



DECISIONTree

Improve your in-store activation through better shopper understanding

Challenge

How can Manufacturers and Retailers ensure that their categories are laid out in a way that makes them easy to shop?

Which aspects of the products at point of sale are more or less relevant?

Are you price discounting or promoting products unnecessarily when another aspect may be more important?

DECISIONTree Solution

Ipsos' proprietary quantitative **DECISIONTree** tool is mainly used as an input to determine how a category should be merchandised in-store. By analysing the way people shop and aligning the fixture layout to the shopper choice mechanism, you make the shopping process easier and increase shopper satisfaction. This solution derives the key measures for purchasing different categories in different stores. It enables a planogram to be constructed which intuitively meets the needs of shoppers. Different **DECISIONTrees** can be derived for different retailer's shoppers, shopper types, channels etc. This helps in designing tailored merchandising solutions. In addition, rationale for avoiding de-listing can be supported by the product/brand loyalty score which demonstrates the degree to which a product may have a unique role in a range.

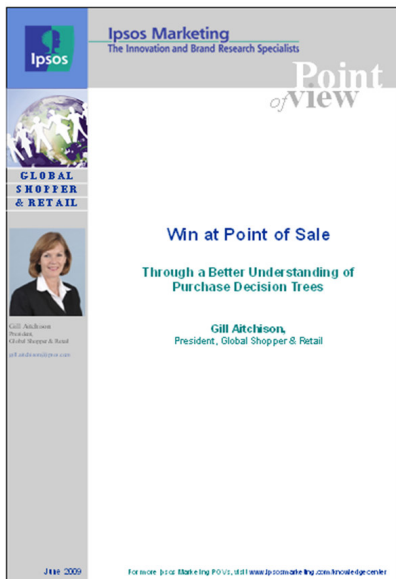
DECISIONTree Methodology

Approach: The Ipsos **DECISIONTree** approach uses a derived approach. We do not directly ask shoppers to rank or tell us what is important or how they decide, but take them through a real life process based on an Out of Stock model, **ascertaining acceptable alternatives** if their first choice is not available; in effect a trade-off exercise but in a real life situation.

The shopper is asked to nominate their first choice product from the category and what they would choose if this product were not available. This is repeated a number of times. Product attribute differences and similarities are noted (e.g. pack size, pack format, flavour, price etc.) and this information is analysed to describe the **DECISIONTree** for the sample population. Product attributes are pre-determined based on category knowledge or qualitative pre-work.

Sample: A minimum of 200 category buyers are required in order to create the simulator and draw meaningful conclusions. This can be boosted for retailer's main shoppers or brand users.

Data Collection Vehicle: Ideally in-store in front of the fixture but can be done in a Shopper Lab (mock store) or hall test using mock-up shelves. In certain cases, an online approach might be possible using scanned-in product images displayed on a virtual shelf.



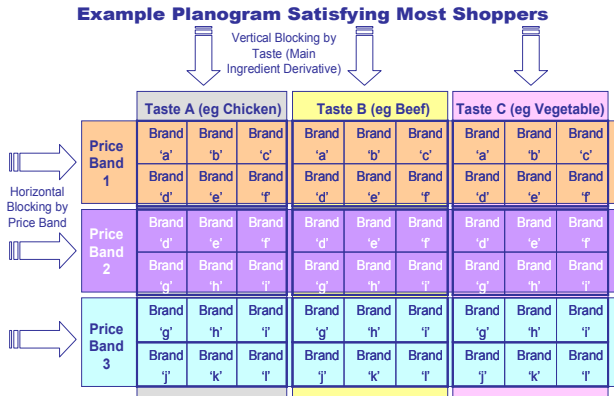
Download our *POV paper* at
www.ipsosmarketing.com

DECISIONTree Measures

The data is analysed to see which product attributes are more/less required by shoppers. This enables the main **DECISIONTree** path to be computed and the relative importance of the different attributes in the purchase decision hierarchy to be found. A Simulator model is produced which can be interrogated to compare shopper satisfaction levels with different **DECISIONTrees**, based on different sample criteria e.g. retailer X main shoppers or to test 'what-if' scenarios (e.g. see what proportion of the population would be satisfied by a given decision hierarchy). A measure of product loyalty can also be derived by looking at the % of shoppers who would not buy an alternative.

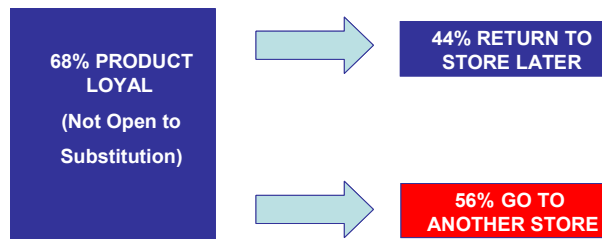
DECISIONTree Deliverables

A proposed fixture layout based on best fit with decision tree

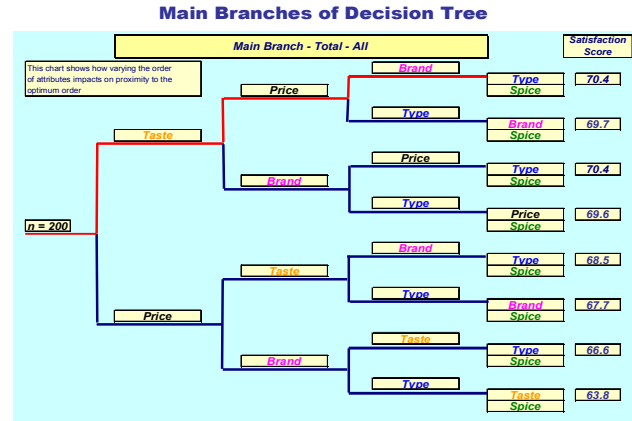


Base: 200 Korean Shoppers at Tesco Samsung, June 2009

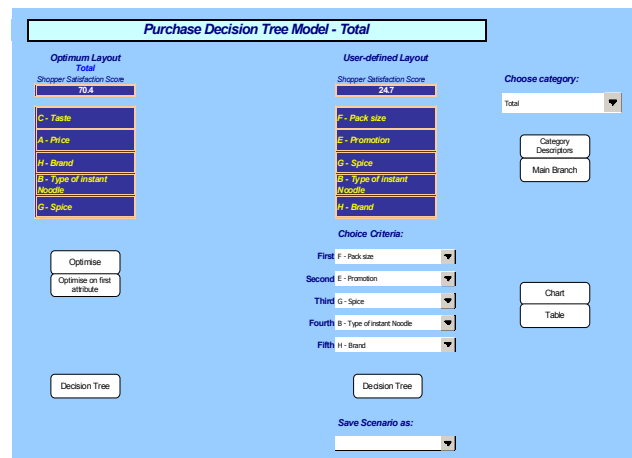
This shows the % of people who are SKU loyal & store loyal



The proportion of respondents going down different decision routes



A simulator to test 'what-if' scenarios



DECISIONTree Advantages

✓ Improves Category Layout

Merchandised layouts will be closer to the way shoppers actually shop the category because they are based on a derived methodology that gets close to what actually happens in real life.

✓ Uses Intuitive Approach In Real Life Context

Other methodologies utilise relative importance, ranked consideration or constant sum methodologies but these all rely on shoppers consciously articulating what is often an unconscious decision hierarchy. Our methodology simply asks them to tell us what they would choose if their product were out of stock—a commonplace occurrence in a real life context. Some methodologies utilise complex discrete choice methodologies, where respondents are presented with groups of products and asked to make a choice. This methodology can be inefficient because it forces respondents to consider options that they would automatically reject, is time consuming to set up and remote from the store.

✓ Simulator To Compare Alternative Approaches

We are able to look at levels of shopper satisfaction for different DECISIONTrees and can compare different channels/retailers/shopper types, dependent on data collection.

✓ Global Solution And Database

This proprietary approach can be provided in all markets, supported by our Global Shopper Knowledge Centre. All results are fed into a central database to enable comparison.

Contact: gill.aitchison@ipsos.com fabio.martins@ipsos.com

www.ipsosmarketing.com