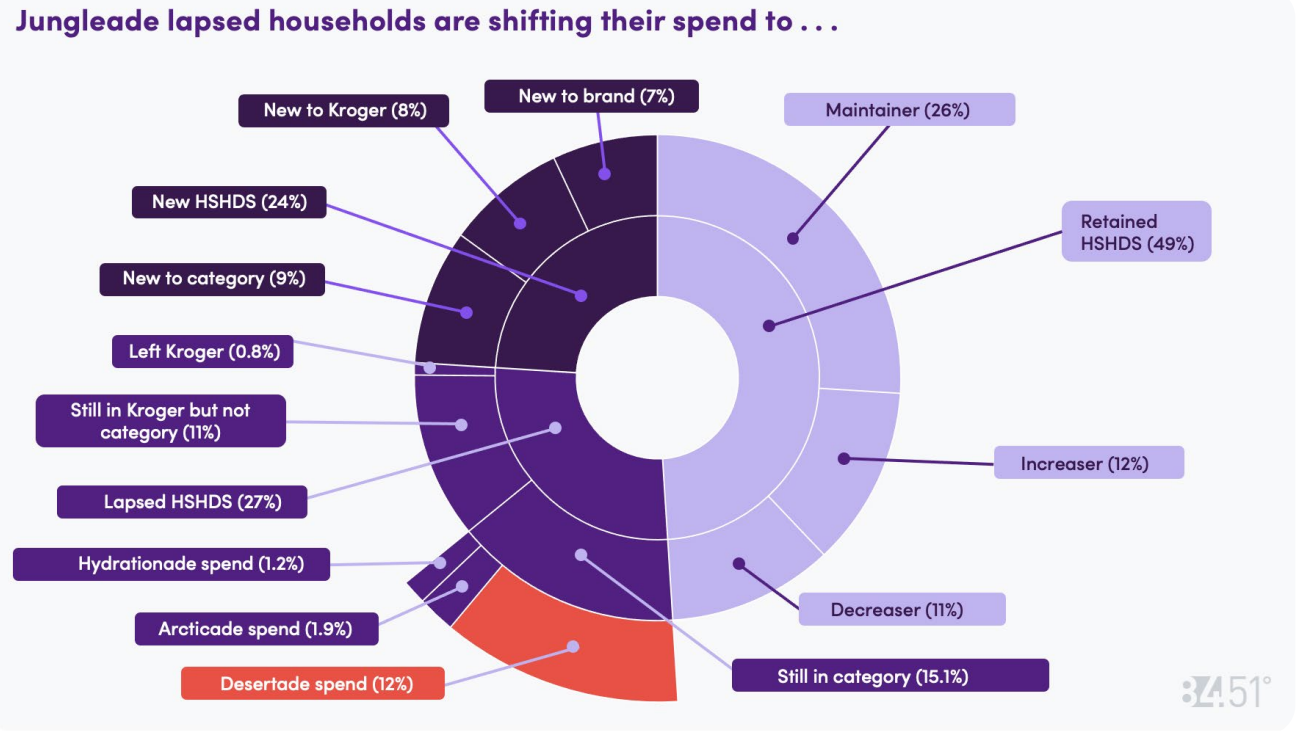
**OPTION G:
PRICE COMPARISON
ANALYSIS**

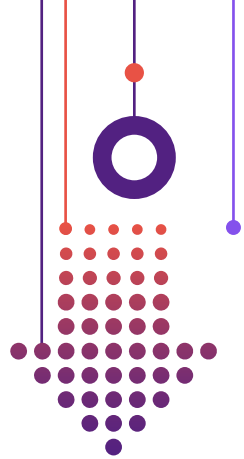


**OPTION H:
FLAVOR COMPARISON
ANALYSIS**



**OPTION I:
PACK SIZE
ANALYSIS**





OPTION G: PRICE COMPARISON ANALYSIS

Using 84.51° Collaborative Cloud Customer Dimensions, we see a few things in the data.

- First, price does not seem to be an important factor for those leaving our brand.
- Second, we see that our loyal households tend to be more quality focused.
- Lastly, we see that both lapsed and loyal households are health focused, which makes sense for the sports drink commodity.

None of the customer dimensions seem to be the reason customers are leaving our brand.



CLICK HERE FOR **OPTION H:**
FLAVOR COMPARISON
ANALYSIS



CLICK HERE FOR **OPTION I:**
PACK SIZE ANALYSIS

Looking at 84.51° customer price dimensions, we do not see that the lapsed households are motivated by price.

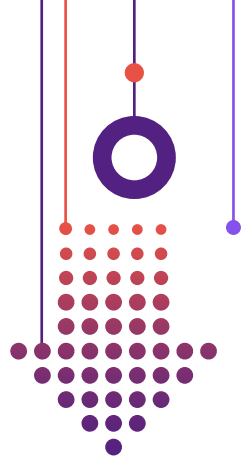
Customer Group Vs Category Average Benchmark	Price Affinity Index	Quality Affinity Index	Convenience Affinity Index	Health Affinity Index
Lapsed Jungleade buyers who went to Desertade	101	95	105	125
Still loyal Jungleade buyers	98	124	102	126

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PRO TIP:

Keep an eye out for indexes **over 120 and below 80**. These should be evaluated further.





OPTION H: FLAVOR COMPARISON ANALYSIS

Utilizing 84.51° Collaborative Cloud's product attributes, lapsed households do not appear to be driven by any specific flavor. While interesting, none of the flavors strongly resonate with our lapsed households, suggesting that flavor is not the reason why customers are leaving the brand.



[CLICK HERE FOR OPTION G:
PRICE COMPARISON ANALYSIS](#)



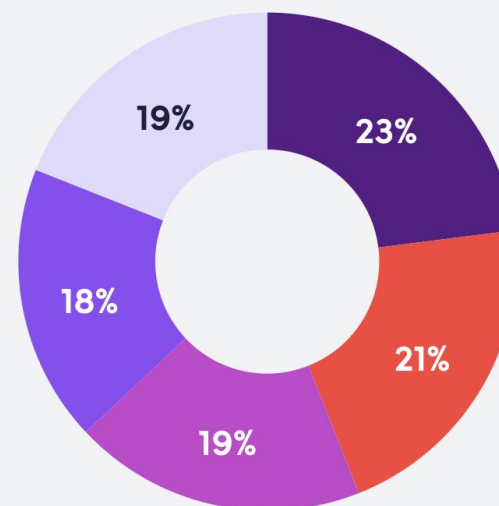
[CLICK HERE FOR OPTION I:
PACK SIZE ANALYSIS](#)



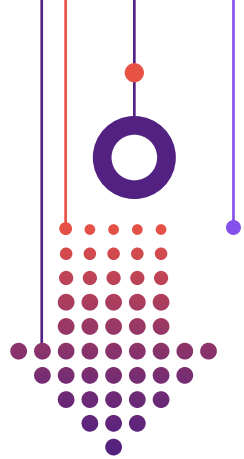
No specific flavor resonates with our lapsed households.

● Cherry ● Grape ● Lemon ● Orange ● Apple

Lapsed Jungleade Sales of Desertade By Flavor



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OPTION 1: PACK SIZE ANALYSIS

By comparing our pack size options to Desertade and taking into consideration where the majority of lapsed households dollars converted to, **it appears that lapsed households are leaving Jungleade for the larger pack size provided by Desertade.**

This seems logical because it's springtime and team sports are returning. Larger pack sizes might be more convenient for sports teams and those training outdoors.

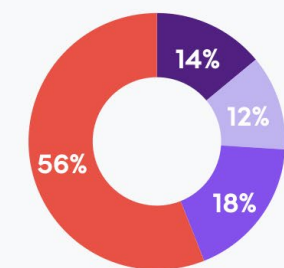
To confirm that the 24-pack is a better fit for our customers, we'll do one last analysis.

Looking at which pack size gained the most share from our lapsed customers, we see the 24-pack seems to be driving the conversion.

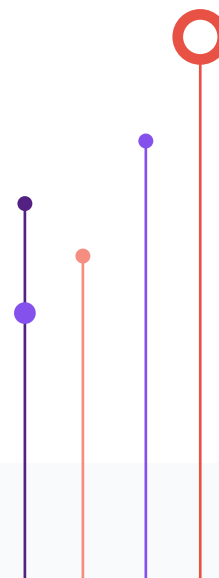
Jungleade Product Sizes	Desertade Product Sizes
Single-pack	Single-pack
6-pack	6-pack
12-pack	12-pack
18-pack	24-pack
36-mini-pack	

Lapsed Jungleade Buyers Sales of Desertade by Pack Size

● Single ● 6-pack ● 12-pack ● 24-pack



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[CLICK HERE FOR CROSS-SHOP ANALYSIS](#)

CROSS-SHOP ANALYSIS

We see in the chart to the right that the 24-pack and any other size are often bought together less than expected.

We also see the smaller pack sizes do get purchased more frequently together.

This confirms that the **24-PACK** seems to be important to a specific subset of sports drink customers.

The Cross-Shop results confirm the 24-pack is not substitutable for other sizes and preferred by a subset of sports drink consumers.

Basket Level Cross-Shop Results

Anchor Product	Comparison Product	Total Visits	Anchor Product Visits	Comparison Product Visits	Combination Visits	Expected Visits	Overlap Index
Desertade 24-pack	Desertade 1-pack	28M	8M	16M	1.7M	4.6M	37
Desertade 24-pack	Desertade 6-pack	28M	8M	9.5M	1.3M	2.7M	48
Desertade 24-pack	Desertade 12-pack	28M	8M	3.3M	0.4M	0.9M	44
Desertade 1-pack	Desertade 6-pack	28M	16M	9.5M	7.6M	5.4M	140
Desertade 1-pack	Desertade 12-pack	28M	16M	3.3M	2.2M	1.9M	116
Desertade 6-pack	Desertade 12-pack	28M	9.5M	3.3M	1.2M	1.1M	109

Expected Visits = (Anchor Visits/Total Visits)*(Comparison Visits/Total Visits)*Total Visits



Now that we know HOW we are losing sales, WHERE those sales are going and WHY, we will recommend WHAT to do about it.



CLICK HERE FOR **RECOMMENDATIONS**



ACTIONS: HOW JUNGLEADE TURNS AROUND DECLINING SALES

We decide to take three actions to improve our brand performance:

SHORT-TERM ACTION

Offer a personalized coupon to lapsed customers looking for a large quantity sports drink option, such as a Buy 2, Save \$3 coupon to improve the value.

MID-TERM ACTION

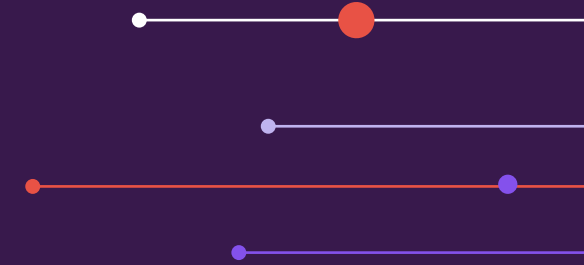
Because we noticed from our earlier analysis that our brand resonates with shoppers focused on quality, we enhance our Product Detail Pages and optimize our search engine key words to highlight the quality of Jungleade.

LONG-TERM ACTION

Finally, we decide to test adding a larger pack size to our Jungleade portfolio. We then collaborate with Kroger to deploy a small scale test to determine if this larger pack size resonates with shoppers.



[CLICK HERE FOR RESULTS](#)



RESULTS:

HERE'S A PREVIEW OF POTENTIAL OUTCOMES

SHORT-TERM ACTION: PROMOTION

Send “Quantity” offer (Buy 2, Save \$3) to lapsed Jungleade households to win them back.

RESULT 1

Campaign to 750K households achieved an iROAS of 1.12X and a \$152K uplift in Jungleade sales. Estimated monthly campaign could increase Jungleade sales by **\$1.8M annually**.

SOLUTION:

84.51° COLLABORATIVE CLOUD
ACTIVATION PACKAGE

MID-TERM ACTION: MESSAGING

Highlight “Quality” over “Quantity” on Jungleade’s Product Detail Pages to engage loyal customers and reduce lapsing households.

RESULT 2

Display changes reduced lapsed households by 0.8% and increased new households by 1.1%, adding **\$2.3M annually**.

SOLUTION:

84.51° COLLABORATIVE CLOUD
DIGITAL JOURNEY DATA

LONG-TERM ACTION: ASSORTMENT

Launch small in-store test for new 24-pack as part of assortment.

RESULT 3

Test stores outperformed control stores in Jungleade sales by 1.6% (92% significance) and category sales by 0.2% (94% significance). Scaling this launch enterprise-wide could boost Jungleade sales by **\$7.7M annually**.

SOLUTION:

84.51° COLLABORATIVE CLOUD
CONTROL STORE PACKAGE

UNLEASH DATA SCIENCE TO DRIVE GROWTH FOR YOUR BRAND

OUR SOLUTIONS:



Make data science a competitive advantage by using 84.51° Collaborative Cloud, the ideal data science platform that puts the 84.51° industry-leading data in an easy-to-use environment, enabling companies to unleash the potential of their own data science teams.

EXPLORE FURTHER >

Bring together your experts and ours. Write your own data science code on our transaction-level data. Take advantage of our science building blocks as accelerators or chart your own path with billions of transactions and data enabling you to own your data science future.



84.51° Stratum is our self-serve analytics solution that combines rich customer behavioral insights with retail performance measures to deliver science-powered insights. This platform is powered by the most robust first-party transaction-level data from 62 million households and our cutting-edge data science. Designed for business users in a no-code platform, it delivers holistic insights at scale.

These insights help inform strategies and drive results for new product innovation, omnichannel growth, brand performance and merchandising.



Kroger Precision Marketing (KPM) is the retail media business of Kroger designed to make brand advertising more effective by closing the loop between media exposure and store sales. Powered by 84.51° data science, and Kroger's popular loyalty card program, KPM connects consumers to brands through engaging moments that inspire purchasing online or in-store.

For more information, reach out to your dedicated insights account manager or insights@8451.com.



ABOUT US

84.51° is a retail data science, insights and media company. We help The Kroger Co., consumer packaged goods companies, agencies, publishers and affiliates create more personalized and valuable experiences for shoppers across the path to purchase.

Powered by cutting edge science, we utilize first-party retail data from over 62 million U.S. households sourced through the Kroger Plus loyalty card program to fuel a more customer-centric journey using 84.51° Insights, 84.51° Loyalty Marketing and our retail media advertising solution, Kroger Precision Marketing.

