# Today's Webinar

## Next-gen Metrics for Analyzing Your Customer Behavior

**Medallia**

## Session contents

**1** **The need for better ways to measure customer transaction behavior**

**2** **Measurement approaches to solve for basic shortcomings**

**3** **The features of 'next level' customer transaction behavior metrics**

## Datasets utilized

Sense360 credit/debit transaction panel of 5M+ shoppers

Sense360 smartphone movement panel of 5M+ customers

Sense360 syndicated Retail Customer Experience (CX) dataset

Why is there a need for better ways of monitoring customer transaction behavior?

# Customer Transaction Behavior 1.0

## Some baseline ways of monitoring customer activity with your brand

Common measures (non-exhaustive), sometimes possible with internal data alone

1x 2x
3x

## Frequency

of the customers that transacted at all, how many times on average did they transact in the time period?

## Retention

of the customers that transacted, how many transacted again by X period in the future?

**Shortcomings**

- Both metrics are viewed as averages across the customer base. How can you read trends when your customer base changes over time?
- Understanding who is "loyal" and who has the potential to increase their usage - hard to tell if the frequent customers are frequent with just your brand, or with the whole market
- Hard to tell if those who were not retained had a poor experience or if they never had the opportunity to transact again (e.g. don't live where your locations are)

# Case in Point: What story is Frequency telling?

**Since the start of 2019, in which of these months would you guess T.G.I. Friday's had it's best average customer frequency?**

- August 2019 (end of summer pre-COVID)

- February 2020 (final month pre-COVID)

- April 2020 (first full month of COVID)

- June 2021 (start of summer post-vaccine roll-out)

# Average monthly frequency was highest for T.G.I. Friday's in April 2020

**Monthly Average Frequency per Customer**

National; Spend excluding 3rd Party Delivery



T.G.I. Friday's, 1.23x
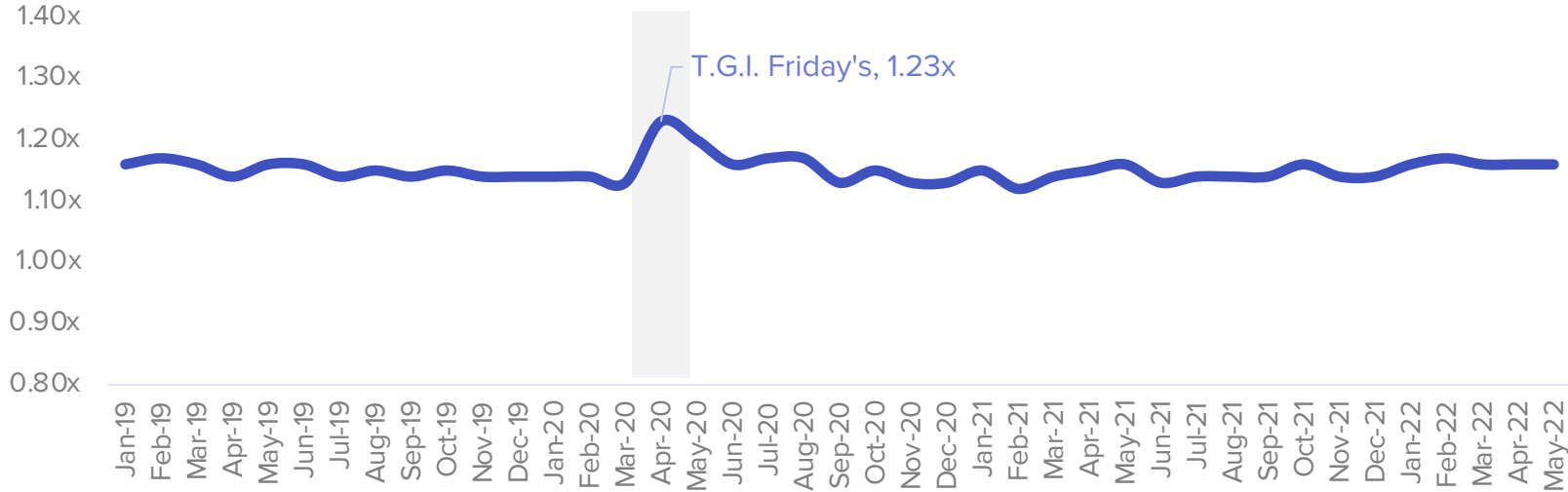
# ...but this was during a low point for the brand

Average frequency jumped because lower-freq customers stopped transacting entirely

## Indexed Monthly Average Frequency and Customer Count
National; Spend excluding 3rd Party Delivery; Index 100 = on par with full period average for each metric



**Frequency**
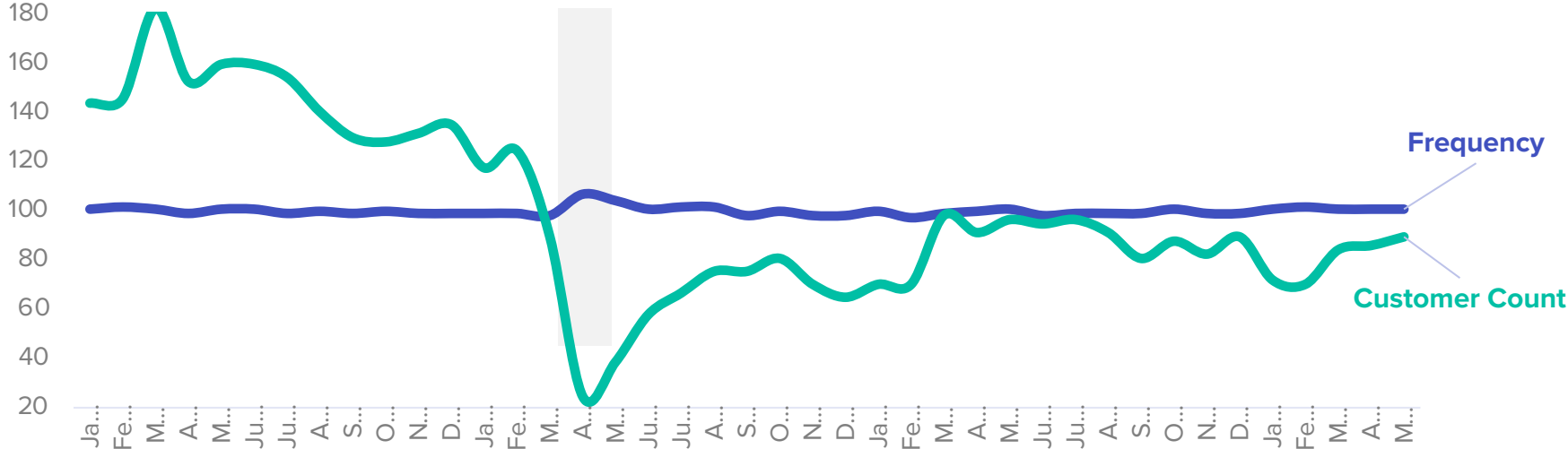
**Customer Count**

# Case in Point: What story is Frequency telling?

Would you want to increase average customer frequency metrics if it meant losing a significant count of your customers?

Can you tell if the customers that stayed changed their frequency at all?

If multiple metrics need to be looked at together, what mental math are you expecting from your audience to do in order to tell if net business impact is good or bad?

# What we are ultimately getting at by using these metrics at all?

**If the ultimate objective of the business is to maximize total $ of profit now and into the future, these measurements matter:**

1. How many customers do we have?

2. How often does each customer transact?

3. How much do they spend when they transact?

4. What does it cost us to serve them in each transaction?

5. What other fixed costs do we have to maintain the business?

**But if strategies to improve one of these hurt the other, is analyzing metrics for just one of them in isolation a good idea?**

Wh... ul... get... usi... metrics at all?

**For a consumer insights / marketing audience, let's try to solve for these 3. The other two are more often managed by a financial / operational stakeholder**

**If the ultimate objective of the business is to maximize total $ of profit now and into the future, these measurements matter:**

1. How many customers do we have?

2. How often does each customer transact?

3. How much do they spend when they transact?

4. What does it cost us to serve them in each transaction?

5. What other fixed costs do we have to maintain the business?

**But if strategies to improve one of these hurt the other, is analyzing metrics for just one of them in isolation a good idea?**

# Measurement approaches to solve for it

# Frequency Bands analyses and Migration analyses provide visibility basic metrics can't

## Frequency Bands Analyses

Deconstructs "average" customer frequency into a breakout of the proportion of customers who transacted at each level of frequency

## Migration Analyses

Compares one time period to the next to see what customers moved from one level of frequency to the next, transacted with the brand as a new customer, or left the brand altogether

With Sense360, both of these approaches allow metric benchmarking to competitors, and allow each group of customers to be profiled in terms of where else outside of the brand their dollars are spent, demographic characteristics, and how much they contribute in sales (not just transaction frequency)

# Example Frequency Band

## Olive Garden Usage Groups

2021 distributions of Olive Garden guests and transactions by usage group

**Legend:**
- % of Guests
- Cumulative % of Guests
- % of Transactions
- Cumulative % of Transactions



Chart data:
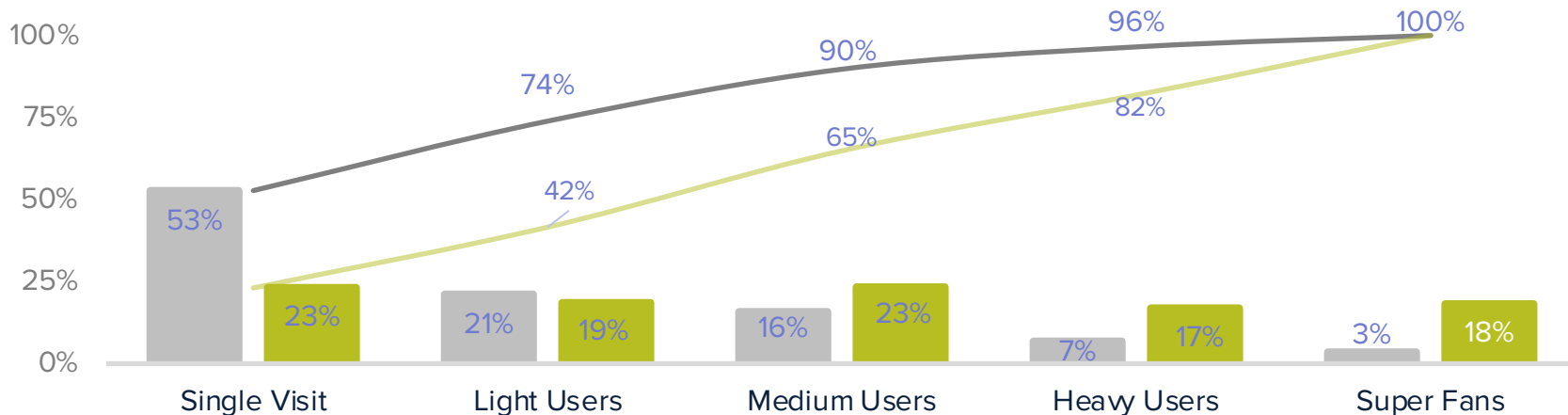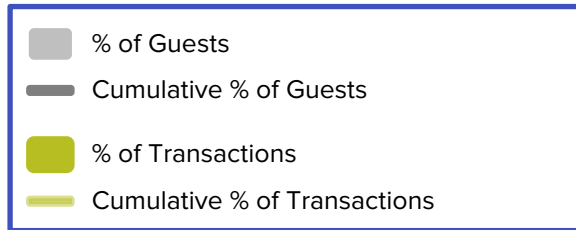
| | Single Visit | Light Users | Medium Users | Heavy Users | Super Fans |
|---|---|---|---|---|---|
| % of Guests | 53% | 21% | 16% | 7% | 3% |
| % of Transactions | 23% | 19% | 23% | 17% | 18% |
| Cumulative % of Guests | | 74% | 90% | 96% | 100% |
| Cumulative % of Transactions | | 42% | 65% | 82% | 100% |

| | 1 visit | 2 visits | 3 – 4 visits | 5 – 7 visits | 8+ visits |
|---|---|---|---|---|---|
| Average Annual Visits | 1.0 visit | 2.0 visits | 3.4 visits | 5.7 visits | 11.6 visits |
| Average Annual Spend | $56 | $109 | $179 | $294 | $540 |
| Average Check Size | $56.27 | $54.57 | $53.26 | $51.74 | $46.34 |

*Based on Sense360 credit/debit transaction data.  Custom metric subject to restatement.  2021 National.

# It's also possible to go deeper to identify exactly how each frequency band is evolving

Different strategies may emerge depending on if issues are reduced behavior among the heaviest customers, vs. among the medium / lighter ones

**Example Retailer: Frequency Band Migration**
% of Retailer's shoppers by frequency band during Period 1 vs. Period 2

| Year 1 | | | | Year 2 | | | | | Overall Shifts | |
|---|---|---|---|---|---|---|---|---|---|---|
| Group | % of shoppers | | | Heavy | Medium | Light | One Time | Lapsed | Freq. Growth (+) | Freq. Decline (-) |
| Heavy (6+) | 29.8% | *Where they migrated to in Year 2* | | 58.6% | 25.0% | 7.2% | 5.5% | 3.8% | | 41.4% |
| Medium (3-5) | 23.3% | | | 13.2% | 28.7% | 17.2% | 19.9% | 21.0% | 13.2% | 58.1% |
| Light (2) | 16.5% | | | 4.5% | 17.2% | 15.5% | 24.7% | 38.1% | 21.7% | 62.8% |
| One Time (1) | 30.4% | | | 1.8% | 9.3% | 10.8% | 22.4% | 55.7% | 21.9% | 55.7% |
| New | - | | | 2.1% | 12.9% | 20.6% | 64.3% | - | | |

Represents increasing frequency distribution

Represents decreasing frequency distribution

*Based on Sense360 credit/debit transaction data. Custom metric subject to restatement. 2021 National.

Medallia

# Revisiting T.G.I. Friday's and quantifying the impact of customers who left vs. those who arrived and who stayed

From Sense360's Intelligence Product: Customer Migration Dashboard

## T.G.I. Friday's Customer Migration

**Comparison Period:** Apr 2019 - Mar 2020   **Analysis Period:** Apr 2020 - Mar 2021

This dashboard helps you understand how T.G.I. Friday's panel sales are impacted by customers that increase or decrease purchase frequency, if T.G.I. Friday's is acquiring or losing customers to competitors, and the demographic profile of each of the migration groups.

### Migration Group Summary

**Migration Comparison**

Lapsed customers had the largest impact on T.G.I. Friday's panel sales, decreasing them by 67.65%. This migration group over-indexes on 80,001+ household income and under-indexes on African American ethnicity compared to the average customer. Click on one of the groups to explore more detailed insights.

| MIGRATION GROUPS | COMPARISON PERIOD PANEL SALES | ANALYSIS PERIOD PANEL SALES | IMPACT | |
|---|---|---|---|---|
| **New and Acquired Customers** <br> 22% OF TOTAL CUSTOMERS | $0 | $8.2M | ↗ | 25% |
| **Increased Frequency Customers** <br> 3% OF TOTAL CUSTOMERS | $1.7M | $3.9M | ↗ | 6.7% |
| **Same Frequency Customers** <br> 6% OF TOTAL CUSTOMERS | $2.2M | $2.5M | ↗ | 0.7% |
| **Decreased Frequency Customers** <br> 6% OF TOTAL CUSTOMERS | $6.7M | $3.1M | ↘ | 10.8% |
| **Lapsed Customers** <br> LARGEST IMPACT <br> 62% OF TOTAL CUSTOMERS | $22.3M | $0 | ↘ | 67.6% |
| **Total** | **$32.9M** | **$17.7M** | ↘ | **46.2%** |

An increase in *average frequency* among customers who stayed is not as insightful a picture as a migration analysis is, which quantifies the negative impact of customers who left and the extent it was / was not balanced out by new customers and spend changes from existing customers
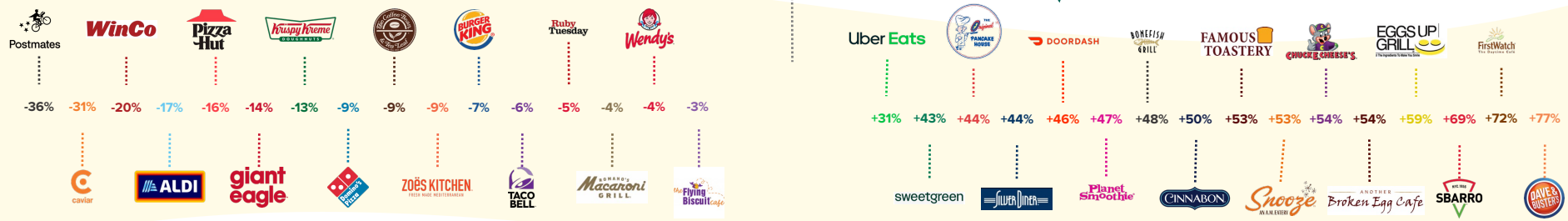
# Drilling into migration groups can show where they're coming from and where they're going

A critical piece in attributing success to certain strategies and diagnosing issues to tackle

**Where acquired customers** are coming from and are now spending at your brand

**Your Brand +X%**

**Where lapsed customers** are now going to and spending more with than before

| Postmates | WinCo | Pizza Hut | Krispy Kreme | | Burger King | Ruby Tuesday | Wendy's |
|---|---|---|---|---|---|---|---|
| -36% | -31% | -20% | -17% | -16% | -14% | -13% | -9% | -9% | -9% | -7% | -6% | -5% | -4% | -4% | -3% |

caviar · ALDI · giant eagle · Domino's · ZOËS KITCHEN · TACO BELL · Macaroni Grill · the Flying Biscuit cafe

| Uber Eats | The Original Pancake House | | DoorDash | Bonefish Grill | Famous Toastery | Chuck E. Cheese's | Eggs Up Grill | FirstWatch |
|---|---|---|---|---|---|---|---|---|
| +31% | +43% | +44% | +44% | +46% | +47% | +48% | +50% | +53% | +53% | +54% | +54% | +59% | +69% | +72% | +77% |

sweetgreen · Silver Diner · Planet Smoothie · Cinnabon · Snooze an a.m. eatery · Another Broken Egg Cafe · SBARRO · Dave & Buster's

Medallia

What are the components to take customer behavior measurement to the 'next level'?

# Sens360 believes in 5 core features of the best consumer behavior metrics for the modern era
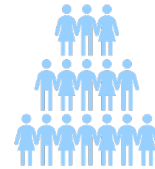
**Tracks observed, not just stated, behaviors**

**Captures the full customer journey, not just in your brand's four walls**

**Is able to be benchmarked to competitors in the market**

**Is representative of all customers, not just the most engaged / vocal**

**Is collected at scale, with adequate sample and granularity**

Medallia

# 01 Observed, not just stated

Where possible, metrics should source from datasets that passively track what customers have actually done, as opposed to their recollections recounted days / weeks / months afterward.
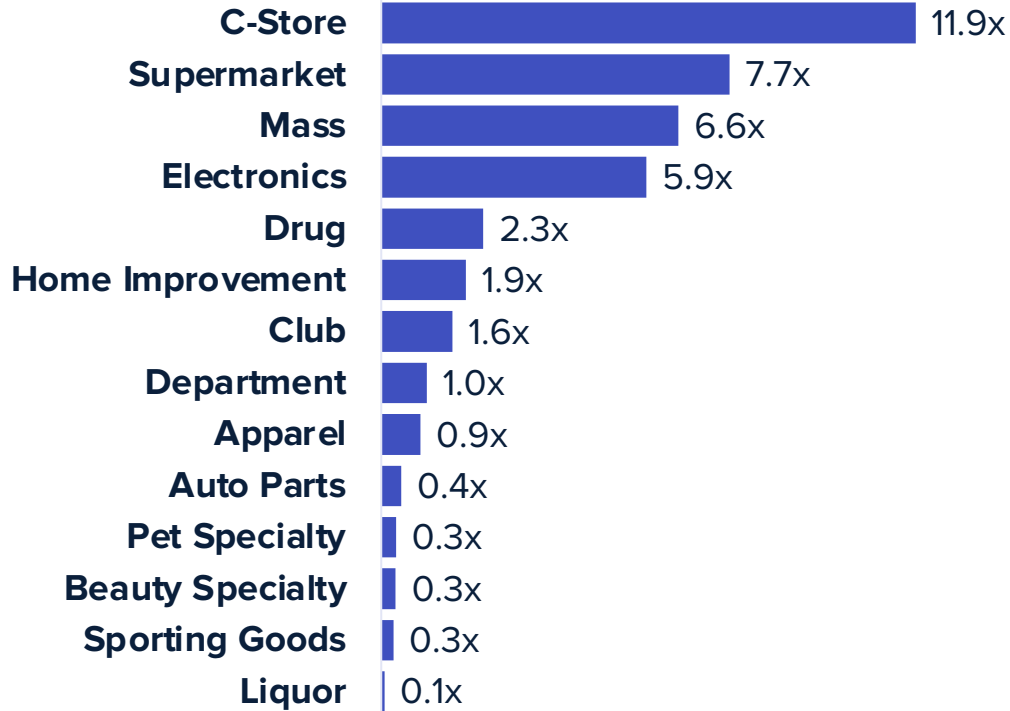
**It matters because...**
Stated behaviors run a higher risk of inaccurate, or incomplete, reporting.

For example, are you likely to under or over-state how often you go to the gym?  How about how many times per week you eat fried food?

**Medallia**

**Q1 2022 Average # of Transactions per Person, by Retail Category**

| Retail Category | Transactions |
|---|---|
| C-Store | 11.9x |
| Supermarket | 7.7x |
| Mass | 6.6x |
| Electronics | 5.9x |
| Drug | 2.3x |
| Home Improvement | 1.9x |
| Club | 1.6x |
| Department | 1.0x |
| Apparel | 0.9x |
| Auto Parts | 0.4x |
| Pet Specialty | 0.3x |
| Beauty Specialty | 0.3x |
| Sporting Goods | 0.3x |
| Liquor | 0.1x |

**Do you remember exactly how many times you transacted with each of these types of retailers in the past 3 months?**

Medallia

# 02   The full customer journey

Data on what the customer does before or after interacting with your brand provides rich insight beyond just behaviors seen during his/her time within the brand's four walls.  Included in this is knowing their longitudinal history of past times they transacted with your brand.

**It matters because...**
Knowing the extent the customer shops elsewhere and where they shop provides context for developing strategies to improve loyalty, target advertising, and even select locations for future sites.
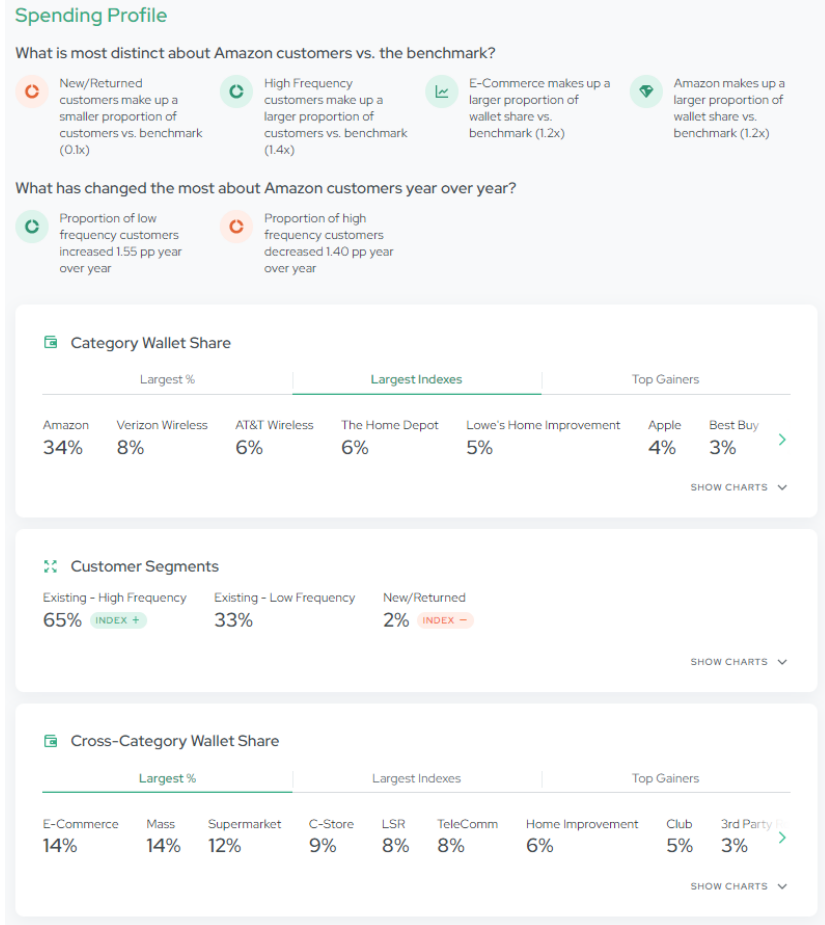


**Medallia**

# Example Customer Profile: Amazon

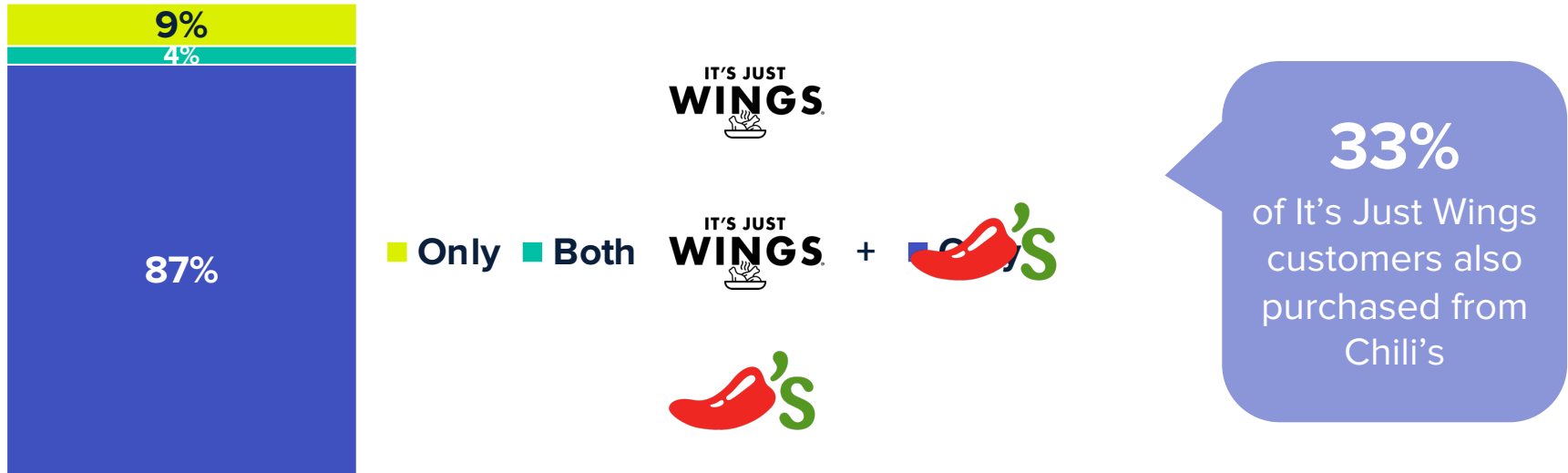Unblinded visibility into that retailer shopper's:

- wallet spread out across other competitors, across other categories like restaurants and convenience stores
- frequency bands
- how each of the above both trend and index against the customer profiles of market peers

From Sense360's Intelligence Product: Customer Profile Dashboard

**Spending Profile**

What is most distinct about Amazon customers vs. the benchmark?

- New/Returned customers make up a smaller proportion of customers vs. benchmark (0.1x)
- High Frequency customers make up a larger proportion of customers vs. benchmark (1.4x)
- E-Commerce makes up a larger proportion of wallet share vs. benchmark (1.2x)
- Amazon makes up a larger proportion of wallet share vs. benchmark (1.2x)

What has changed the most about Amazon customers year over year?

- Proportion of low frequency customers increased 1.55 pp year over year
- Proportion of high frequency customers decreased 1.40 pp year over year

**Category Wallet Share**

| Largest % | Largest Indexes | Top Gainers |
| --- | --- | --- |

| Amazon | Verizon Wireless | AT&T Wireless | The Home Depot | Lowe's Home Improvement | Apple | Best Buy |
| --- | --- | --- | --- | --- | --- | --- |
| 34% | 8% | 6% | 6% | 5% | 4% | 3% |

SHOW CHARTS

**Customer Segments**

| Existing - High Frequency | Existing - Low Frequency | New/Returned |
| --- | --- | --- |
| 65% INDEX + | 33% | 2% INDEX − |

SHOW CHARTS

**Cross-Category Wallet Share**

| Largest % | Largest Indexes | Top Gainers |
| --- | --- | --- |

| E-Commerce | Mass | Supermarket | C-Store | LSR | TeleComm | Home Improvement | Club | 3rd Party |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 14% | 14% | 12% | 9% | 8% | 8% | 6% | 5% | 3% |

SHOW CHARTS

Medallia

# Having a longitudinal view of the same customer's behavior can also reveal channel / sub-brand shifting within the same parent brand

**2021 Chili's + It's Just Wings Customers: From Which Brand(s) Did They Purchase?**

9%

4%

87%

■ Only ■ Both

IT'S JUST **WINGS**

IT'S JUST **WINGS** + 🌶️'s

🌶️'s

**33%** of It's Just Wings customers also purchased from Chili's

# 03  Possible to benchmark

Having any sense of what behaviors are good or bad, and the targets to strive for in each metric, is assisted by comparing a brand to its peers.

**It matters because...**
What attributes of a brand seem to be a "problem area" metric might not actually be an issue in the quest to capture market share from competitors, if competitors are even worse at it (and vice versa).

**Medallia**

# Revisiting T.G.I. Friday's frequency trend

Comparing to another full service dining brand, like Cracker Barrel, shows the frequency spike that accompanied the customer count decline wasn't a unique characteristic of the brand
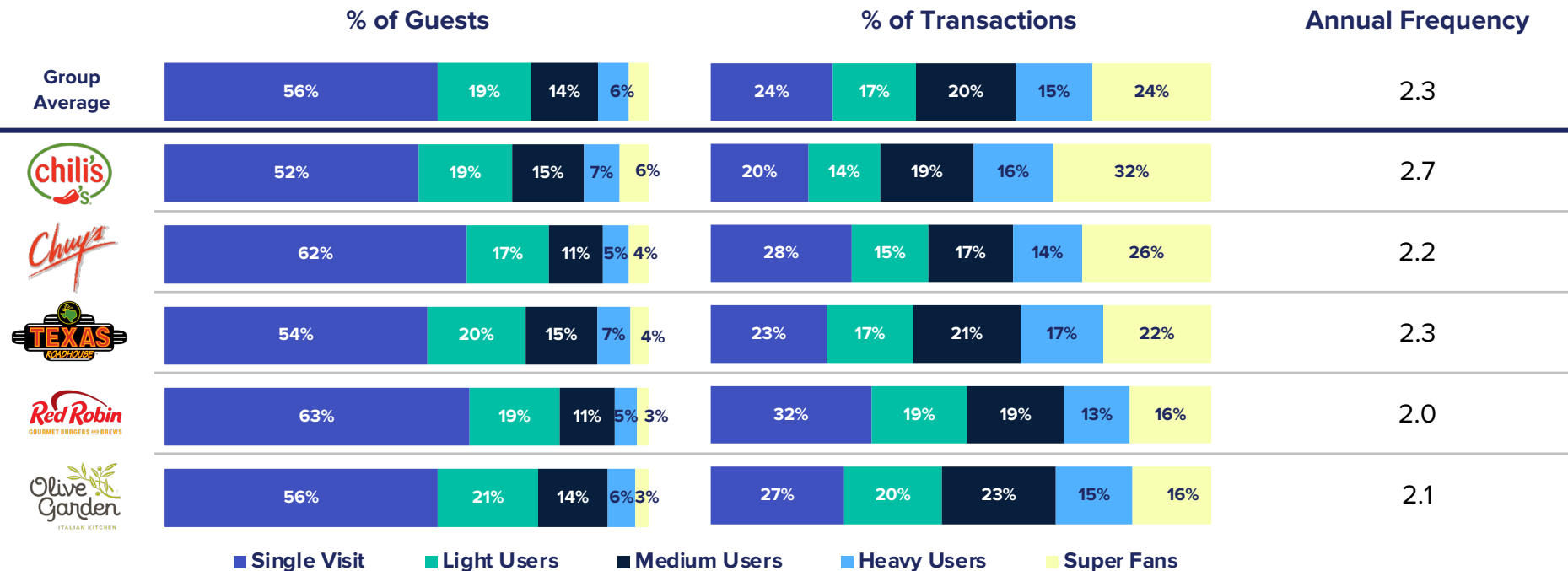
## Indexed Monthly Average Frequency and Customer Count

National; Spend excluding 3rd Party Delivery; Index 100 = on par with full period average for each metric

Cracker Barrel Frequency

T.G.I. Friday's Frequency

Cracker Barrel Customer Count

T.G.I. Friday's Customer Count

Medallia
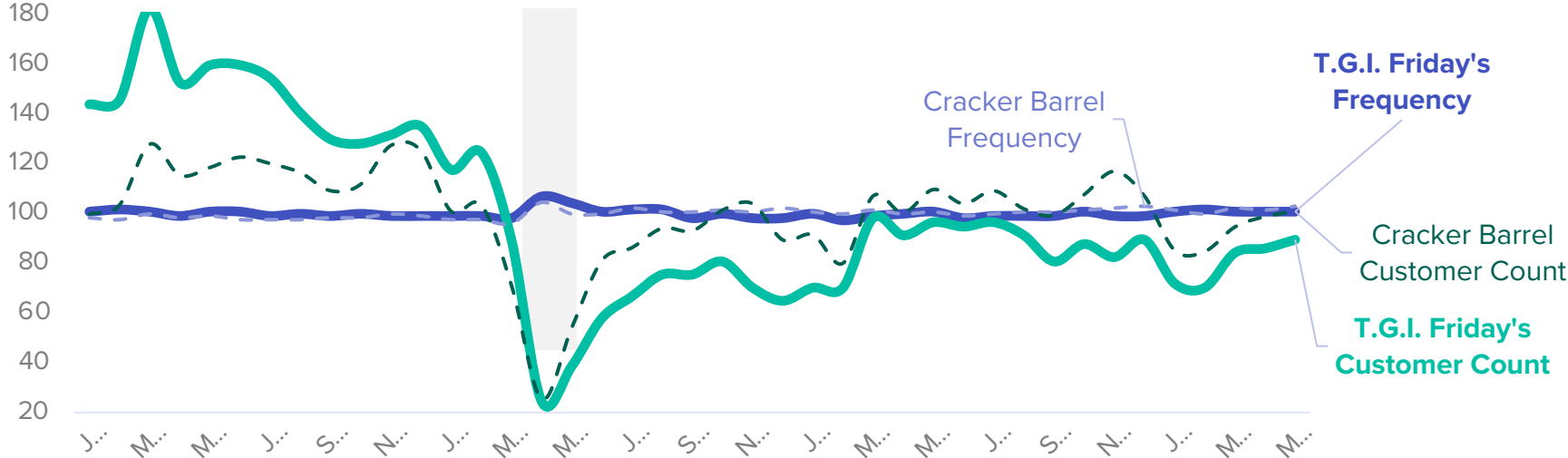
# Benchmarking frequency bands

Contextualize if the more likely opportunity exists to acquire more light users or build a bigger following of heavy users

| | % of Guests | % of Transactions | Annual Frequency |
|---|---|---|---|
| **Group Average** | 56% · 19% · 14% · 6% | 24% · 17% · 20% · 15% · 24% | 2.3 |
| Chili's | 52% · 19% · 15% · 7% · 6% | 20% · 14% · 19% · 16% · 32% | 2.7 |
| Chuy's | 62% · 17% · 11% · 5% · 4% | 28% · 15% · 17% · 14% · 26% | 2.2 |
| Texas Roadhouse | 54% · 20% · 15% · 7% · 4% | 23% · 17% · 21% · 17% · 22% | 2.3 |
| Red Robin | 63% · 19% · 11% · 5% · 3% | 32% · 19% · 19% · 13% · 16% | 2.0 |
| Olive Garden | 56% · 21% · 14% · 6% · 3% | 27% · 20% · 23% · 15% · 16% | 2.1 |

■ **Single Visit**   ■ **Light Users**   ■ **Medium Users**   ■ **Heavy Users**   ■ **Super Fans**

**Medallia**

*Based on Sense360 credit/debit transaction data.  Custom metric subject to restatement.  2021 National.
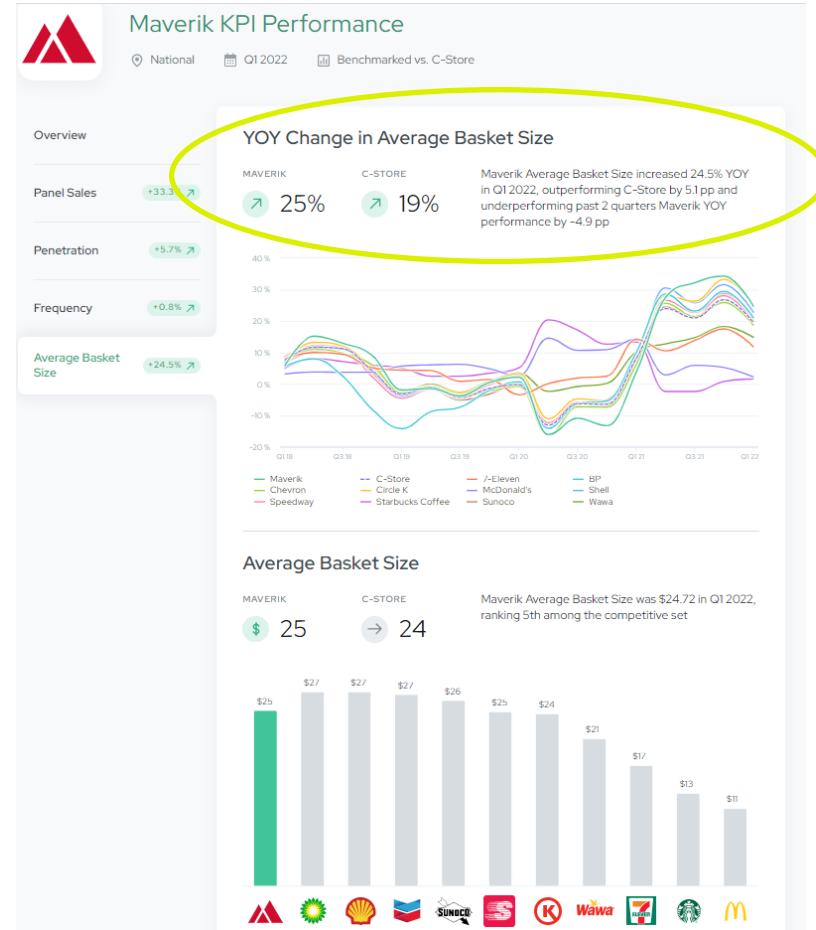
# Example KPI Benchmarking: Maverick

Unblinded visibility into that brand's:
- Topline sales from Sense360's panel
- Base metrics on penetration (i.e. customer count as a % of the population), frequency, and basket size
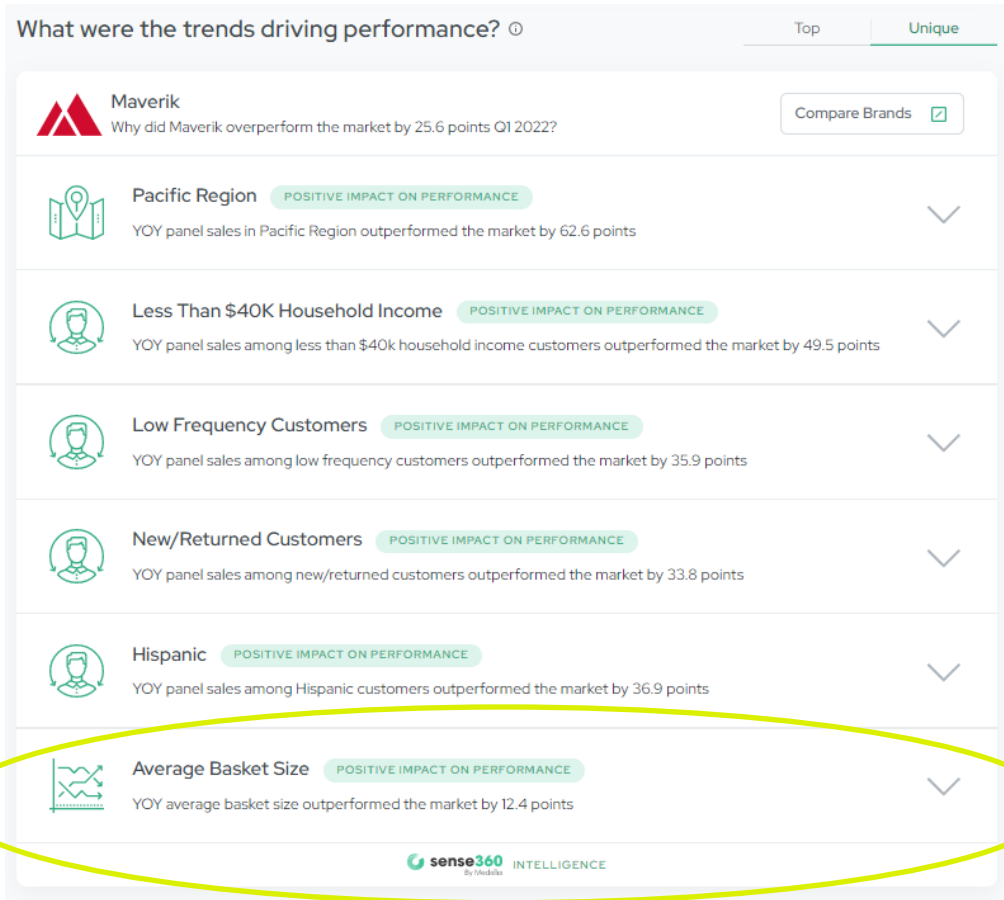- Trends of the above and brand vs. brand comparisons

From Sense360's Intelligence Product: KPI Tracking Dashboard



Maverik KPI Performance
National | Q1 2022 | Benchmarked vs. C-Store

Overview
Panel Sales +33.3%
Penetration +5.7%
Frequency +0.8%
Average Basket Size +24.5%

**YOY Change in Average Basket Size**

MAVERIK 25%    C-STORE 19%    Maverik Average Basket Size increased 24.5% YOY in Q1 2022, outperforming C-Store by 5.1 pp and underperforming past 2 quarters Maverik YOY performance by –4.9 pp

**Average Basket Size**

MAVERIK $ 25    C-STORE 24    Maverik Average Basket Size was $24.72 in Q1 2022, ranking 5th among the competitive set

Medallia

# Example Performance Drivers: Maverick

Utilize Sense360's models to inform you which metrics are actually contributing to the performance, both in total and uniquely relative to the rest of the market's trends

From Sense360's Intelligence Product: Competitive Performance Dashboard



What were the trends driving performance? ⓘ                    Top    Unique

**Maverik**
Why did Maverik overperform the market by 25.6 points Q1 2022?          Compare Brands ☑

**Pacific Region**  POSITIVE IMPACT ON PERFORMANCE
YOY panel sales in Pacific Region outperformed the market by 62.6 points

**Less Than $40K Household Income**  POSITIVE IMPACT ON PERFORMANCE
YOY panel sales among less than $40k household income customers outperformed the market by 49.5 points

**Low Frequency Customers**  POSITIVE IMPACT ON PERFORMANCE
YOY panel sales among low frequency customers outperformed the market by 35.9 points

**New/Returned Customers**  POSITIVE IMPACT ON PERFORMANCE
YOY panel sales among new/returned customers outperformed the market by 33.8 points

**Hispanic**  POSITIVE IMPACT ON PERFORMANCE
YOY panel sales among Hispanic customers outperformed the market by 36.9 points

**Average Basket Size**  POSITIVE IMPACT ON PERFORMANCE
YOY average basket size outperformed the market by 12.4 points

sense360 INTELLIGENCE
By Medallia

Medallia

# Using unique metrics to normalize for differences between brands

Brand Draw, a Sense360 smartphone location panel metric, reveals the foot traffic performance of a restaurant brand within its immediate trade areas

**Brand Draw Definition: % of market visits that the brand receives, solely among visits that occur within 1 mile of its locations**
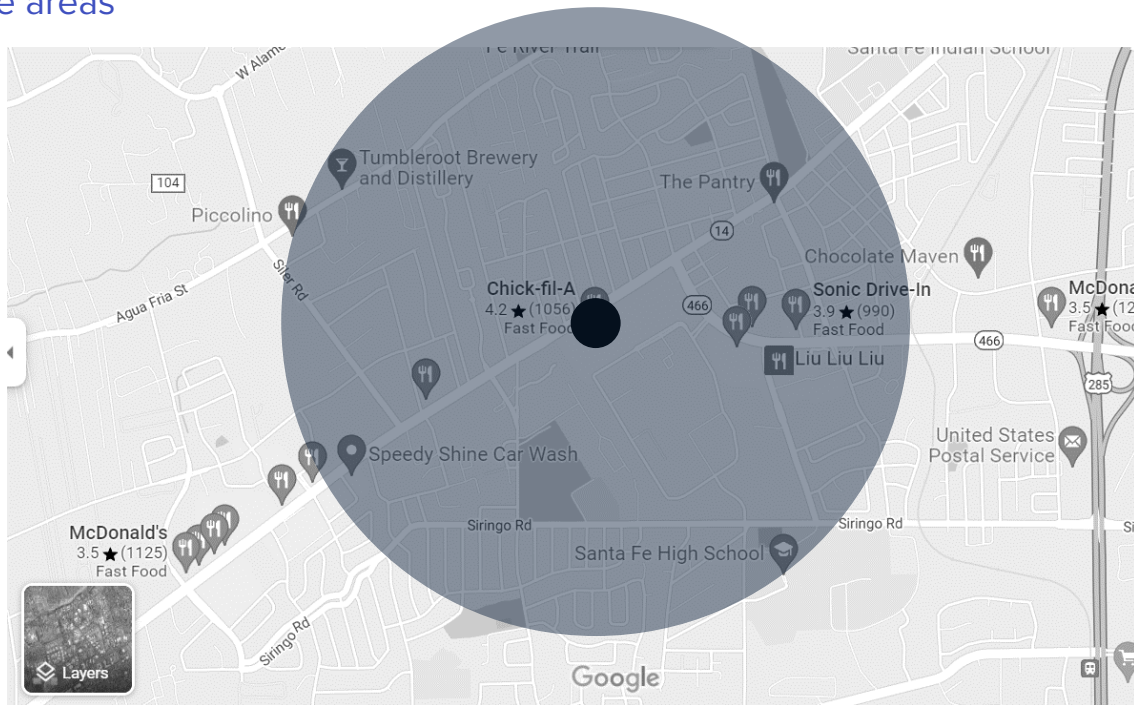
Note: Brand Draw is a less-often used metric with numerous caveats for proper interpretation. See appendix for details

**Medallia**

# What does Brand Draw reveal that Visit Share, or Share of Transactions, doesn't?

## Visit Share (Foot Traffic Data) or Share of Transactions (Txn Data)

- Better for **quantifying the total size of each brand in the market**

- Better for determining if a brand is over or underperforming the rest of the entire market over time

- When also paired with total traffic or sales-based data, is better at revealing if the total market is expanding or contracting

## Brand Draw (Foot Traffic Data)

- Better for **comparing the performance of a brand to other brands in more of a per-store basis**

- Better for determining how well a brand is doing, just in geographic areas where it is stands a solid chance of being the place visited

- When also paired with total traffic or sales-based data, is better at revealing if local trade areas are expanding or contracting

Note: Brand Draw is a less-often used metric with numerous caveats for proper interpretation. See appendix for details

# How different can brands be in Visit Share vs. Brand Draw?
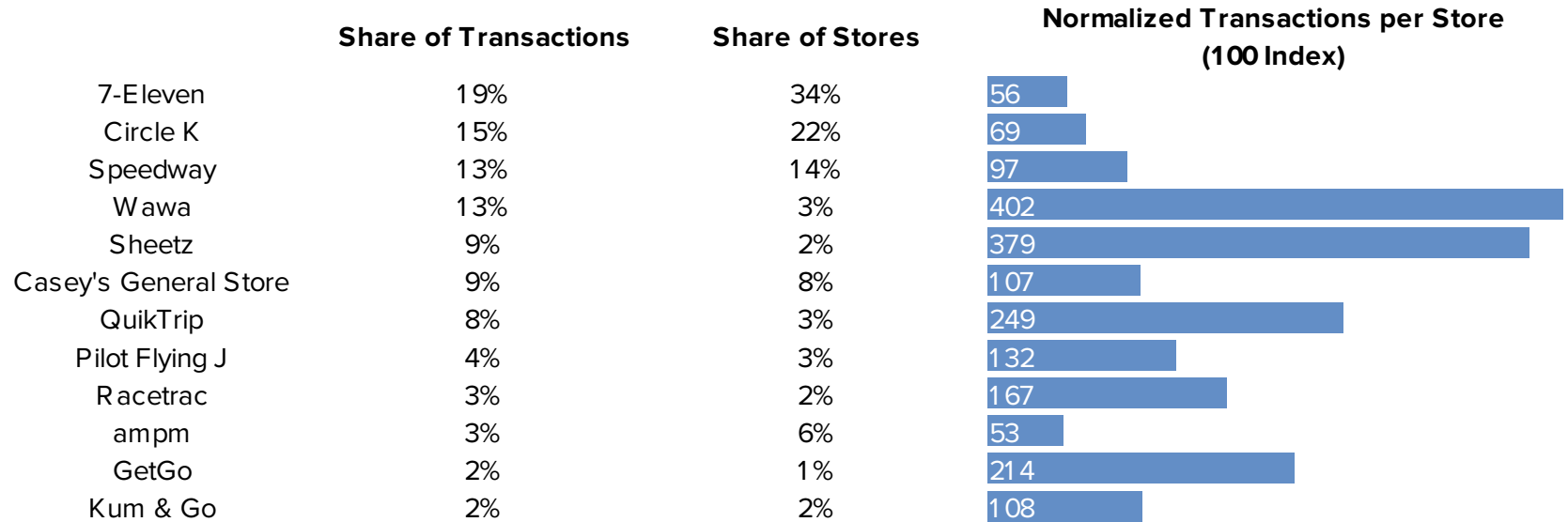
## Select Quick Service and Fast Casual Brand Examples
2021 Full Year Data, National; 107 Brands Considered

| | Brand Draw | Brand Draw Rank | Visit Share | Visit Share Rank |
|---|---|---|---|---|
| McDonald's | 25% | 1 | 20.2% | 1 |
| Sonic Drive-In | 21% | 2 | 5.2% | 5 |
| Whataburger | 19% | 3 | 1.5% | 16 |
| Culver's | 17% | 4 | 1.4% | 17 |
| Chick-fil-A | 16% | 7 | 4.4% | 9 |
| Starbucks Coffee | 15% | 8 | 9.2% | 2 |
| In-N-Out Burger | 14% | 9 | 0.5% | 26 |
| Dutch Brothers Coffee | 10% | 13 | 0.4% | 33 |
| Subway | 8% | 27 | 6.8% | 3 |
| Carl's Jr. | 4% | 66 | 0.3% | 39 |

Note: Brand Draw is a metric with numerous caveats for proper interpretation. See appendix for details. Data subject to restatement

**Medallia**

# Similarly, normalizing by amount of stores can reveal who's punching above their weight, not just who's the biggest

## Share of Transactions, Normalized by Share of Stores
2022 Q1, National; Select Market of Convenience Stores (non-exhaustive)

| | Share of Transactions | Share of Stores | Normalized Transactions per Store (100 Index) |
|---|---|---|---|
| 7-Eleven | 19% | 34% | 56 |
| Circle K | 15% | 22% | 69 |
| Speedway | 13% | 14% | 97 |
| Wawa | 13% | 3% | 402 |
| Sheetz | 9% | 2% | 379 |
| Casey's General Store | 9% | 8% | 107 |
| QuikTrip | 8% | 3% | 249 |
| Pilot Flying J | 4% | 3% | 132 |
| Racetrac | 3% | 2% | 167 |
| ampm | 3% | 6% | 53 |
| GetGo | 2% | 1% | 214 |
| Kum & Go | 2% | 2% | 108 |

Note: Share of Stores and Normalized Transactions are non-standard metrics subject to restatement.

**Medallia**

# 04  Representative

Measuring how your best, worst, and average customers each behave will better depict the realities for your brand vs. only focusing on the most engaged users.

**It matters because...**
Many structures for monitoring customer behavior face a bias on who is able to be tracked (e.g. loyalty program members who skew towards the heaviest / most frequent customers and were the only ones willing to enroll in the program). These customers may behave differently than the ones you are looking to grow in value.

# Example Customer Demographics: T.G.I. Friday's

Unblinded view into a brand's customer demographics (e.g. age, gender, income, ethnicity, children in household, education, etc.), plus trends and indexes against the market average for each

From Sense360's Intelligence Product: Customer Profile Dashboard

## Demographic Profile ⓘ

**What is most distinct about T.G.I. Friday's customers vs. the benchmark?**

- African American customers make up a larger proportion of customers vs. benchmark (1.4x)
- Homemaker customers make up a smaller proportion of customers vs. benchmark (0.7x)
- 1 person household customers make up a larger proportion of customers vs. benchmark (1.2x)
- Asian customers make up a larger proportion of customers vs. benchmark (1.2x)

**What has changed the most about T.G.I. Friday's customers year over year?**

- Proportion of Caucasian customers increased 2.74 pp year over year
- Proportion of in a relationship customers decreased 2.63 pp year over year
- Proportion of some college customers increased 2.27 pp year over year
- Proportion of African American customers decreased 2.09 pp year over year

### ♂ Gender

Female
**43%**

Male
**57%**

Non-binary
**0%**

SHOW CHARTS ⌄

### 💲 Income

| 40,001-60,000 | 60,001-80,000 | Less than 40,000 | 80,001+ |
|---|---|---|---|
| 41% | 24% | 18% | 17% |

SHOW CHARTS ⌄

### ⊕ Ethnicity

| Caucasian | African American | Other | Asian |
|---|---|---|---|
| 67% INDEX − | 18% INDEX + | 9% | 5% |

SHOW CHARTS ⌄

Medallia

# Using targeted surveys to get feedback from more than just your most engaged customers

Unlike other CX feedback programs that field responses via loyalty programs, purchase receipt links, or post-purchase follow-up emails, Sense360's Non-buyer Analysis helps quantify the proportion of shoppers for each retailer who browse but do not buy, and profiles their shopping journey + who they are



From Sense360's Intelligence Product: Retail Customer Experience Dashboard
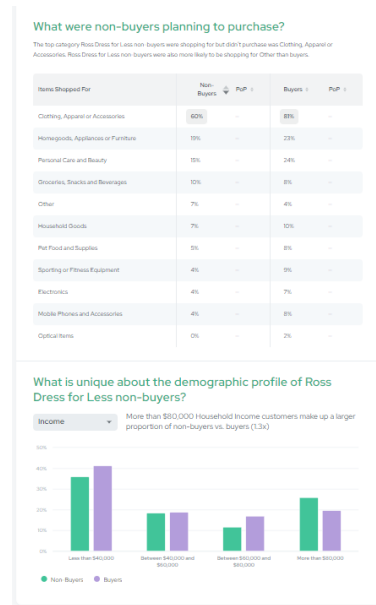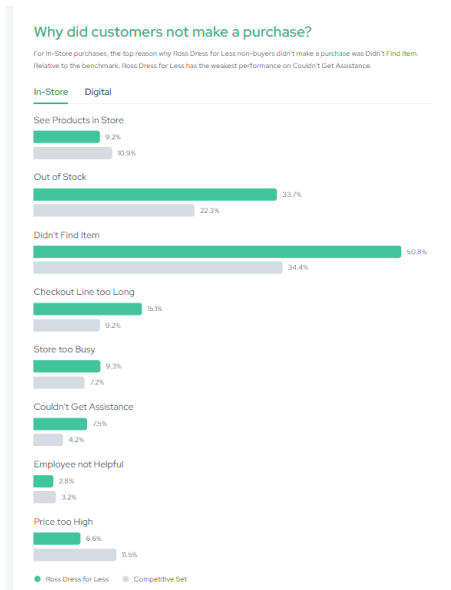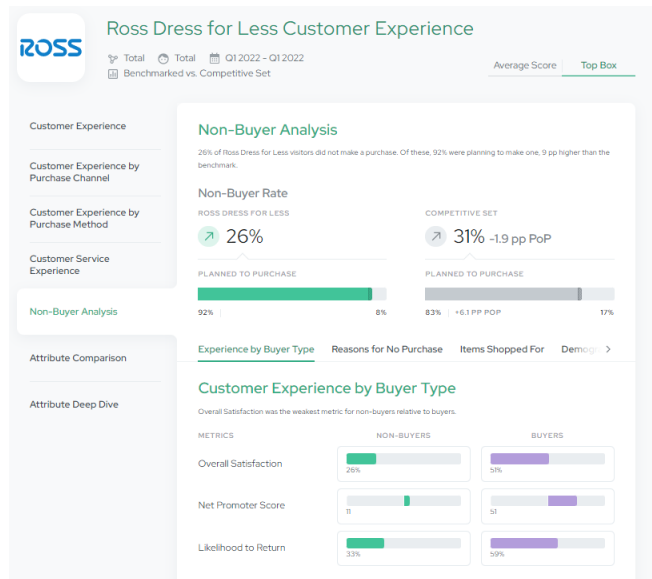
# 05 At scale

Adequate sample sizes to cut by type of customer, geography, and other specifics is a more useful diagnosis tool than taking the 30,000 foot view of the customer base as a whole.

**It matters because...**
Insufficient samples risk exaggerated or volatile metrics and weak insights.  And being unable to drill down also limits the ability to diagnose issues and craft targeted strategies.

**Medallia**

# Robust sample sizes showcase the details behind behavior

Cuts by demographic, geography, daypart, purchase type, and others

**Dollar Retail Category: Distribution of Sales**
National; Credit / Debit Transactions (exl. 3rd Party)

## By Purchase Method



Legend: Physical, Digital
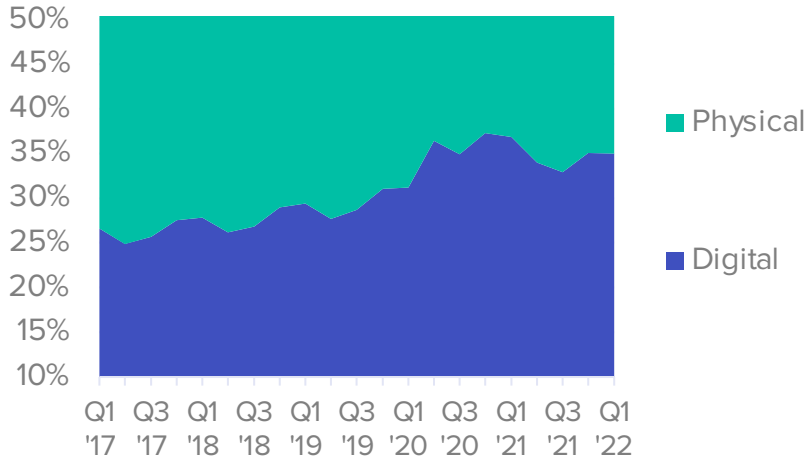
## By Household Income of Shopper



Legend: >$80k, >$60 to 80k, >$40 to 60k, Less than $40k

From Sense360's Credit/Debit Transaction Dataset.  Non-standard analysis subject to restatement
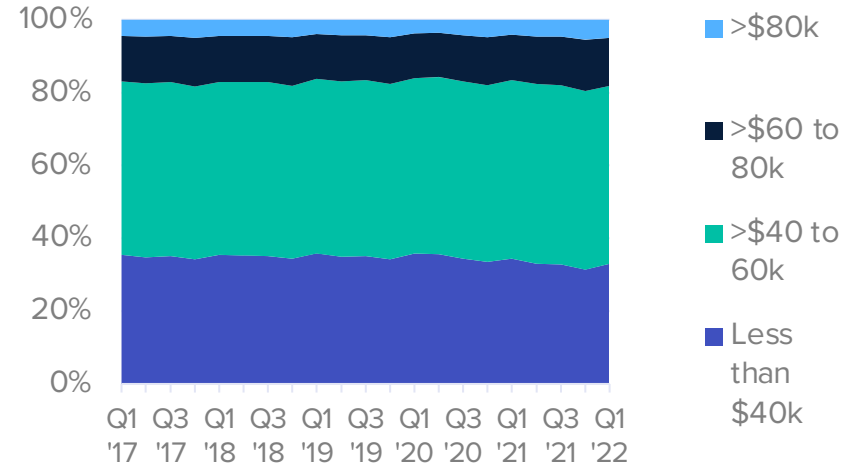
# Bigger panel datasets allow you to better understand patterns to establish cause and effect

This illustrative example shows Limited Service Restaurants can likely only grow to a certain size if they aren't catering to the less affluent, value-centric consumer



*Bubble Size = Visit Share of Brand*

Y-axis: % of Visits From Customers with >$60k Income

X-axis: Average Check Size

From Sense360's Foot Traffic and Transaction Datasets, 2019 data. Non-standard analysis subject to restatement
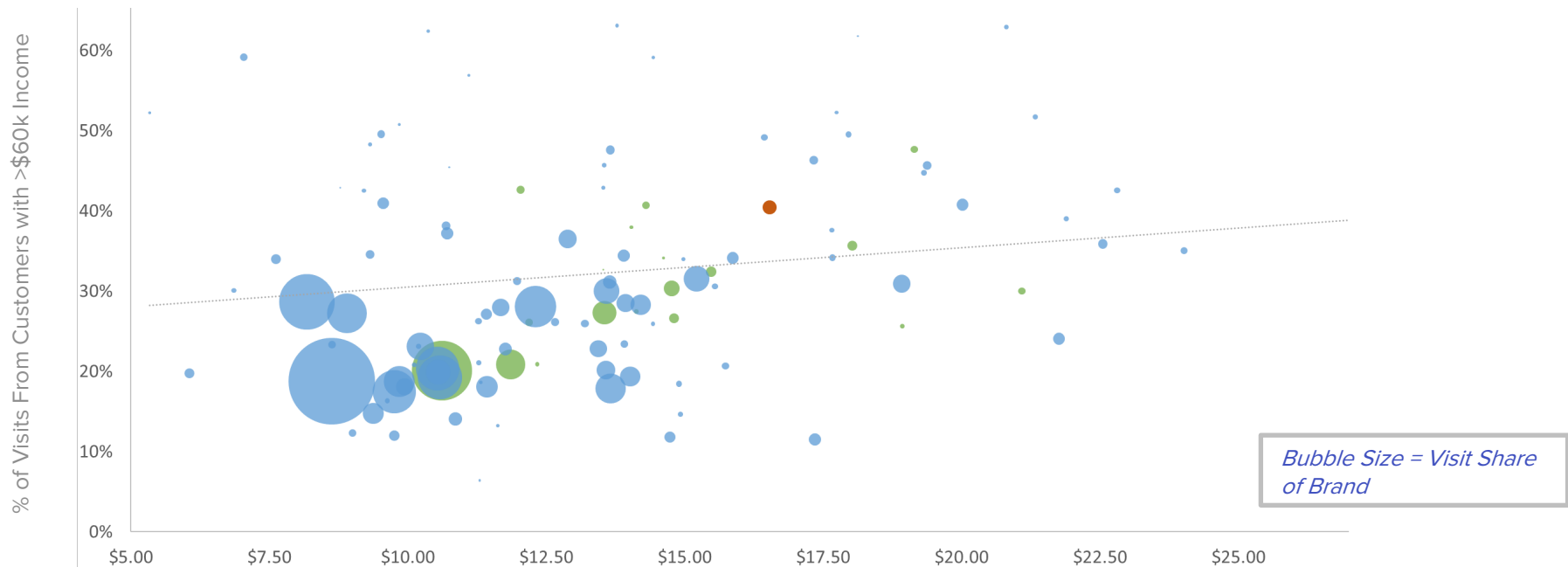
# Principles for using these types of datasets

- Understand research panel caveats and pick the right use cases for metrics based on them. Metrics won't always line up with internal data, but that doesn't make them not useful!

- Know what is self-serve vs. what to rely on Sense360 analysts to do

- One simple number to track might not be the ultimate objective – prioritize a simple takeaway that comes from a more thorough analysis approach

- Some of these metrics are most insightful when visited over a longer duration – they are not always a weekly or monthly view if a very large part of your customer base doesn't transact that frequently

# Recap:
# Key
# Takeaways

Next-gen metrics for Analyzing Customer Behavior

- **Many metrics that have historically been the primary measurement of customer transaction behavior, e.g. frequency and retention, can lack appropriate context** that compromises insights. If the main objective of monitoring a brand's customer behavior is to inform strategies to maximize profitability, better approaches than siloed monitoring of one simple metric are needed

- **Sense360's approach to this is to leverage more robust techniques like frequency bands and migration analyses** to more holistically depict how a brand's customer base in changing, and the behaviors of those customers

- The metrics coming out of **these analyses lean 5 key pillars** of using data that:
  - Is based on observed, not just stated, data
  - Sees the full customer journey, including outside of the brand
  - Is benchmarkable to competitors
  - Is representative of the full customer base, not just the most engaged
  - Is collected at scale

- **These pillars open the door to many other useful analyses too**, like non-buyer analyses, normalized brand performance comparisons when controlling for footprint, customer profiling, and more

- Today's session focused especially on monitoring behaviors associated with the "who", "when", "how much", and "where else" of transacting with a brand. **There are many next-gen approaches to measuring the details within one specific shopping experience pre- and post- transaction too. Medallia has tools** like Decibel to go deeper into ecommerce digital shopper behavior, for example. And Sense360's syndicated surveys collect sentiments and experience details surrounding the purchase as well.

| | | |
|---|---|---|
| *Tuesday, June 21* | *Public* | *Next-gen Metrics for Analyzing your Customer Behavior* |
| Tuesday, June 28 | Client | Inflation and Supply Shortages Impacting the Auto Market |
| *Tuesday, July 5* | *-* | *No webinar - holiday* |
| Tuesday, July 12 | Client | Beauty/Cosmetics Retail Deep Dive |
| Tuesday, July 19 | Client | Back to School Planning |
| **Tuesday, July 26** | **Public** | **First half of 2022: Biggest Consumer Trends** |

**Next Public Webinar**

# Upcoming Webinars

Register: sense360.com
Registration questions?
briefings@medallia.com

Medallia

Questions?  Contact us at briefings@medallia.com

**Andrew Custage**
Senior Director, Head of Analytics
Sense360 by Medallia

Medallia

Thank You

# What are the important caveats in interpreting Brand Draw?

- **Like Visit Share, Brand Draw is also a share-based (and not total volume) metric.** The local trade area's visit volume may expand and contract, so a brand's performance could go up (or down) based on over- (or under-) performing competitors. This is even if actual sales or transaction volume moves in the opposite direction as Brand Draw does.

- **Focuses on in-person traffic,** so sales performance due to check size growth or off-premise channels may not be fully represented.

- **Comparing brands to one other, or the same brand in different regions, may need context on how densely trafficked the area is.** Having 50% Brand Draw in a rural, untrafficked area may be less valuable than having 10% Brand Draw in a competitive, busy urban core.

- **Looking at competitors' Brand Draw is how they do in their respective trade areas, not yours.** Though it may be possible for Sense360 to generate custom metrics showing share occupied by competitors solely within your trade area.

- **There are other nuances to the methodology**, especially when looking at trends as stores open and close in your trade areas. Consult with your Sense360 Client Engagement and Analytics contacts to discuss further.

## Medallia