



Case Study

Retail

Demonstrating Consumer Segmentation Excellence in Highly Competitive Markets



How OSG helped a convenience store chain understand the needs and behaviors of its most important customers, thereby implementing segment-specific strategies for growth.

Product Highlight



Tech-Enabled Services combines our powerful technology and analytics capabilities with our industry expertise to make a difference for our clients. By using the flexibility of our technology to tackle any business challenge, we can help customers in any industry shift to a customer-centric mindset and show them the impact of gathering, digesting, and implementing customer data in their strategy and practices.

Executive Summary

Our client, a convenience store chain in the US, wanted to understand the drivers behind their consumers' choices, as well as identify their unmet needs. They tasked OSG with a customer segmentation exercise to delve deep into the needs, behaviors, and buying patterns of each segment. Using **OSG's proprietary AI-driven big data analytics platform**, we conducted online surveys in six states in the USA and identified eight key consumer segments. Detailed profiling was done for each segment, and opportunities for future growth were identified.

Objectives:

Our client was interested in a deep understanding of on-premise consumers and the factors impacting their choice & behaviors, specifically:



- Gather a robust understanding of their customers' unmet needs in the marketplace, category usage and attitudes, brand perceptions and satisfaction with available options
- Identify and portray segments based on core consumer choice motivations, unmet needs, and market drivers
- Select and develop actionable customer segments that are responsive to the client's offerings (actionable: opportunity, size, and ease of reaching customers)
- Develop a model to segment customers in a panel, to allow for tracking customer behavior and store perceptions over time
- Identify changes in segment size, attitude, shopping behavior, perceptions
- Enable the client to monitor the success of specific segment-focused strategies

Strategy

- To understand the complex consumer environment for the client and clearly prioritize the many needs of different customer groups, we used **ASEMAP™**, **Dynamo's powerful behavioral analytics methodology**. Online surveys were conducted, with an average of 30 minutes to complete. Convenience store shoppers from six states (representing a 2-mile radius of the client's stores) were invited and 2,341 surveys completed
- Consumers were selected based on the criteria that they should have made at least one visit to a convenience store (for either gas, or food, gas, and convenience items)
- The study was completed among both customers of the client and competitive stores
- The sample was weighted to reflect the general population
- State-level Census data was used as a basis for weighting data
- Proportional weighting on gender, race, and age was adopted
- The panel was balanced for the low incidence of males, Hispanics, African Americans, and younger (<26 years old) shoppers



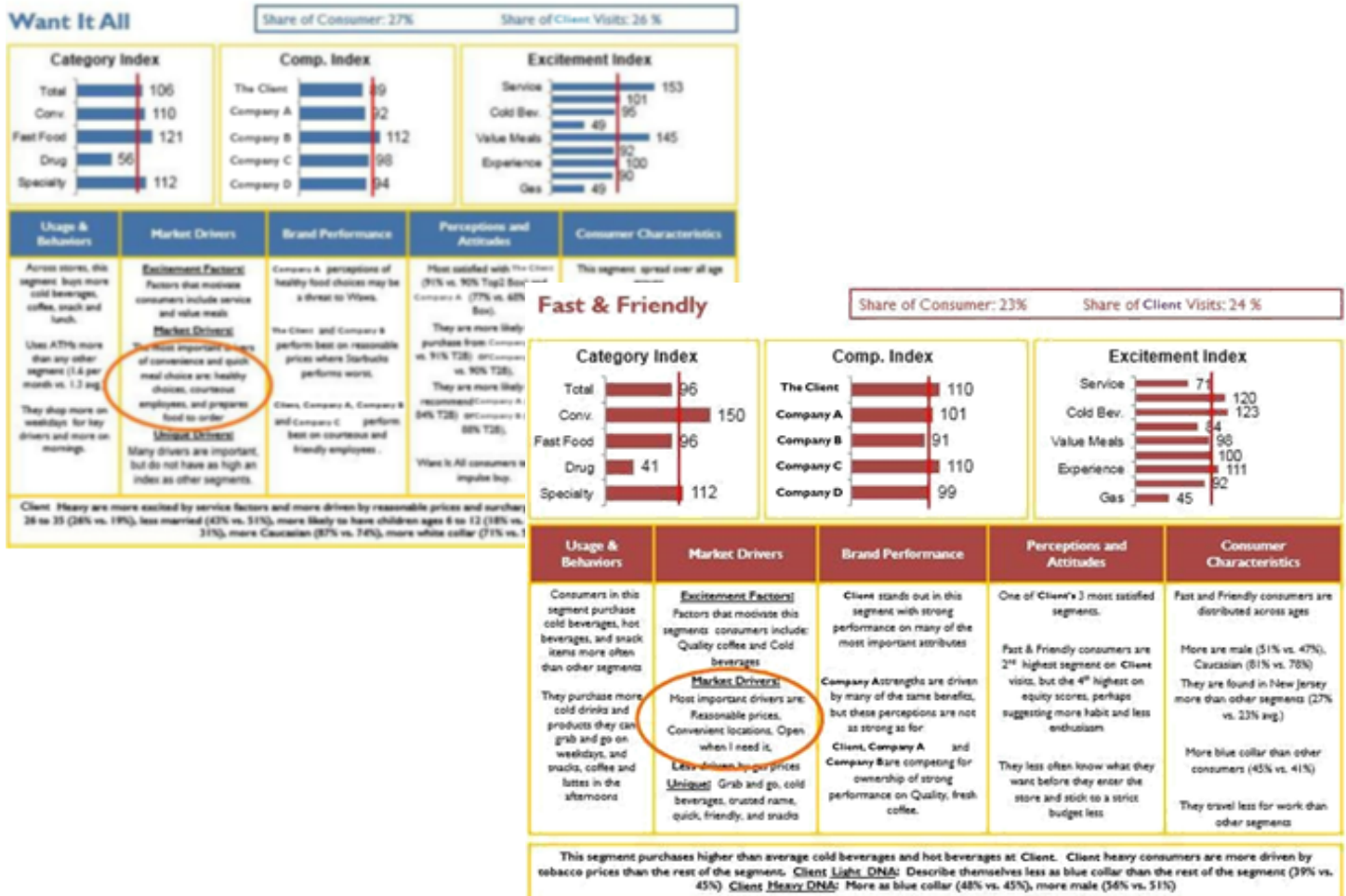
Results

Improved Marketing Strategy to Target Key Customer Groups

Consumers use all store types, but use Convenience Stores and Specialty food and beverage more heavily. The most important drivers of convenience items and quick meal purchases include: Good gas prices, Reasonable prices, Locations are convenient, Open when I need it, Good quality fresh food, and Surcharge-free ATM machine.

There are eight distinct consumer segments that emerged for the client, which drove the actionable recommendations per customer group, such as:

- "C-Storeholics" represent an opportunity for growth, but should be defended against potential risk
- "Want It All" consumers should become a focus for future growth with increased emphasis on "Healthy offerings"
- "Fast and Friendly" consumers are active in the convenience and quick meal category and should be a focus for growth



The Power of OSG Analytics

OSG is a **global technology and analytics provider** that delivers outcomes on customer engagement to Fortune 500 clients with the help of leading analytical technologies and world-class global resources. OSG uniquely combines historical data with the future needs of patients, physicians, consumers, or customers of our clients by going beyond the “who” and the “what” and understanding the **“how” and “why” behind their decision-making**. OSG focuses on the 3E’s, Behavioral Expectations, Superior Experiences, Guaranteed Engagement, to help drive growth through **customer-centricity**.

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