

# The Customer Management Business Process



## WORKSHEETS

## INTRODUCTION

- This document is a compilation of worksheets and analytic templates used in customer management.
- The document is not self-explanatory; rather, it is meant to be used in conjunction with the *Customer Management* book (Expanded Edition), which explains how these tools are used and how they fit into the overall process.
- These tools must be tailored to the specifics of the retailer's business.
- For the sake of providing an illustration, the worksheets and analytic templates are filled out for a typical grocery chain.

# THE CUSTOMER MANAGEMENT BUSINESS PROCESS



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# CUSTOMER UNDERSTANDING WORKSHEETS



# CUSTOMER PERSPECTIVE: "EASY MEALS" SEGMENT



CUSTOMERS			
Rank	#5		
Total	24,254	24,741	
Gain/Loss	454	1,057	
% Gain/Loss	1.9%	4.4%	

CUSTOMER MIGRATION			
Net Migration Index	103	115	
New	3.7%	4.2%	
Revived	2.3%	2.7%	
Growing	27.6%	29.5%	
Stable	34.4%	35.4%	
Declining	18.8%	17.4%	
Lapsed	13.2%	10.8%	
	100%	100%	



VALUE SEGMENTATION			
Platinum	1.6%	2.0%	
Gold	9.1%	8.0%	
Silver	18.5%	15.0%	
Bronze	53.9%	55.0%	
Tin	16.9%	20.0%	
	100%	100%	

DISCOUNT SEGMENTATION			
Low Usage	17.2%	18.9%	
Low-Mid Usage	14.2%	14.8%	
Mid Usage	30.3%	30.1%	
High-Mid Usage	14.9%	14.0%	
Cherry Pickers	23.4%	22.2%	
	100%	100%	

PRICE SEGMENTATION			
Favors Low Price	42.9%	49.0%	
Favors Moderate Price	29.9%	28.0%	
Favors Premium Price	27.2%	23.0%	
	100%	100%	

CUSTOMER LIFETIME VALUE			
Rank	#5		
Value	\$18.5M	\$21.1k	
Gain/Loss	-\$5M	\$5M	
% Gain/Loss	-2.6%	2.4%	



SALES			
Rank	#4		
Value	\$4.7M	\$5.0M	
Gain/Loss	-\$0.1M	\$0.1M	
% Gain/Loss	-2.5%	0.9%	

SALES CHANGE DRIVERS			
Customers	+454	9%	
Price	+\$0.18	42%	
Units	-0.11	26%	
Transactions	-0.22	23%	
		100%	



DOLLARS PER CUSTOMER			
Rank	#5		
Value	\$196	\$207	
Gain/Loss	-\$8.00	-\$2.60	
% Gain/Loss	-7.7%	-8.7%	

DOLLARS PER TRANSACTION			
Rank	#5		
Value	\$32.70	\$4.28	
Gain/Loss	\$0.12	\$0.42	
% Gain/Loss	0.4%	1.2%	

TRANSACTIONS PER CUSTOMER PER PERIOD			
Rank	#3		
Value	24.2	23.9	
Gain/Loss	-0.05	-2.4	
% Gain/Loss	-5%	-9%	

DOLLAR OPPORTUNITY			
Rank	#5		
Value	\$1.2M	\$1.8M	
Gain/Loss	-\$0.1M	\$0.1M	
% Gain/Loss	-7.7%	6.7%	



## EASY MEALS” SEGMENT OBSERVATIONS

<b>Sales</b>
Easy Meals customer dollar sales of \$4.7M ranks 4 <sup>th</sup> of the 7 customer behavioral segments
The Easy Meals segment accounts for 13.6% of the retailer’s total sales dollars and 14% of the retailer’s total customers
Dollar sales declined 2.5% versus the prior period compared to the retailer’s 1% sales increase overall Positive sales changes were driven by increases in price and the total number of customers These increases were offset by decreases in product sales and customer transactions which resulted in the overall negative segment performance
<b>Customer Base</b>
With 24,298 customers, Easy Meals ranks #5 of the 7 customer behavioral segments
The number of customers increased by 1.9%; second to lowest growth rate among the 7 segments
A Net Migration Index of 103 puts Easy Meals far below the retailer’s average of 115
Easy Meals trails behind the average rates of customer acquisition and revival
Easy Meals has the highest number of lapsed customers, which drives down the Net Migration Index
Platinum customers are under-represented. Silver customers over-represented
A greater percentage of customers favor premium products, compared to the average
A greater percentage of customers are high discount users, compared to the average
<b>Purchase Behavior</b>
Spend per customer of \$196 ranks #5, declining -7.7% versus average of -8.7%
Spending per transaction of \$32.50 ranks #6, increasing 0.4% versus average of 1.2%
Transactions per customer of 24.2 ranks #3, declining -5% versus an average of -9%
Above average in the use of coupons, store brands and responsiveness to TPRs
<b>Performance</b>
Customer Lifetime Value of \$18.5M, declining -2.6% versus an average increase of 2.4%
Dollar opportunity declined -7.7% versus an average increase of 6.7%



## “EASY MEALS” CUSTOMER S.W.O.T.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Household growth last year</li> <li>Segment growing in the market</li> <li>9,370 New, Revived &amp; Growing customers</li> <li>Strong store brands loyalty</li> <li>Strong center-store category purchases</li> </ul>	<ul style="list-style-type: none"> <li>Decreases in trips, \$s per trips and \$s per household</li> <li>Lower income profile</li> <li>Not driven as much by the Perimeter of store</li> <li>Food budget constrained</li> <li>Sales decrease, while all other segments increased</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Acquire customers as competitor closes its stores</li> <li>\$1,185,312 Net Migration opportunity</li> <li>Access to CPG shopper funds</li> <li>Growth opportunities: Dole Brands, Wine, Poultry</li> </ul>	<ul style="list-style-type: none"> <li>Easy Meals families getting older and children leaving</li> <li>Hard to match everyday low prices</li> <li>On-line shopping of convenience foods and GM</li> <li>Loss of convenience foods trips</li> </ul>

# "EASY MEALS" PRODUCT RANKING AND SKEW



Super Departments			Categories					
Rank	Index		Skews towards Easy Meals			Skews away from Easy Meals		
			Rank	Index	Chg	Rank	Index	Chg
Grocery	1	108	Fz Dinners/Entrees	3	309	Cigarettes	101	27
NonFood	2	99	Fz Pizza	8	263	Deli - Party Trays	220	35
Meat	3	85	Fz Breakfast Food	22	260	Beer & Ale	16	36
Produce	4	79	Ss Dinners	56	242	Meat - Lamb	226	50
Deli	5	94	Fz Side Dishes	124	239	Meat - Seafood	33	53
Bakery	6	130	Bakery - Doughnuts	70	213	Powdered Milk	281	56
Floral	7	79	Fz Appetizers/Snack Rolls	54	208	Wine	10	57
Miscellaneous	8	82	Bakery Snacks	63	207	Charcoal Lighter Fluids	277	58
			Fz Poultry	52	205	Bottle Deposit Returns	267	58
			Bakery - Cookies	60	197	Spreads - Rfg	286	58
			Fz Pot Pies	134	195	Cocktail Mixes	244	59
			Photography Supplies	287	192	Meat - Beef	13	63
			Dry Packaged Dinners	46	187	Flour/Meal	159	65
			Fz Seafood	119	186	Baking Nuts	185	65
			Fz Baked Goods	59	182	Miscellaneous - Candy	299	66.7
			Pastry/Doughnuts	127	167	Charcoal	191	67
			Toaster Pastries	94	167	Juices - Frozen	241	67
			Dry Fruit Snacks	135	165	Evaporated/Condensed Mi	203	68
			Other Frozen Foods	273	160	Baking Needs	97	70
			Fz Prepared Vegetables	138	159	Deli - Cheese	51	71
			Fz Meat	149	156	Tomato Products	112	71
			Aseptic Juices	108	150	Butter	74	71
			Rfg Teas/Coffee	141	142	Coffee	28	72
			Tea - Ready-To-Drink	57	142	Vinegar	175	73
			Instant Potatoes	166	142	Meat - Pork	20	74
			Desserts - Rfg	140	142	Produce - Vegetables	5	74
			Rfg Side Dishes	233	141	Frozen Miscellaneous	170	75
			Deli - Sandwiches	80	139	Dry Beans/Vegetables	219	75
			Fz Pasta	199	138	Fruit & Vegetable Pres	257	76
			Non-Fruit Drinks - Ss	205	138	Meat - Turkey	136	76
			Family Planning	269	136	Meat - Ground Beef	14	76
			Fz Potatoes/Onions	69	136	Sugar Substitutes	162	77
			Canned Meat	122	135	Spices/Seasonings	73	77
			Household Plastics	300	135	Ss Vegetable	77	78
			Bath/Body Scrubbers	295	134	Cottage Cheese	156	78
			Diapers	107	132	Firelogs/Firestarters	243	78
			Fz Novelties	39	131	Cosmetics - Nail	270	79
			Drink Mixes	118	131	Floral	43	79
			All Other Breakfast Food	215	130	Weight Control	137	80

Departments		
Rank	Index	
GROCERY	1	107
FROZEN FOOD	2	185
DAIRY	3	99
SOFTDRINKS	4	114
NONFOOD	5	103
PACKAGED ITEM	6	120
FRUITS	7	81
VEGETABLES	8	74
BEER & WINE	9	47
HEALTH & BEAUT	10	104
GENERAL MERCH	11	99
CHICKEN	12	82
BEEF	13	63
GROUND BEEF	14	76
HOT FOOD	15	107
CANDY	16	113
PORK	17	74
MEATS	18	82
GRAB'N'GO	19	101
PRODUCE	20	92
SEAFOOD	21	53
CAKES	22	120
FLORAL	23	79
SALADS	24	107
CHEESE	25	71
COOKIES	26	197
MISCELLANEOUS	27	98
BREAD	28	104
DOUGHNUTS	29	213

# “EASY MEALS” SEGMENT



## OBSERVATIONS

Product Ranking & Skew	
	Easy Meals Segment’s Frozen Foods sales ranking is considerably higher than others
	Easy Meals Segment’s Beer & Wine sales ranking is considerably lower than others
	Spend more on convenience-oriented products that are easy to prepare
	Spends significantly more on store brands
	Spends significantly more than average in frozen, bakery, cookies, and dinner mixes
	Spends significantly less than average in ground beef, vegetables, beer, floral and ground coffee
	Tends to be more impulsive in spending
	A key driver of spend is everyday low prices
Product Change	
	The most positive trending product groups include: frozen entrees, deli: grab-n-go, sushi, smoked ham, pork loins, pork ribs, sausage works, deli: cheese, bakery: seasonal, dry soups/soup mixes, and cooking & salad oils
	The most negative trending product groups include: ground beef, beef ribs, bacon, chicken, chocolate candy, ice cream, pie and pastry filling

## IMPLICATIONS

Strengths and Opportunities	
	Primary provider of Regular Soft Drinks, Frozen Pizza, Frozen Entrees, Frozen Regular Dinners, Yogurt, Domestic Wine, Ready-to-Eat Cereal, and Hot Bar
	Accelerated growth in Deli, Bakery, Service Case and Fresh Cut Fruit
	Opportunity in Deli Miscellaneous, Salad Bar and Sandwiches
	Lost sales caused by last year’s price increases
Weaknesses and Threats	
	Decline and lost sales in Ground Beef, Bacon, Frozen Turkey, Frozen Pies, Vegetables
	Loss of shopper trips and product category sales
	Negative migration of top customers driving decrease in CLV
	Decline in revenue pattern
	Risk in Cream Cheese, Distilled Water and Donuts



## “EASY MEALS” SALES CHANGE BY PRODUCT GROUP

PRODUCT GROUPS	POSITIVE DOLLAR CHANGE	PRODUCT GROUPS	NEGATIVE DOLLAR CHANGE
FRESH CUT FRUIT	\$9,400	GROCERY STORE SERVICE	(\$26,030)
DELI - CHEESE	\$7,231	SANDERSON FARMS	(\$21,860)
SOFT FRUIT	\$6,799	MEAT - GROUND BEEF	(\$17,771)
BONE-IN SMOKED HAM	\$6,716	MEAT - CHICKEN	(\$16,026)
ORGANIC SALADS	\$4,837	TURKEY FROZEN 450	(\$15,270)
PROCESSED VEGETABLES	\$4,298	DELI - HOT FOOD	(\$11,726)
DELI HOLIDAY	\$4,083	BAKING NEEDS	(\$10,359)
PORK LOINS (BONELESS)	\$3,894	BEEF RIBS	(\$10,337)
ORGANIC FRUITS	\$3,622	CHOCOLATE CANDY	(\$7,260)
BNLS BEEF CHUCK	\$3,120	SPICES/SEASONINGS	(\$7,199)
SERVICE CASE - BEEF	\$3,101	BACON	(\$6,695)



## “EASY MEALS” PRODUCT SALES PERFORMANCE DECOMPOSITION

### Most Positive Trending

Product Groups	Dollars Change	Customer	Trips	Units	Ave Price
FRESH CUT FRUIT	\$9,400	6%	3%	10%	80%
DELI - CHEESE	\$7,231	14%	6%	20%	60%
SOFT FRUIT	\$6,799	38%	6%	19%	38%
BONE-IN SMOKED HAM	\$6,716	56%	11%	24%	8%
ORGANIC SALADS	\$4,837	45%	22%	22%	10%
PROCESSED VEGETABLES	\$4,298	67%	7%	17%	9%

### Most Negative Trending

Product Groups	Dollars Change	Customer	Trips	Units	Ave Price
GROCERY STORE SERVICE	(\$26,030)	54%	8%	19%	19%
SANDERSON FARMS	(\$21,860)	40%	13%	33%	13%
MEAT - GROUND BEEF	(\$17,771)	73%	9%	0%	18%
MEAT - CHICKEN	(\$16,026)	1%	16%	44%	40%
TURKEY FROZEN 450	(\$15,270)	53%	12%	26%	9%
DELI - HOT FOOD	(\$11,726)	29%	5%	11%	55%



## “EASY MEALS” CUSTOMERS GAINED & LOST ASSESSMENT

CUSTOMERS GAINED AND LOST AS A RESULT OF OUR ACTIONS	
Positive Internal Actions (Customers Gained or Grown)	Negative Internal Actions (Customers Lost or Declined)
<ul style="list-style-type: none"> <li>Increased conversion in Deli through expanded convenience foods product line</li> <li>Dole’s expanded product line of premium convenience perishable items</li> <li>Marketing’s promotion impact in Grab ‘n’ Go</li> <li>Merchandising’s pricing impact in Christmas &amp; Halloween candy</li> <li>Increased conversion in Deli through expanded product line in Sushi</li> <li>Promotion of Smoked Ham &amp; Sausage drove increase in Customers, baskets and frequency</li> <li>Major increase in customers buying Turkey</li> <li>Pre-packaged produce expanded baskets</li> </ul>	<ul style="list-style-type: none"> <li>Price increases in Frozen drove key category sales down and drove decrease in buying trips</li> <li>Negative migration of Platinum &amp; Silver through reduced conversion in Floral</li> <li>Negative impact in General Merchandise due to lack of seasonal sales.</li> <li>Razor sales decreased due to theft proof packaging</li> <li>Lost customers sales in Chicken category by switching assortment mix from Sanders to Coleman</li> <li>Decreased sales in Floral department caused by changes in mix</li> <li>Decreased sales in produce among Easy Meals needs further investigation</li> </ul>
CUSTOMERS GAINED AND LOST AS A RESULT OF OUTSIDE ACTIONS	
Positive Outside Factors (Customers Gained or Grown)	Negative Outside Factors (Customers Lost or Declined)
<ul style="list-style-type: none"> <li>Southern region competitor closed stores</li> <li>Competition deemphasized smoked ham and sausage works</li> <li>Customers looking for healthier frozen foods</li> </ul>	<ul style="list-style-type: none"> <li>Negative impact in Frozen where the competitor had better promotional pricing</li> <li>Customers shopping more stores for grocery</li> <li>Aldi entering southern markets</li> </ul>

# PRODUCT PERSPECTIVE: "CLASSIC MACARONI & CHEESE"



CUSTOMERS		
Rank	#5	
Total	1,780	1,320
Gain/Loss	370	(24)
% Gain/Loss	27.0%	-17.4%

category comparison

CUSTOMER MIGRATION		
Index	129	118
New	6.8%	4.2%
Revived	2.9%	2.7%
Growing	34.8%	29.5%
Stable	37.1%	35.4%
Declining	11.2%	17.4%
Lapsed	7.2%	10.8%



VALUE SEGMENTATION		
Platinum	2.0%	2.0%
Gold	8.1%	8.0%
Silver	16.0%	15.0%
Bronze	54.7%	55.0%
Tin	19.2%	20.0%

BEHAVIORAL SEGMENTATION		
Baked Meals	9.9%	14.0%
Budget Meals	13.8%	11.0%
Deluxe Meals	10.2%	18.0%
Easy Meals	28.9%	14.0%
Healthy Meals	9.6%	17.0%
Modern Meals	20.3%	15.0%
Old Style Meals	7.3%	11.0%

DISCOUNT SEGMENTATION		
Low Usage	4.5%	18.9%
Low-Mid Usage	13.6%	14.8%
Mid Usage	34.5%	30.1%
High-Mid Usage	20.1%	14.0%
Cherry Pickers	27.3%	22.2%

PRICE SEGMENTATION		
Favors Low Price	52.4%	49.0%
Favors Moderate Price	28.0%	28.0%
Favors Premium Price	19.6%	23.0%



SALES		
Rank	#8	
Value	R	\$29.9k
Gain/Loss	\$11,436	617
% Gain/Loss	1.7%	-2.1%

SALES CHANGE DRIVERS		
Customers	+370	9%
Price	-\$0.12	44%
Units	+0.11	28%
Transactions	+0.52	19%



DOLLARS PER CUSTOMER		
Rank	#57	
Value	\$44.91	\$22
Gain/Loss	\$8.09	\$3.08
% Gain/Loss	-7.7%	-8.7%

DOLLARS PER TRANSACTION		
Rank	#79	
Value	\$2.86	\$2.81
Gain/Loss	\$0.16	\$0.09
% Gain/Loss	5.94%	3.31%

TRANSACTIONS PER CUSTOMER PER PERIOD		
Rank	#23	
Value	4.7	2.5
Gain/Loss	0.05	0.01
% Gain/Loss	1.1%	0.4%

PRICE		
Rank	#88	
Value	\$2.42	\$2.38
Gain/Loss	-\$0.12	\$0.07
% Gain/Loss	-4.7%	1.7%

Importance Rating		
Retailer	High	
Baked Meals	Medium	
Budget Meals	High	
Deluxe Meals	Low	
Easy Meals	Very High	
Healthy Meals	Very Low	
Modern Meals	High	
Old Style Meals	Medium	



## “CLASSIC MACARONI & CHEESE” OBSERVATIONS

Sales
Classic Macaroni & Cheese dollar sales ranked 8 <sup>th</sup> in the category
Dollar sales increased 1.7% versus previous period compared to the category's -2.1% sales decrease
Biggest positive driver of sales changes was a $-\$0.12$ decrease in price per item
Units per transaction was 2 <sup>nd</sup> highest driver of sales increase, then transactions per household and finally an increase in number of customers buying
Customer Base
Ranks #5 in the category with 1,780 customers which is 35% higher than the average category item
The number of customers increased by 20% while the average item in the category declined by -1.8%
Excellent job of acquiring new customers and growing current customers
Customer base skews high with Easy Meals, Budget Meals and Modern Meals behavioral segments
Greater percentage of customers favoring low prices, compared to the average
Greater percentage of customers being high discount users, compared to the average
Purchase Behavior
Spend per customer of \$44.91 is double the average category item
Spending per transaction is close to the category average
Transactions per customer of 4.7 per period is double the average category item
The percentage of sales with coupons and/or on promotion is higher than the category average



## “CLASSIC MACARONI & CHEESE” IMPLICATIONS

### Strengths and Opportunities

An important item to the retailer and a very important item to the Easy Meals customer base
Classic Macaroni & Cheese has been a major driver of sales and conversion for the category
Grew by doing a better job of acquiring new customers and keeping current customers
Lowering of everyday price helped acquired customers and induced customers to purchase more often by lowering of everyday price
Budget Meal customer will switch and pay a bit more when Classic Macaroni & Cheese promotional price is close to their brand's price
Online purchasing of Classic Macaroni & Cheese is increasing
Be a 'primary provider' of Classic Macaroni & Cheese to the Easy Meals customer segment
Promotions and coupons are key to the Classic Macaroni & Cheese customer base purchase decisions
Indexes higher to families with kids; Caucasians and those paying with food stamps

### Weaknesses and Threats

Classic Macaroni & Cheese loyalty is driven by price
Many of Classic Macaroni & Cheese purchases occur during larger pantry stocking trips
Classic Macaroni & Cheese is in its 'maturity' stage of product life cycle
Less dollar opportunity potential than most other items in the category

# STORE PERSPECTIVE: "UPSTATE DIVISION"



CUSTOMERS			
Rank	#4		
Total	37,637	43,250	
Gain/Loss	(2,183)	1,903	
% Gain/Loss	-5.8%	4.4%	

CUSTOMER MIGRATION			
Index	112	118	
New	3.7%	4.2%	
Revived	2.4%	2.7%	
Growing	23.6%	29.5%	
Stable	36.5%	35.4%	
Declining	21.6%	17.4%	
Lapsed	12.2%	10.8%	
	100%	100%	



VALUE SEGMENTATION			
Platinum	2.4%	2.0%	
Gold	8.4%	8.0%	
Silver	15.4%	15.0%	
Bronze	55.6%	55.0%	
Tin	18.2%	20.0%	
	100%	100%	

BEHAVIORAL SEGMENTATION			
Baked Meals	11.4%	13.0%	
Budget Meals	8.8%	10.0%	
Deluxe Meals	22.1%	20.0%	
Easy Meals	13.3%	13.0%	
Healthy Meals	17.2%	17.0%	
Modern Meals	17.5%	16.0%	
Old Style Meals	9.7%	11.0%	
	100%	100%	

DISCOUNT SEGMENTATION			
Low Usage	20.2%	18.9%	
Low-Mid Usage	16.1%	14.8%	
Mid Usage	28.1%	30.1%	
High-Mid Usage	13.1%	14.0%	
Cherry Pickers	22.5%	22.2%	
	100%	100%	

PRICE SEGMENTATION			
Favors Low Price	47.2%	49.0%	
Favors Moderate Price	28.4%	28.0%	
Favors Premium Price	24.4%	23.0%	
	100%	100%	



SALES			
Rank	#4		
Value	\$7.3M	\$8.8M	
Gain/Loss	\$-0.46m	\$75k	
% Gain/Loss	-5.9%	1.0%	

SALES CHANGE DRIVERS			
Customers	-2,183	47%	
Price	\$0.07	43%	
Units	0.08	4%	
Transactions	-2.40	6%	
		100%	



DOLLARS PER CUSTOMER			
Rank	#1		
Value	\$222	\$207	
Gain/Loss	-\$11.17	-\$7.83	
% Gain/Loss	-4.8%	-3.6%	

DOLLARS PER TRANSACTION			
Rank	#1		
Value	\$35.38	\$34.28	
Gain/Loss	-\$1.03	-\$1.11	
% Gain/Loss	-2.2%	-3.40%	

TRANSACTIONS PER CUSTOMER PER PERIOD			
Rank	#4		
Value	22.6	23.9	
Gain/Loss	-2.6	-2.4	
% Gain/Loss	-10.3%	-9.0%	

PRICE			
Rank	#1		
Value	\$3.13	\$2.98	
Gain/Loss	\$0.07	\$0.05	
% Gain/Loss	2.3%	1.8%	

DOLLAR OPPORTUNITY			
Rank	#4		
Value	\$2.3M	\$2.6M	
Gain/Loss	\$-.1M	\$.2M	
% Gain/Loss	-4.3%	2.7%	



## “UPSTATE DIVISION” OBSERVATIONS

Sales
Upstate Division dollar sales of \$7.3M ranks 4 <sup>th</sup> among divisions
Dollar sales decreased -5.8% versus previous period compared to total company sales increase 4.4%
Biggest driver of sales changes was a loss of 2,183 customers
Price increase of \$.07 was 2 <sup>nd</sup> driver of sales change, accounting for 43% of the change
Transactions per household decreased by -2.6 (-10.3%) versus prior period
Customer Base
Ranks #4 with 37.637 customers (15% lower than the average)
The number of customers decreased by -5.8% compared to a 4.4% increase on average
Customer Net Migration Index of 112 was lower than the company's overall 118
Issue with large numbers of declining and lapsing customers
Proportionately high number of Platinum customers
Customer base skews high with Deluxe Meals and Modern Meals behavioral segments
Greater percentage of customers favoring premium priced products, compared to the average
Greater percentage of customers are low discount users, compared to the average
Purchase Behavior
Spend per customer ranks highest but it also had the largest decrease of -\$11.17 or -4.8%
Spending per transaction is down but close to average
Transactions per customer of is down -10.3%
Average item price is up \$.07 versus the rest of the company's \$.05 increase
Dollar opportunity is down 4.3% while up 2.7% for the rest of the company



## “UPSTATE DIVISION” IMPLICATIONS

<b>Strengths and Opportunities</b>
The customer base has a disproportionately large number of Platinum and Gold customers
An increase in the percentage of Deluxe Meals and Modern Meals customers occurred due to a decline in Baked Meals, Budget Meals and Old-Style Meals customers
Greater % of customers favor premium products due to losing customers that favored low pricing
A less discount-oriented customer base due to a loss of low and middle discount customers
<b>Weaknesses and Threats</b>
Price increases resulted in significant dollar sales growth but was negated by a decline in the number of customers
Last of all divisions in the number of customers, dollar sales, and potential dollar opportunity, also had the largest decline in these areas versus last year
Loss of Gold customers is leading to a decline in dollars per customer and dollars per transaction
The largest number of declining and lapsed customers of all the divisions, and the fewest new, revived and growing customers

# CHANNEL PERSPECTIVE: "E-COMMERCE"



CUSTOMERS			
Total	2,240		
% of Total	6.4%		
Gain/Loss	540		
% Gain/Loss	32%	4.4%	<div style="width: 32%; height: 10px; background-color: green;"></div>

CUSTOMER MIGRATION			
Index	143	118	<div style="width: 143%; height: 10px; background-color: green;"></div>
New	6.1%	4.2%	<div style="width: 6.1%; height: 10px; background-color: green;"></div>
Revived	1.8%	2.7%	<div style="width: 1.8%; height: 10px; background-color: orange;"></div>
Growing	50.4%	29.5%	<div style="width: 50.4%; height: 10px; background-color: green;"></div>
Stable	32.4%	35.4%	<div style="width: 32.4%; height: 10px; background-color: orange;"></div>
Declining	8.1%	17.4%	<div style="width: 8.1%; height: 10px; background-color: red;"></div>
Lapsed	1.2%	10.8%	<div style="width: 1.2%; height: 10px; background-color: red;"></div>
	100%	100%	



VALUE SEGMENTATION			
Platinum	2.4%	2.0%	<div style="width: 2.4%; height: 10px; background-color: green;"></div>
Gold	8.4%	8.0%	<div style="width: 8.4%; height: 10px; background-color: orange;"></div>
Silver	15.4%	15.0%	<div style="width: 15.4%; height: 10px; background-color: orange;"></div>
Bronze	55.6%	55.0%	<div style="width: 55.6%; height: 10px; background-color: orange;"></div>
Tin	18.2%	20.0%	<div style="width: 18.2%; height: 10px; background-color: orange;"></div>
	100%	100%	

BEHAVIORAL SEGMENTATION			
Baked Meals	11.6%	13.0%	<div style="width: 11.6%; height: 10px; background-color: orange;"></div>
Budget Meals	8.2%	10.0%	<div style="width: 8.2%; height: 10px; background-color: red;"></div>
Deluxe Meals	23.4%	20.0%	<div style="width: 23.4%; height: 10px; background-color: green;"></div>
Easy Meals	14.9%	13.0%	<div style="width: 14.9%; height: 10px; background-color: orange;"></div>
Healthy Meals	13.5%	17.0%	<div style="width: 13.5%; height: 10px; background-color: red;"></div>
Modern Meals	18.6%	16.0%	<div style="width: 18.6%; height: 10px; background-color: green;"></div>
Old Style Meals	9.8%	11.0%	<div style="width: 9.8%; height: 10px; background-color: orange;"></div>
	100%	100%	

DISCOUNT SEGMENTATION			
Low Usage	16.7%	18.9%	<div style="width: 16.7%; height: 10px; background-color: red;"></div>
Low-Mid Usage	13.7%	14.8%	<div style="width: 13.7%; height: 10px; background-color: orange;"></div>
Mid Usage	30.4%	30.1%	<div style="width: 30.4%; height: 10px; background-color: green;"></div>
High-Mid Usage	20.1%	14.0%	<div style="width: 20.1%; height: 10px; background-color: green;"></div>
Cherry Pickers	19.1%	22.2%	<div style="width: 19.1%; height: 10px; background-color: orange;"></div>
	100%	100%	

PRICE SEGMENTATION			
Favors Low Price	38.2%	49.0%	<div style="width: 38.2%; height: 10px; background-color: red;"></div>
Favors Moderate Price	29.4%	28.0%	<div style="width: 29.4%; height: 10px; background-color: green;"></div>
Favors Premium Price	32.4%	23.0%	<div style="width: 32.4%; height: 10px; background-color: green;"></div>
	100%	100%	



SALES			
Value	\$6,570,200		
% of Total	3.8%		
Gain/Loss	\$1,257,000		
% Gain/Loss	24%	1.0%	<div style="width: 24%; height: 10px; background-color: red;"></div>

SALES CHANGE DRIVERS			
Customers	540	49%	<div style="width: 49%; height: 10px; background-color: blue;"></div>
Price	\$0.03	1%	<div style="width: 1%; height: 10px; background-color: blue;"></div>
Units per Transaction	1.08	24%	<div style="width: 24%; height: 10px; background-color: blue;"></div>
Transactions	1.40	26%	<div style="width: 26%; height: 10px; background-color: blue;"></div>
		100%	



DOLLARS PER CUSTOMER			
Value	\$295	\$207	<div style="width: 295%; height: 10px; background-color: green;"></div>
Gain/Loss	\$21.17	-\$7.83	<div style="width: 21.17%; height: 10px; background-color: green;"></div>
% Gain/Loss	7.7%	-3.6%	<div style="width: 7.7%; height: 10px; background-color: green;"></div>

DOLLARS PER TRANSACTION			
Value	\$46.38	\$34.28	<div style="width: 46.38%; height: 10px; background-color: green;"></div>
Gain/Loss	\$1.13	-\$1.11	<div style="width: 1.13%; height: 10px; background-color: green;"></div>
% Gain/Loss	2.50%	-3.40%	<div style="width: 2.50%; height: 10px; background-color: green;"></div>

TRANSACTIONS PER CUSTOMER PER PERIOD			
Value	29.6	23.9	<div style="width: 29.6%; height: 10px; background-color: green;"></div>
Gain/Loss	2.3	-2.4	<div style="width: 2.3%; height: 10px; background-color: green;"></div>
% Gain/Loss	8.4%	-9.0%	<div style="width: 8.4%; height: 10px; background-color: green;"></div>

PRICE			
Value	\$3.43	\$2.98	<div style="width: 3.43%; height: 10px; background-color: green;"></div>
Gain/Loss	\$0.03	\$0.05	<div style="width: 0.03%; height: 10px; background-color: red;"></div>
% Gain/Loss	0.9%	1.8%	<div style="width: 0.9%; height: 10px; background-color: red;"></div>

DOLLAR OPPORTUNITY			
Value	\$3.1M		
Gain/Loss	\$.21M		
% Gain/Loss	7.3%	2.7%	<div style="width: 7.3%; height: 10px; background-color: green;"></div>

CUSTOMER LIFETIME VALUE			
Value	\$46.3M		
Gain/Loss	\$2.3M		
% Gain/Loss	5.2%	2.4%	<div style="width: 5.2%; height: 10px; background-color: green;"></div>



## “ECOMMERCE” OBSERVATIONS

<b>Sales</b>
Sales are up 24% versus prior period
49% of the sales increase comes from an increase in customers using ecommerce
Ecommerce customers spend more per household and have larger transaction sizes
Highest Customer Lifetime Value
Largest dollar opportunity
<b>Customer Base</b>
6.4% of customers are using ecommerce
The number of ecommerce customers growing their overall spend is 50.4% which is much larger than the 29.5% growth for non-ecommerce customers
Customer Net Migration Index of 143 versus the company's overall 118
Proportionately high number of Platinum customers
Greater percentage of customers favoring premium priced products, compared to the average
Greater percentage of customers are high-to-mid discount users
<b>Purchase Behavior</b>
Spend per customer \$295 per period compared to average non-ecommerce spend of \$207
Average ecommerce item price is \$3.43 versus the non-ecommerce item price of \$2.98
Overall sales increase is not all incremental; some reduction of in-store purchases



## “ECOMMERCE” IMPLICATIONS

<b>Strengths and opportunities</b>
On average online baskets are 35% larger than in-store baskets
Significantly above average Customer Lifetime Value and potential dollar opportunity
Ecommerce customers are buying less in store but purchasing more overall
Ecommerce sales are mainly driven by growth in the number of customers purchasing online
Ecommerce customers skew towards premium items
Deluxe Meals, Easy Meals and Modern Meals customers are more likely to be Ecommerce customers, as it better matches their shopping attitudes and motivations
A significant share of Ecommerce customers are searching for deals and using electronic coupons
While Ecommerce is still used mostly for pantry stocking, a small but growing percentage of customers are using Ecommerce for fill-in purchases
<b>Weaknesses and Threats</b>
Center of store items are more likely to be bought online
Healthy Meals customers tend to do considerably less of their online shopping for perimeter items
Budget Meals customers are significantly under-represented due to the added charge

# CUSTOMER STRATEGY WORKSHEETS





## SEGMENT COMPARISON: GAPS AND OPPORTUNITIES

	Sales	Value Proposition Alignment	Competitive Position	Opportunity Potential	Market Growth	Migration Index	% Change of CLV	CLV per HH Change
Easy Meals	\$4,761 k	Lack of prepared meals, PL	Raised prices but Kroger did not	\$1,185 k	3-4%	1.03	5%	-2%
Healthy Meals	\$6,020 k	Limited Organics range	Whole Foods in 9 of 12 markets	\$1,520 k	4-6%	1.07	1%	1%
Deluxe Meals	\$6,569 k	Some premium brand gaps	Mainstream brand perception	\$2,014 k	3-4%	1.24	29%	7%
Budget Meals	\$3,690 k	Heavy promo but reg. prices still too high	Aldi and/or Walmart in 8 of 12 markets	\$1,125 k	~0%	1.02	-3%	0%
Modern Meals	\$5,721 k	Limited Hispanic food offering	Limited ethnic competition	\$1,552 k	4-6%	1.15	17%	7%
Old-Style Meals	\$3,803 k	Deal driven national brands	Raised prices but Kroger did not	\$1,020 k	(1-3%)	1.18	13%	15%
Baked Meals	\$4,547 k	Strong Bakery and dessert aisles	Raised prices but Kroger did not	\$1,255 k	(1-3%)	1.38	3%	13%



## SEGMENT GENERAL ROLES AND INTENTION

	REVENUE		PROFIT		CLV		
	Priority	Role	Intention	Role	Intention	Role	Intention
Deluxe Meals	1	Primary	Develop	Primary	Develop	Primary	Develop
Healthy Meals	2	Secondary	Develop	Secondary	Develop	Primary	Develop
Budget Meals	3	Secondary	Develop	Secondary	Develop	Secondary	Manage Decline
Easy Meals	4	Secondary	Develop	Minor	Protect	Secondary	Manage Decline
Modern Meals	5	Secondary	Manage Decline	Secondary	Manage Decline	Secondary	Protect
Baked Meals	6	Minor	Protect	Minor	Protect	Minor	Protect
Old-Style Meals	7	Minor	Protect	Minor	Manage Decline	Minor	Manage Decline



## INITIATIVES ALIGNMENT

	Easy Meals	Healthy Meals	Deluxe Meals	Budget Meals	Modern Meals	Old Style	Baked Meals
Expand premium own-brand products	Medium	High	High	Low	Medium	Medium	Medium
Expand Local food sourcing	Low	High	High	Low	Medium	Low	Medium
Expand organics products	Medium	High	High	Low	Medium	Low	Low
Introduce line of single-portion meals	High	High	High	Medium	High	Low	Low
Tie a gas discount to loyalty points program	High	Medium	Medium	High	High	High	High



## INITIATIVE PRIORITIZATION

Initiative	Gap	Revenue	Profit/Cost Cutting	Selection	Priority
<b>Expand premium own-brand products</b>	Great products at great value	Large	High	Yes	1
<b>Expand Local food sourcing</b>	Meeting competitive offerings	Medium	Low	Yes	2
<b>Expand organics products</b>	Customer Needs	Medium	Medium	No	
<b>Introduce line of single-portion meals</b>	Customer Needs	Large	Medium	Yes	3
<b>Expand pet food offering</b>	Easier way of living	Small		No	
<b>Offer % of promotions when buying "X" items from a single CPG like Kraft</b>	Meeting competitive offerings	Medium	No	No	
<b>Expand beer section with tasting and craft beers</b>	Great products at great value	Small	No	No	
<b>Tie a gas discount to loyalty program</b>	Providing value	Small	Low	No	
<b>Low sodium items</b>	Customer Needs	Small	No	no	



# KEY CUSTOMER INITIATIVE DOCUMENTATION

Customer Initiative #4 - Introduce line of single-portion meals							
Customer Initiative #3 - Expand organics products							
Customer Initiative #2 - Expand Local food sourcing							
Customer Initiative #1 - Expand Premium Own Brand Products							
<b>TARGET CUSTOMERS</b>							
	<b>Deluxe Meals</b>	<b>Healthy Meals</b>	<b>Modern Meals</b>	<b>Easy Meals</b>	<b>Baked Meals</b>	<b>Old Style Meals</b>	<b>Budget Meals</b>
	High	High	High	Medium	Medium	Medium	Low
<b>FINANCIAL OBJECTIVES</b>							
	<b>Revenue</b>	<b>Profit</b>	<b>CLV</b>	<b>Costs</b>			
	\$1.05M	12.6%	\$3.7M	\$0.74M			
<b>ACTION ITEMS</b>							
<b>Customer Marketing</b>	<ul style="list-style-type: none"> <li>Identify customers who are most likely to purchase Premium Own Brand Products</li> <li>Identify stores with highest potential for Premium Own Brand Products</li> <li>Create direct communication plan to promote Premium Own Brand Products</li> </ul>						
<b>Merchandising</b>	<ul style="list-style-type: none"> <li>Determine product placement within stores</li> <li>Decide which stores should carry the new line</li> </ul>						
<b>Purchasing</b>	<ul style="list-style-type: none"> <li>Identify new suppliers for Premium Own Brand Products</li> </ul>						
<b>Distribution</b>	<ul style="list-style-type: none"> <li>Assess impact of Premium Own Brand Products line on distribution schedules</li> <li>Determine if existing warehousing /refrigeration methods are sufficient</li> </ul>						
<b>Store Operations</b>	<ul style="list-style-type: none"> <li>Determine what new training, if any, is necessary for staff</li> <li>Integrate new stocking plans into staff workflow</li> </ul>						



## FINANCIAL TARGETS BY SEGMENT

	Current	Previous	Change	% Change		Target	Target Change	Target % Change
<b>Total</b>	\$35,113k	\$34,765k	\$384k	1.0%	➡	\$35,728k	\$615k	1.7%
						↕	↕	↕
<b>Easy Meals</b>	\$4,721k	\$4,842k	-\$121k	-2.5%	➡	\$4,768k	\$47k	1.0%
<b>Healthy Meals</b>	\$5,901k	\$6,101k	-\$200k	-3.3%	➡	\$5,848k	-\$53k	-0.9%
<b>Deluxe Meals</b>	\$7,082k	\$6,295k	\$787k	12.5%	➡	\$7,560k	\$478 k	6.7%
<b>Budget Meals</b>	\$3,639k	\$3,874k	-\$234k	-6.0%	➡	\$3,570k	-\$69k	-1.9%
<b>Modern Meals</b>	\$5,606k	\$5,423k	\$183k	3.4%	➡	\$5,774k	\$168k	3.0%
<b>Old Style Meals</b>	\$3,738k	\$3,874k	-\$136k	-3.5%	➡	\$3,702k	-\$36k	-1.0%
<b>Baked Meals</b>	\$4,426k	\$4,358k	\$68k	1.6%	➡	\$4,506k	\$80k	1.8%



## ANNUAL CLV OBJECTIVES

	Current	Target	Change	Change %
<b>Total</b>	\$459,055 K	\$467,318 K	\$8,263 K	1.8%
<b>Easy Meals</b>	\$78,488 K	\$77,865 K	<b>(-\$623 K)</b>	<b>(-0.8%)</b>
<b>Healthy Meals</b>	\$86,093 K	\$88,661 K	\$2,567 K	3.0%
<b>Deluxe Meals</b>	\$85,934 K	\$89,535 K	\$3,600 K	4.2%
<b>Budget Meals</b>	\$49,483 K	\$49,356 K	<b>(-\$127 K)</b>	<b>(-0.3%)</b>
<b>Modern Meals</b>	\$72,703 K	\$74,011 K	\$1,308 K	1.8%
<b>Old Style Meals</b>	\$42,863 K	\$42,617 K	<b>(-\$246 K)</b>	<b>(-0.6%)</b>
<b>Baked Meals</b>	\$43,487 K	\$44,270 K	\$782 K	1.8%

## CUSTOMER COUNT OBJECTIVES

	Current	Target	Target Change	Target Change %
<b>Total</b>	172,900	179,910	7,010	4.1%
<b>Easy Meals</b>	24,300	24,766	466	1.9%
<b>Healthy Meals</b>	28,800	29,288	488	1.7%
<b>Deluxe Meals</b>	30,800	33,021	2,221	7.2%
<b>Budget Meals</b>	19,000	19,370	370	1.9%
<b>Modern Meals</b>	26,800	28,406	1,606	6.0%
<b>Old Style Meals</b>	18,400	18,796	396	2.2%
<b>Baked Meals</b>	24,800	26,280	1,480	6.0%



## CUSTOMER SEGMENT WANTS AND NEEDS

	WANTS AND NEEDS
<b>DELUXE MEALS</b>	Concerned about food quality, they buy the best. Their shopping behavior is perimeter store driven, and they spend twice the average on premium products.
<b>HEALTHY MEALS</b>	Motivated by staying healthy and/or losing weight. Focused on minimizing the amount of fat, calories and sugar in their diet. They select products based on fat and caloric content.
<b>BUDGET MEALS</b>	Prefer to prepare and cook meals from scratch. Buy just the basics, in small packages with the lowest total ring. Seek to stretch every grocery dollar with value-oriented products, including Private Label and value brands.
<b>EASY MEALS</b>	Convenience-oriented, seeking to save time over saving money. Buy foods that are easy and quick to prepare. A key driver is everyday low prices. They tend to be more impulsive.
<b>MODERN MEALS</b>	Prefer to cook simple and basic meals rather than convenience ready meals. Tend to buy fresh ingredients for easy cooking. Meal times likely to be planned each week. They also like to barbeque.
<b>BAKED MEALS</b>	Enjoy making and baking from scratch at home. Also have a bit of a sweet tooth. Value is also important, they buy more store brands than average.
<b>OLD STYLE MEALS</b>	Primarily interested in putting a square meal on the table for their family, rather than losing weight or staying healthy. Highly brand conscious, buy well known national brands, when on deal.

# CATEGORY ROLES



IMPORTANCE:  Very High  High  Medium  Low  Very Low

Assigned Role	Examples	Importance to Retailer	Importance to Customer	Budget Meals	Healthy Meals	Modern Meals	Deluxe Meals	OldStyle Meals	Baked Meals	Easy Meals
<b>Primary Provider</b> (36 cats.)	Refrigerated Yogurt	Very High	Very High	Very High	Very High	Very High	Very High	Very High	Very High	Very High
	Salads - Convenience	High	High	High	High	High	High	High	High	High
	Lunch Bread	Very High	Very High	Very High	High	High	High	High	High	Very High
	Cat Food - Wet	High	Very High	High	Very High	Low	Very High	Medium	Medium	Low
	Diet Soft Drinks	Very High	Very High	High	High	High	Medium	Medium	High	High
<b>Preferred Provider</b> (19 cats.)	Frozen Snack Foods	Medium	High	High	Very High	Very High	High	High	High	High
	Hispanic Tortilla	Medium	High	Very Low	Very Low	Very High	Very Low	Very Low	Very Low	Very Low
	Raw Ground Beef	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Deli Meats	Medium	Medium	Very Low	Very Low	Medium	High	Medium	Medium	Medium
	Cooking Vegetables	Medium	Medium	Very Low	Very Low	Medium	Medium	Very High	Medium	Medium
<b>Major Provider</b> (40 cats.)	Grapes	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
	Tortilla Chips	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
	Strawberries	Medium	Medium	Very Low	Medium	Medium	Medium	Medium	Medium	Medium
	Novelties	Medium	Medium	Very Low	Medium	Medium	Medium	Medium	Medium	Medium
	Sandwich Cheese	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	High
<b>Common Provider</b> (42 cats.)	Fresh Juice & Drinks	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
	Hispanic Prepared Food	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
	Bacon	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
	Oranges	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
	Desserts	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
<b>Minor Provider</b> (326 cats.)	Snack Nuts	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
	Popcorn	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
	All Purpose Cleaners	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
	Spirits	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium
	Fresh Pasta	Medium	Medium	Very Low	Very Low	Medium	Medium	Medium	Medium	Medium



## “PRIMARY PROVIDER” CATEGORIES BY SEGMENT

	PRIMARY PROVIDER
<b>DELUXE MEALS</b>	Fresh fruits and vegetables, organic products, fresh fish, microbrews, cooking magazines, fresh spices, free range meat and eggs.
<b>HEALTHY MEALS</b>	Fresh produce, premium products, private label milk, vitamins/supplements, hot cereal, wine and dietary supplements, diet soda, low fat, DHA/omega-3, health claim.
<b>BUDGET MEALS</b>	Traditional dairy, basic beef, frozen juices, tobacco, domestic beer, beef, pork, chicken, private label, canned vegetables, CSDs, salty snacks, cold cereal, canned meat and soup.
<b>EASY MEALS</b>	Frozen pizza, frozen entrees, cookies, frozen breakfast food, refrigerated milk, frozen poultry, prepared/package produce, canned fruit, and rotisserie chicken.
<b>MODERN MEALS</b>	Chicken, ground beef, tortillas, spices, produce, charcoal, ice, paper products, seafood, ground beef, meats, bacon, deli, wine, beer & ale and non-carbonated water.
<b>BAKED MEALS</b>	Sugar, flour, baking additives and cake mixes well as a good mix of everyday items such as dairy, bread and special occasion meat.
<b>OLD-STYLE MEALS</b>	Pork chops, root vegetables, basic pastas, canned ingredients, dried fruit, medications, turkey, vegetable, frozen vegetables, ground beef, onions, lettuce and peppers.

# CUSTOMER DRIVEN CATEGORY ROLE DEFINITIONS



		Customer Roles				
		Primary Provider	Preferred Provider	Major Provider	Common Provider	Minor Provider
Actions	Value Proposition	To be <i>primary</i> provider of product	To be <i>preferred</i> provider of product	To be a <i>major</i> provider of product	To a <i>common</i> provider of product	To be <i>minor</i> provider of product
		Assists in <i>defining</i> retailer image	Assists in <i>building</i> retailer image	Assists in <i>reinforcing</i> retailer image	Assists in <i>reinforcing one-stop shopping</i>	Assists in <i>reinforcing one-stop shopping</i>
		<i>Consistently superior</i> value	<i>Consistently competitive</i> value	<i>Occasionally competitive</i> value	<i>Everyday convenience</i> value	<i>Everyday convenience</i> value
	Assortment	<i>Complete</i> range	<i>Broad</i> range	<i>Medium</i> range	<i>Narrow</i> range	<i>Minimal</i> range
		<i>Micro</i> assort	<i>Cluster</i> assort	<i>Regional</i> assort	<i>Single</i> assort	<i>Single</i> assort
		<i>Excellent</i> service level	<i>Good</i> service level	<i>Average</i> service level	<i>Adequate</i> service level	<i>Tolerable</i> service level
	Pricing	<i>Best value</i> pricing	<i>Match competition</i> pricing	<i>Close to competition</i> pricing	<i>Within reach of competition</i> pricing	<i>Convenience</i> pricing
		<i>Customer specific</i>	<i>By store clusters</i>	<i>By store zones</i>	<i>Same all stores</i>	<i>Same all stores</i>
	Promotion	<i>Best</i> value	<i>Good</i> value	<i>OK</i> value	<i>Whatever</i> value	<i>Whatever</i> value
		<i>High</i> activity level	<i>Medium</i> activity level	<i>Seasonal</i> activity level	<i>Low</i> activity level	<i>Low</i> activity level
		<i>Prime</i> location	<i>Good</i> location	<i>Available</i> location	<i>Home</i> location	<i>Home</i> location
	Target Marketing	<i>Best</i> value	<i>Good</i> value	<i>OK</i> value	<i>Whatever</i> value	<i>Whatever</i> value
		<i>High</i> activity level	<i>Medium</i> activity level	<i>Seasonal</i> activity level	<i>Low</i> activity level	<i>Low</i> activity level
		<i>Prime</i> location	<i>Good</i> location	<i>OK</i> location	<i>Available</i> location	<i>Available</i> location



## MARKETING AND MERCHANDISING PRIORITIES

Easy Meals	Product Mix	Pricing	Promotions	Target Marketing
<b>Capitalize</b>	Frozen Dinners	Pastries	Frozen Poultry	Deli - Grab-N-Go
<b>Improve</b>	Frozen Breakfast	Ground Coffee	Sandwiches	Cakes
Healthy Meals	Product Mix	Pricing	Promotions	Target Marketing
<b>Capitalize</b>	Nutritional Snack Bar	Rfg Yogurt	Deli - Hot Food	Natural Cheese
	Ready to Eat Cereal	Calorie Soft Drinks	Rfg Yogurt	Organic Brands
<b>Improve</b>	Domestic Table Wine	Produce - Fruits	Low-Fat Milk	Dietary Snack Bars
Deluxe Meals	Product Mix	Pricing	Promotions	Target Marketing
<b>Capitalize</b>	Store Brands	Rfg/Deli Pasta/Noodle	Boars Head Meat	Imported/Craft Beer
	Sushi	Organic Fruits	Rfg Deli Pasta	Cheese
<b>Improve</b>	Craft Beer/Ale	Cheese	Whole Coffee Beans	Sushi
	Organic Salads	Artisan Breads	Imported Wine	Artisan Breads
Budget	Product Mix	Pricing	Promotions	Target Marketing
<b>Capitalize</b>	Cigarettes	Deli - Meats	Salty Snacks	Cigarettes
	Markdowns Beef	Domestic Beer/Ale	Deli - Meats	Domestic Beer/Ale
<b>Improve</b>	Cookies	Salty Snacks	Domestic Beer/Ale	Pork, Chicken
Modern Meals	Product Mix	Pricing	Promotions	Target Marketing
<b>Capitalize</b>	Service Case - Beef	Meat - Pork	Meat - Pork	Service Case - Beef
	Seafood	Meat - Packaged	Bacon	Shrimp
<b>Improve</b>	Wine	Shrimp	Non-Carb Water	Deli - Hot Food
Old Style Meals	Product Mix	Pricing	Promotions	Target Marketing
<b>Capitalize</b>	Beef/Pork/Chicken	Fresh Eggs	Ground Coffee	Fresh Eggs
	Produce - Vegetables	Ground Beef Patties	Perdue	Fresh Turkey
<b>Improve</b>	Vegetables	Fresh Turkey	Ground Beef Patties	Sanderson Farms



## RESOURCE ALLOCATION: MARKDOWNS

	Strategic Priority	Current Markdowns			Reallocated Markdowns			Δ
		\$K	\$/HH	%Sales	\$K	\$/HH	%Sales	
Deluxe Meals	1	992	\$32	15.1%	1054	\$34	16.0%	↑
Healthy Meals	2	1012	\$35	16.8%	1117	\$39	18.5%	↑
Easy Meals	2	811	\$33	17.0%	911	\$37	19.1%	↑
Old-Style Meals	2	649	\$35	17.1%	694	\$37	18.3%	↑
Baked Meals	3	779	\$31	17.1%	643	\$26	14.1%	↓
Modern Meals	3	965	\$36	16.9%	852	\$32	14.9%	↓
Budget Meals	4	630	\$33	17.1%	568	\$30	15.4%	↓
<b>TOTAL</b>		<b>5,839</b>	<b>\$34</b>	<b>16.6%</b>	<b>5,839</b>	<b>\$34</b>	<b>16.6%</b>	↔

# CUSTOMER PLANNING WORKSHEETS





# “EASY MEALS” SEGMENT PROFILE (1/3)

**Spend more on convenience-oriented products, seeking to save time over saving money. They live on frozen and convenience food, snacks, candy, cookies and little or no fresh produce.**



**Buy foods that are easy to prepare and often select foods based on the time it takes to prepare them. Relative to other segments, tend to be more impulsive and have a lower income profile.**

PURPOSE		VALUE PROPOSITION		
To be a driver of revenue growth, profit growth, customer equity and long-term value (CLV) for the retailer.		Be the a major grocery provider by delivering a consistently competitive offering and shopping experience		
VALUE PROVIDED				
Primary	Preferred	Major	Common	Minor
Frozen Pizza, Frozen Meals, Cookies, Franks, Poultry, Packaged Meat, Prepared & Packaged Produce, Salty Snacks, Soup, Frozen Breakfast	Snack / Granola Bars, Bakery, Lunchables, Canned Fruit, Soft Drinks, Rotisserie Chicken, Crackers, Ice Cream, Deli - Grab-N-Go	Beer/Ale, Natural Cheese, Cold Cereal, Dog Food, Dry Packaged Dinners, Toaster Pastries, Dry Fruit Snacks, Prepared, Instant Potatoes,	Toilet Tissue, Cat Food, Tomato Products, Cottage Cheese, Flour/Meal, Vinegar, Dry Beans/Vegetables, Cocktail Mixes	Pickles/Relish Olives, Cigarettes, Weight Control, Sugar Substitutes, Baking Nuts, Powdered Milk, Spirits/Liquor, Cosmetics



## “EASY MEALS” SEGMENT PROFILE (2/3)

Motivations	Attitudes
<ul style="list-style-type: none"><li>• Good selection of convenience foods</li><li>• Pre-packaged produce</li><li>• Quality store brand items</li><li>• Good everyday prices</li></ul>	<ul style="list-style-type: none"><li>• Shop for easy to assemble dinners</li><li>• Little time for cooking &amp; experimenting</li><li>• Wish they knew more about cooking</li><li>• Concerned about making budget stretch</li></ul>
Marketing and Merchandising Responsiveness	
In-Store	Out of Store
<ul style="list-style-type: none"><li>• Store Brands: <b>Above Average</b></li><li>• Display Responsiveness: <b>High</b></li><li>• TPR Responsiveness: <b>High</b></li></ul>	<ul style="list-style-type: none"><li>• Electronic Coupons <b>Yes</b></li><li>• Paper Coupons: <b>Yes</b></li><li>• Circular: <b>Yes</b></li></ul>



# “EASY MEALS” SEGMENT PROFILE (3/3)

## VALUE SEGMENTS

	Sales (\$k)	#HH k	Index <sup>1</sup>
Platinum	688	0.4	80
Gold	1,558	2.2	102
Silver	1,305	4.5	111
Bronze	1,116	13.1	102
Tin	93	4.0	103
<b>TOTAL</b>	<b>4,761</b>	<b>24.3</b>	<b>100</b>

## PRICE SENSITIVITY SEGMENTS

	Sales (\$k)	#HH k	Index <sup>1</sup>
Favors Premium Products	812	4.7	84
Favors Mid-Priced Products	1,432	7.0	101
Favors Low-Priced Products	2,517	12.6	106
<b>TOTAL</b>	<b>4,761</b>	<b>24.3</b>	<b>100</b>

## DISCOUNT USAGE SEGMENTS

	Sales (\$k)	#HH k	Index <sup>1</sup>
Low Discount Usage	315	4.2	96
Low-Mid Discount Usage	812	3.6	89
Mid Discount Usage	1,982	7.4	95
Mid-High Discount Usage	888	3.5	110
Cherry Pickers	764	5.7	121
<b>TOTAL</b>	<b>4,761</b>	<b>24.3</b>	<b>100</b>

<sup>1</sup> Share of dollars Easy Meals segment vs. all segments

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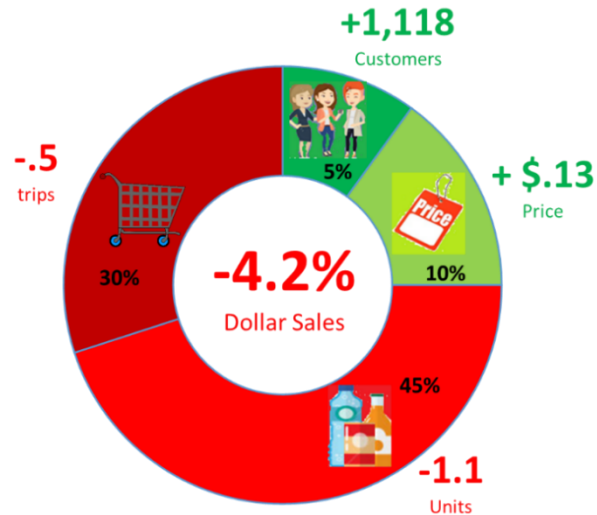
<sup>1</sup> Share of dollars Easy Meals segment vs. all segments



## “EASY MEALS” SEGMENT PERFORMANCE

	Current	% of Total	Rank	Change vs. YAG	% Change vs. YAG	Change vs. YAG Rank
Sales \$K	\$4,762 K	13%	4	(\$205) K	-4%	5
No. of HH	24,300	14%	5	1,386	6%	5
\$ / HH	\$196		5	(\$20.80)	-10%	4
\$ / Txn	\$32.37		6	(\$0.04)	-0.1%	5
Txn / HH / Wk	0.46		4	-0.05	-9%	4
Discount \$K	\$811 K	14%	4	(\$114) K	-12%	6

### Performance Decomposition





# “EASY MEALS” CUSTOMERS GAINED AND LOST ASSESSMENT

<b>CUSTOMERS GAINED AND LOST AS A RESULT OF OUR ACTIONS</b>	
<b>Positive Internal Actions</b> (Customers Gained or Grown)	<b>Negative Internal Actions</b> (Customers Lost or Declined)
<ul style="list-style-type: none"> <li>Increased conversion in Deli through expanded Convenience Foods product line</li> <li>Dole’s expanded product line of premium convenience perishable items</li> <li>Marketing’s promotion impact in Grab ‘n’ Go</li> <li>Merchandising’s pricing impact in Christmas &amp; Halloween candy</li> <li>Increased conversion in Deli through expanded product line in Sushi</li> <li>Promotion of Bone-In Smoked Ham &amp; Sausage Works drove increase in customers, baskets and frequency</li> <li>Major customers increase in Turkey</li> <li>Pre-packaged produce expanded baskets</li> </ul>	<ul style="list-style-type: none"> <li>Price increases in Frozen drove key category sales down and drove decrease in buying trips</li> <li>Negative migration of Platinum &amp; Silver through conversion in Floral</li> <li>Negative impact in General Merchandise due to lack of seasonal sales.</li> <li>Razor sales decreased due to theft proof packaging</li> <li>Lost customers sales in Chicken category by switching assortment mix from Sanders to Coleman</li> <li>Decreased sales in Floral department caused by changes in mix</li> <li>Decreased sales in produce among Easy Meals; needs further investigation</li> </ul>
<b>CUSTOMERS GAINED AND LOST AS A RESULT OF OUTSIDE ACTIONS</b>	
<b>Positive Outside Factors</b> (Customers Gained or Grown)	<b>Negative Outside Factors</b> (Customers Lost or Declined)
<ul style="list-style-type: none"> <li>Southern region competitor closed stores</li> <li>Competition deemphasized smoked ham and sausage works</li> <li>Customers looking for healthier frozen foods</li> </ul>	<ul style="list-style-type: none"> <li>Negative impact in Frozen where the competitor had better promotional pricing</li> <li>Customers shopping more stores for grocery</li> <li>Aldi entering southern markets</li> <li>Amazon Fresh delivering frozen products</li> </ul>



## “EASY MEALS” CUSTOMER S.W.O.T.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Household growth last year</li> <li>• Segment growing in the market</li> <li>• 9,370 New, Revived &amp; Growing customers</li> <li>• 2,388 Platinum &amp; Gold customers</li> <li>• 3,169 Stable customers</li> <li>• Strong loyalty to store brands</li> <li>• Major purchaser of center of store</li> <li>• Growth in Easy Meal customers in the market</li> </ul>	<ul style="list-style-type: none"> <li>• Under-developed Platinum segment and decreases in trips, \$ per trip and \$ per Household</li> <li>• 4,678 Tin customers / 6,259 “Peanut” customers</li> <li>• Lower income profile</li> <li>• Not driven as much by Fresh</li> <li>• Food budget constrained</li> <li>• Only segment to experience a sales decline</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Grow customers that shopped Southern region competitor that closed stores</li> <li>• \$1,185,312 Net Migration opportunity</li> <li>• Access to CPG Shopper funds</li> <li>• Top growth opportunities: Single Serve, Dole Brands, Wine, Poultry, Yogurts</li> </ul>	<ul style="list-style-type: none"> <li>• Hard to match Everyday Low Prices</li> <li>• Online shopping of convenience foods</li> <li>• Online shopping of general merchandise</li> <li>• Loss of convenience food trips</li> <li>• Easy Meals families getting older and children leaving home</li> </ul>

# "EASY MEALS" PRODUCT SALES PERFORMANCE DECOMPOSITION



## Most Positive Trending

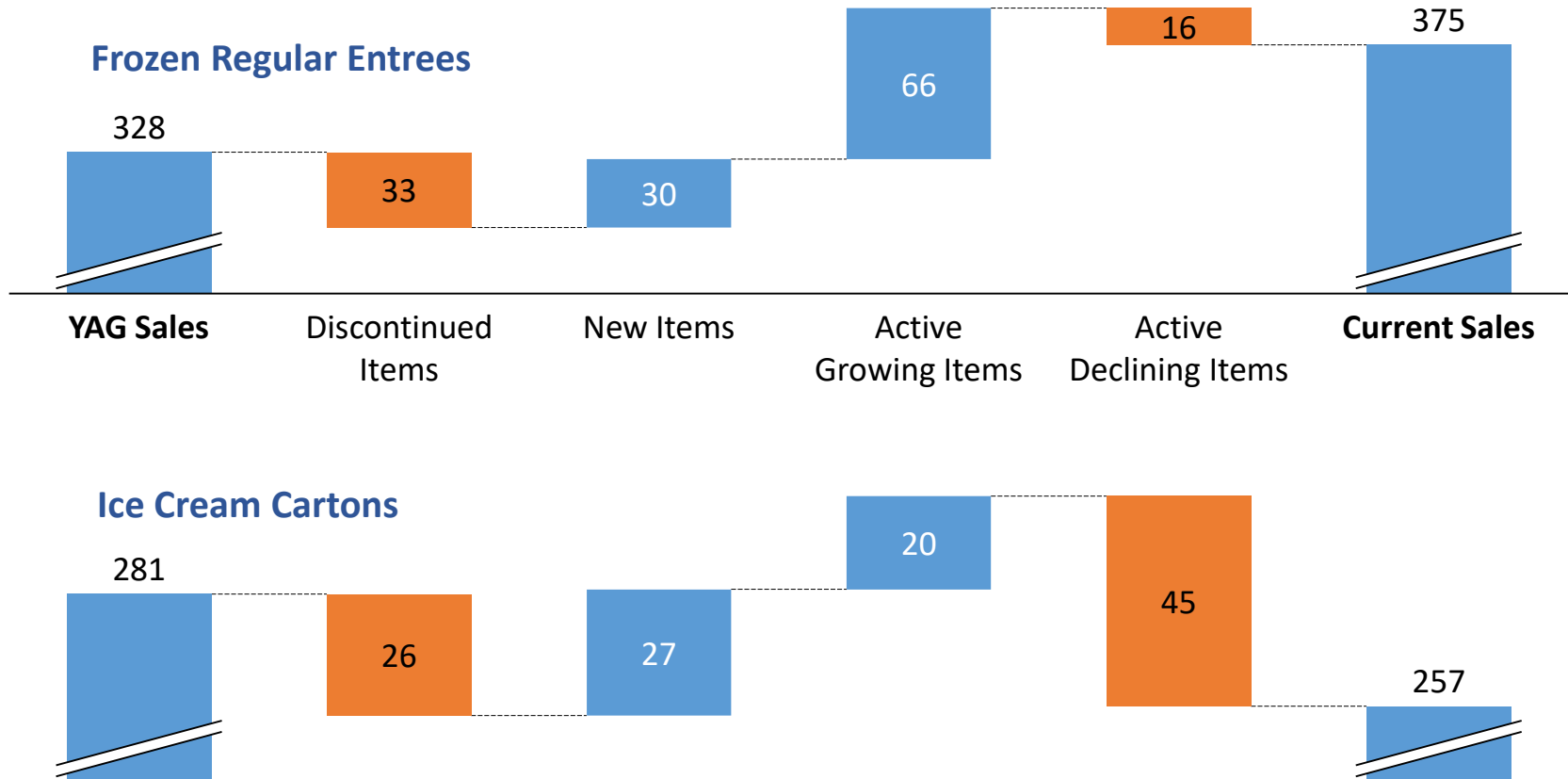
Category - Sub Category	Dollars CHG	Customer	Trips	Units	Ave Price
DELI - GRAB-N-GO	\$9,644	6%	3%	10%	80%
DELI HOLIDAY	\$4,083	8%	5%	9%	78%
GRAB AND GO	\$2,110	4%	5%	9%	82%
SUSHI	\$1,608	3%	4%	10%	83%
MEAT – PORK	\$9,502	14%	6%	20%	60%
BONE-IN SMOKED HAM	\$6,716	11%	6%	21%	62%
MARKDOWNS PORK	(\$2,424)	19%	5%	22%	54%
PORK LOINS (BONELESS)	\$3,894	23%	6%	21%	50%
PORK RIBS	(\$3,933)	11%	5%	20%	64%
SAUSAGE WORKS	\$1,903	15%	5%	19%	61%
DELI - CHEESE	\$7,231	38%	6%	19%	38%
BOAR'S HEAD CHEESES	\$1,040	39%	6%	19%	36%
ITALIAN CHEESE	\$1,413	34%	7%	20%	39%
PROCESSED CHEESE	\$1,116	41%	5%	16%	38%
BAKERY - SEASONAL	\$2,909	56%	11%	24%	8%
BAKERY HOLIDAY	\$1,230	60%	9%	22%	9%
HOLIDAY CAKES	\$1,435	55%	11%	24%	10%
SOUP	\$2,368	45%	22%	22%	10%
SS DRY SOUPS/SOUP MIXES	(\$674)	46%	21%	21%	12%
SS SOUP	\$929	40%	24%	23%	13%
SS SOUP STARTER	\$2,113	46%	22%	20%	12%
SS SHORTENING/LARD	\$2,268	67%	7%	17%	9%
COOKING & SALAD OILS	\$1,147	70%	6%	15%	9%
OLIVE OIL	\$327	65%	7%	18%	10%

## Most Negative Trending

Category - Sub Category	Dollars CHG	Customer	Trips	Units	Ave Price
MEAT - GROUND BEEF	(\$17,771)	54%	8%	19%	19%
GOURMET SOLUTIONS	\$881	48%	9%	19%	24%
MAP GROUND BEEF	(\$17,997)	46%	6%	24%	24%
MARKDOWNS GROUND BEEF	\$840	55%	6%	20%	19%
MEAT - CHICKEN	(\$16,026)	40%	13%	34%	13%
SPRING MOUNTAIN	\$8,560	38%	13%	28%	21%
MARKDOWNS CHICKEN	\$2,233	41%	16%	25%	18%
PERDUE	(\$2,328)	34%	10%	34%	22%
SANDERSON FARMS	(\$21,860)	41%	13%	27%	19%
MEAT - BEEF	(\$13,431)	73%	9%	0%	18%
BEEF RIBS	(\$10,337)	69%	8%	6%	17%
BEEF ROUND	(\$4,040)	65%	11%	6%	18%
BONELESS BEEF CHUCK	\$3,120	68%	10%	0%	22%
SERVICE CASE - BEEF	\$3,101	68%	7%	3%	22%
SKYLARK CORNED BEEF BRISKET	(\$3,518)	65%	9%	2%	24%
MEAT - PACKAGED	(\$10,924)	1%	16%	43%	40%
BACON	(\$6,695)	0%	24%	33%	43%
FRESH SAUSAGE	(\$4,356)	0%	20%	42%	38%
MARKDOWNS PACKAGED	(\$2,700)	2%	24%	38%	36%
BAKING NEEDS	(\$10,359)	53%	12%	26%	9%
BAKING CHOCOLATE/CHIPS	(\$3,886)	48%	16%	25%	11%
SS PIE/PASTRY FILLING	(\$3,065)	48%	15%	30%	7%
TOTAL CHOCOLATE CANDY	(\$7,260)	29%	5%	11%	55%
CHOCOLATE CANDY SNACK SIZE	(\$1,092)	30%	4%	11%	55%
CHRISTMAS CANDY	(\$3,711)	25%	4%	12%	59%
HALLOWEEN CANDY	(\$2,173)	29%	3%	11%	57%



## “EASY MEALS” SEGMENT YOY Sales Change (\$K)





## “EASY MEALS” PRIORITY, ROLE AND INTENTION

	REVENUE		PROFIT		CLV	
Priority	Role	Intention	Role	Intention	Role	Intention
4	Secondary	Develop	Minor	Protect	Secondary	Manage Decline

Metric	Purpose: Easy Meals	Action
Cash Flow (cash generator)	Average contributor of cash flow	Recapture lost shopper trips and key category sales
CLV (equity building)	Secondary contributor of overall CLV	Increase CLV by reversing negative migration of top customers
Profit (profit contribution)	Secondary contributor of profit, slight profit increase	Rollback last year’s price increases to regain lost sales
Opportunity (upside migration)	High Secondary opportunity	Stop decline and recapture lost sales areas

## FINANCIAL TARGETS

	Current	Previous	Gain / Loss	% Chg.		Target	Gain / Loss	% Chg.
<b>Customers</b>								
	24,300	23,843	457	1.9%		24,766	466	1.9%
<b>Revenue</b>								
	\$4,721 k	\$4,841 k	(\$121) k	(2.5%)		\$4,768 k	\$47 k	1.0%



## “EASY MEALS” CUSTOMER TARGETS

		Platinum	Gold	Silver	Bronze	Tin	Total
Sales	<b>Total \$k</b>	\$800 K	\$1,618 K	\$1,335 K	\$938 K	\$77 K	<b>\$4,768 K</b>
	<b>Gain/Loss</b>	\$4,122	\$13,372	\$13,642	\$15,332	\$532	<b>\$46,727</b>
	<b>% Chg.</b>	0.5%	0.8%	1.0%	1.6%	0.7%	<b>1.0%</b>
Avg. Price	<b>Total</b>	\$3.59	\$3.53	\$3.27	\$3.14	\$2.98	<b>\$3.30</b>
	<b>Gain/Loss</b>	\$0.07	\$0.11	\$0.10	\$0.09	\$0.12	<b>\$0.10</b>
	<b>% Chg.</b>	1.9%	3.1%	3.1%	2.9%	4.0%	<b>3.0%</b>
Units Per Trip	<b>Total</b>	17.2	11.01	7.82	6.01	2.91	<b>8.99</b>
	<b>Gain/Loss</b>	0.31	0.28	0.23	0.09	0.15	<b>0.21</b>
	<b>% Chg.</b>	1.8%	2.5%	2.9%	1.5%	5.2%	<b>2.3%</b>
\$ Per Trip	<b>Total</b>	\$61.76	\$38.88	\$25.58	\$18.86	\$8.66	<b>\$30.75</b>
	<b>Gain/Loss</b>	\$1.24	\$0.58	\$0.64	\$0.19	\$0.26	<b>\$0.58</b>
	<b>% Chg.</b>	2.0%	1.5%	2.5%	1.0%	3.0%	<b>1.9%</b>
Frequency	<b>Total</b>	1.8816	1.2619	0.7946	0.2367	0.1179	<b>0.86</b>
	<b>Gain/Loss</b>	0.018	0.019	0.016	0.006	0.004	<b>0.013</b>
	<b>% Chg.</b>	1.0%	1.5%	2.0%	2.5%	3.4%	<b>1.5%</b>
Trips Per Period	<b>Total</b>	24.9971	16.7643	10.5563	3.1446	1.5663	<b>11.41</b>
	<b>Gain/Loss</b>	0.25	0.252	0.211	0.077	0.047	<b>0.172</b>
	<b>% Chg.</b>	1.0%	1.5%	2.0%	2.4%	3.0%	<b>1.5%</b>
\$ Per Customer	<b>Total</b>	\$1,543.81	\$651.77	\$270.01	\$59.30	\$13.56	<b>\$507.69</b>
	<b>Gain/Loss</b>	\$15.44	\$9.78	\$5.40	\$1.48	\$0.41	<b>\$6.50</b>
	<b>% Chg.</b>	1.0%	1.5%	2.0%	2.5%	3.0%	<b>1.3%</b>

## VALUE PROPOSITION: “EASY MEALS”



Primary Provider (Consistently Superior Value)	Preferred Provider (Occasionally Superior Value)	Major Provider (Consistently Competitive Value)	Common Provider (Occasionally Competitive Value)	Minor Provider (Reasonable Value)
<ul style="list-style-type: none"> <li>• Regular Soft Drinks</li> <li>• Fz Pizza</li> <li>• Domestic Still/Table Wine</li> <li>• Frozen Regular Entrees</li> <li>• Cookies</li> <li>• Rfg Skim/Low-Fat Milk</li> <li>• Frozen Regular Dinners</li> <li>• Ready To Eat Cereal</li> <li>• Hot Bar Items</li> <li>• Rfg Yogurt</li> </ul>	<ul style="list-style-type: none"> <li>• Fz Breakfast</li> <li>• Ground Beef</li> <li>• Ground Coffee</li> <li>• Ice Cream</li> <li>• Low Calorie Soft Drinks</li> <li>• Natural Cheese</li> <li>• Nutritional Snacks</li> <li>• Potato Chips</li> <li>• Sliced Meats</li> <li>• Toilet Tissue</li> </ul>	<ul style="list-style-type: none"> <li>• Apples</li> <li>• Hotdogs</li> <li>• Fz Handheld Non Breakfast Entrees</li> <li>• Fz Novelties Single Serving</li> <li>• Fz Poultry</li> <li>• Laundry Detergent</li> <li>• Processed Salads</li> <li>• Rfg Orange Juice</li> <li>• Fresh Rolls &amp; Buns</li> <li>• Isotonic Drinks</li> <li>• Tortilla Chips</li> </ul>	<ul style="list-style-type: none"> <li>• Baby Formula</li> <li>• Catsup</li> <li>• Cooking &amp; Salad Oils</li> <li>• Corn, Cottage Cheese</li> <li>• Dry Dinner Mix-Add Meat</li> <li>• Mushrooms</li> <li>• Olive Oil</li> <li>• Packaged Pies</li> <li>• Saltine Crackers</li> <li>• Sugarless Gum</li> </ul>	<ul style="list-style-type: none"> <li>• Cookie Mix</li> <li>• Dried Beans/Grains</li> <li>• Dry Dinner Mix With Meat</li> <li>• Imitation Cheese</li> <li>• Instant Coffee</li> <li>• Pie Filling Mixes</li> <li>• Rfg Yogurt Drinks</li> <li>• Prepared Liquid Gravy</li> <li>• Salad Dressing Mix</li> </ul>

# MERCHANDISING PLAN: "EASY MEALS"



## Fix Declining Categories

Product Groups	Provider	Dollar Change	Assortment Mix	Pricing	Promote	Promotion Price	Promotion Frequency
MEAT - GROUND BEEF	'Primary'	-\$17,771	Increase	Decrease	Increase	Decrease	Increase
BEEF RIBS	'Primary'	-\$10,337	Increase	Decrease	Increase	Decrease	Increase
BACON	'Primary'	-\$6,695	Increase	Maintain	Increase	Maintain	Maintain
BERRIES	'Primary'	-\$6,324	Increase	Decrease	Increase	Decrease	Increase
SANDERSON FARMS	'Major'	-\$21,860	Increase	Decrease	Increase	Decrease	Maintain
TURKEY FROZEN 450	'Major'	-\$15,270	Increase	Decrease	Maintain	Decrease	Maintain
CHOCOLATE CANDY	'Major'	-\$7,260	Increase	Maintain	Maintain	Maintain	Maintain
BAKING NEEDS	'Common'	-\$10,359	Maintain	Decrease	Maintain	Decrease	Maintain
VEGETABLES	'Common'	-\$5,947	Maintain	Increase	Increase	Increase	Increase
FZ PIES	'Minor'	-\$4,619	Decrease	Maintain	No	NA	NA
DELI – SANDWICHES	'Minor'	-\$3,881	Decrease	Maintain	No	NA	NA

## Accelerate Growing Categories

Product Groups	Provider	Dollar Change	Assortment Mix	Pricing	Promote	Promotion Price	Promotion Frequency
FRESH CUT FRUIT	'Primary'	\$9,400	Maintain	Increase	Increase	Maintain	Increase
SPRINGER MOUNT FARMS	'Primary'	\$8,560	Maintain	Decrease	Increase	Maintain	Maintain
BONE-IN SMOKED HAM	'Preferred'	\$6,716	Maintain	Maintain	Increase	Maintain	Increase
PROCESSED VEGETABLES	'Preferred'	\$4,298	Maintain	Maintain	Maintain	Maintain	Maintain
DELI – CHEESE	'Major'	\$7,231	Maintain	Maintain	Increase	Decrease	Increase
DELI HOLIDAY	'Major'	\$4,083	Maintain	Maintain	Maintain	Decrease	Maintain
SERVICE CASE – BEEF	'Common'	\$3,101	Maintain	Maintain	No	NA	NA
SD SALADS	'Common'	\$2,923	Maintain	Maintain	Increase	Maintain	Maintain
BAKERY – SEASONAL	'Minor'	\$2,909	Maintain	Increase	No	NA	NA



## MERCHANDISING DIRECTIVES: “EASY MEALS”

UPC Description	Merchandising Rating	Actions			
		Product Distribution	Pricing	Space	Supply
Bananas Yellow Regular	'Primary'	Maintain	Maintain	Maintain	Maintain
Eggs Large Aa 18 Ct	'Primary'	Maintain	Maintain	Maintain	Maintain
Avocados California	'Primary'	Maintain	Maintain	Maintain	Increase
Ckn Breast B/S Evp Pound	'Primary'	Maintain	Increase	Increase	Maintain
Milk Whole Ga	'Primary'	Maintain	Decrease	Decrease	Maintain
Chicken Homestyle Whole Hot	'Primary'	Maintain	Increase	Increase	Decrease
Tomatoes Red Tov/Cluster	'Primary'	Maintain	Decrease	Decrease	Increase
Milk 2% Lf Ga	'Primary'	Increase	Increase	Increase	Increase
80% Ln Gr Bf Mkt 20% Fat Evp Lb	'Primary'	Maintain	Increase	Increase	Maintain
Coke Classic Soda Pk 12-12fz	'Primary'	Increase	Increase	Increase	Increase
Corona Extra Beer Btl 12-12fz	'Primary'	Maintain	Maintain	Maintain	Increase
Eggs Large Aa 12 Ct	'Primary'	Increase	Maintain	Maintain	Increase
Cherries Red Sweet	'Primary'	Maintain	Maintain	Maintain	Maintain



## “EASY MEALS” MASS MARKETING OBJECTIVES AND ACTIONS

Objectives	Actions
<b>Retailer Brand Image Strategy</b>	
Helping our customers enjoy a better quality of life by means of convenience-oriented products that save time and make meal preparation easier	<ul style="list-style-type: none"> <li>• Communication plan to emphasize convenience-oriented products that save time and make meal preparation easier</li> </ul>
<b>Research Attitudes Towards Healthy</b>	
Understand the Easy Meal Customer attitude on the importance of healthy in convenient meals	<ul style="list-style-type: none"> <li>• Develop proposal and get funding for focus group and questionnaire</li> </ul>
<b>Key Message</b>	
Communicate that we made a mistake to our Easy Meals customers, that we are going to work to win back their business	<ul style="list-style-type: none"> <li>• Work with Marketing to develop message and copy</li> </ul>
<b>Mix of Communication Vehicles</b>	
Use best mix of communication vehicles to present both Brand Image and Key Message	<ul style="list-style-type: none"> <li>• Use Facebook, email, e-newsletters, banners of targeted electronic promotions and in-store signage in Frozen section to communicate key message</li> <li>• Use circular + website to communicate brand image</li> </ul>



## “EASY MEALS” PROMOTIONAL DIRECTIVES

			Actions			
UPC Description	Promotion Rating	Promotion Purpose	Promotion 'frequency'	Promotion 'length'	Promotion 'location'	Promotion 'pricing'
Eggs large aa 18 ct	'Primary'	Basket	Maintain	Increase	Increase	Maintain
Ckn breast b/s evp pound	'Primary'	Basket	Decrease	Increase	Increase	Decrease
Milk 2% lf ga	'Primary'	Basket	Maintain	Increase	Increase	Maintain
Coca Cola Classic Soda Pk 12-12fz	'Primary'	Traffic	Increase	Maintain	Maintain	Increase
Corona Extra Beer Btl 12-12fz	'Primary'	Basket	Maintain	Maintain	Maintain	Maintain
Arwhd Mountain Spring Water 5lt	'Primary'	Traffic	Decrease	Increase	Increase	Decrease
Pepsi Soda Fridge Mate 12-12 F	'Primary'	Basket	Maintain	Increase	Increase	Maintain
Budweiser Light Beer Can 30-12fz	'Primary'	Basket	Decrease	Increase	Increase	Decrease
Strawberries 1lb 16 Oz	'Primary'	Basket	Maintain	Increase	Increase	Maintain
Coke Diet Soda Frdg Pk 12-12fz	'Primary'	Traffic	Increase	Maintain	Maintain	Increase
Tomatoes Hot House Large	'Primary'	Basket	Maintain	Maintain	Maintain	Maintain
Rr Beef Ribeye Steak Bi Evp 1 Lb	'Primary'	Traffic	Decrease	Increase	Increase	Decrease
Bread Artisan French Ea	'Primary'	Basket	Maintain	Increase	Increase	Maintain
93% lean ground beef 7% fat lb	'Primary'	Basket	Decrease	Increase	Increase	Decrease
Aquafina Water Case 24-16.9	'Primary'	Basket	Maintain	Increase	Increase	Maintain
Rr Beef Ribeye Steak Boneless Lb	'Primary'	Traffic	Increase	Maintain	Maintain	Increase
Doritos Tortilla Chips N Chse 13 Oz	'Primary'	Basket	Maintain	Maintain	Maintain	Maintain

# TARGET MARKETING STRATEGIC OBJECTIVES AND ACTIONS: “EASY MEALS”



Priority	Objectives	Actions
<b>1# Protect Key Customer Relationships</b>	Protect 2,388 Platinum & Gold customers	<ul style="list-style-type: none"> <li>Invest to grow at an easily consumable rate by:                             <ul style="list-style-type: none"> <li>Concentrating effort on maintaining strength in Deli to Go, Frozen Regular Entrees, Frozen Pizza, Convenience Deli</li> <li>Defending strengths of Regular Soft Drinks, Domestic Still/Table Wine, Refrigerated Skim/Low-Fat Milk</li> </ul> </li> </ul>
<b>2# Develop Key Customer Relationships</b>	Migrate the 1,311 likely to migrate Platinum & Gold customers up the value ladder	<ul style="list-style-type: none"> <li>Build selectively on strengths in Hot Bar Items, Frozen Dinners &amp; Entrees,</li> <li>Challenge for leadership by strengthening vulnerable product areas such as Beef, Chicken, Turkey, Chocolate Candy and Spices/Seasonings</li> </ul>
<b>3# Mend Key Customer Relationships</b>	Revive the 999 Platinum, Gold, and Silver customers that slipped down the value ladder back up	<ul style="list-style-type: none"> <li>Win back customers purchases in abandoned Fruit Produce Beef and Frozen categories</li> <li>Exploit strengths in Deli to Go, Frozen Regular Entrees, Frozen Pizza, Convenience Deli</li> </ul>
<b>4# Harvest low-opportunity Customer Relationships</b>	Don't invest any more resources in 6,259 Bronze and Tin customers who have a high propensity to switch to competitors	<ul style="list-style-type: none"> <li>Divest from non-profitable customers by:                             <ul style="list-style-type: none"> <li>Reducing discounts from targeted offers in Primary and Preferred Provider items</li> <li>Avoiding investments in Major, Common and Minor Provider items</li> </ul> </li> </ul>
<b>5# Win Back Key Customers</b>	Win back the 1,200 lapsed Bronze customers who took their business away	<ul style="list-style-type: none"> <li>Invest to grow in abandoned categories of Floral, Fruit Produce</li> </ul>
<b>6# Develop New Customer Relationships</b>	Retention plan for 885 new first time Customers	<ul style="list-style-type: none"> <li>Invest in “\$5 per basket off” program to get the customer first 3 repeat visits</li> <li>Other targeted offers based on value segments</li> </ul>



## “EASY MEALS” TARGET MARKETING PRIORITIES BY SUB-SEGMENT

# of HH	Platinum	Gold	Silver	Bronze	Tin	Grand Total
New	8	61	236	1,197	-	1,502
Revived	1	4	58	513	139	715
Growing	197	1,040	1,999	3,730	187	7,153
Stable	170	660	979	1,263	97	3,169
Declining	16	231	752	3,184	1,268	5,451
Lapsed	6	125	550	2,310	700	3,700
Peanuts				3,301	2,958	6,259
<b>Total</b>	<b>392</b>	<b>1,996</b>	<b>4,024</b>	<b>13,208</b>	<b>4,678</b>	<b>24,298</b>



## “EASY MEALS” TARGET MARKETING SALES TARGETS

\$	Platinum	Gold	Silver	Bronze	Tin	Grand Total
New	\$2,172	\$10,862	\$16,293	\$30,414		\$59,741
Revived		\$1,086	\$3,259	\$10,862		\$15,207
Growing	\$79,292	\$184,653	\$150,981	\$92,327	\$1,086	\$508,340
Stable	\$68,430	\$121,654	\$76,034	\$32,586		\$298,704
Declining	\$5,431	\$38,017	\$55,396	\$59,741	\$3,259	\$161,843
Peanuts				\$31,500	\$8,690	\$40,189
<b>Total</b>	<b>\$155,326</b>	<b>\$356,273</b>	<b>\$301,963</b>	<b>\$257,429</b>	<b>\$13,034</b>	<b>\$1,086,197</b>



## “EASY MEALS” TARGET MARKETING TARGET \$ CHANGES PER HOUSEHOLD

\$	Platinum	Gold	Silver	Bronze	Tin	Grand Total
New	\$8.76	\$5.74	\$2.23	\$0.82		\$1.28
Revived		\$8.76	\$1.81	\$0.68		\$0.69
Growing	\$12.98	\$5.73	\$2.44	\$0.80	\$0.19	\$2.29
Stable	\$12.98	\$5.95	\$2.51	\$0.83		\$3.04
Declining	\$10.95	\$5.31	\$2.38	\$0.61	\$0.08	\$0.96
Peanuts				\$0.31	\$0.09	\$0.21
Total	\$12.78	\$5.76	\$2.42	\$0.63	\$0.09	\$1.44



## “EASY MEALS” TARGET MARKETING DIRECTIVES

UPC Description	Target Marketing Goal	Target Marketing Purpose	Actions		
			Target Marketing 'Frequency'	Target Marketing 'Length'	Target Marketing 'Pricing'
Eggs large AA 18 ct	'Primary'	Reward	Increase	Increase	Decrease
Ckn breast b/s evp pound	'Primary'	Reward	Increase	Maintain	Maintain
Milk 2% lf ga	'Primary'	Reward	Maintain	Maintain	Increase
Coca Cola Classic Soda Frdg Pk 12-12fz	'Primary'	Reward	Increase	Increase	Decrease
Corona Extra Beer Btl 12-12fz	'Primary'	Develop	Increase	Maintain	Maintain
Arwhd Mountain Spring Water 5lt	'Primary'	Reward	Maintain	Maintain	Increase
Pepsi soda fridge mate 12-12 f	'Primary'	Reward	Increase	Increase	Decrease
Budweiser Light Beer Can 30-12fz	'Primary'	Develop	Increase	Maintain	Maintain
Strawberries 1lb 16 Oz	'Primary'	Develop	Maintain	Maintain	Increase
Coke Diet Soda Frdg Pk 12-12fz	'Primary'	Reward	Increase	Increase	Decrease
Tomatoes hot house large	'Primary'	Develop	Increase	Maintain	Maintain
Rr beef ribeye steak bi evp 1 lb	'Primary'	Develop	Maintain	Maintain	Increase
Bread artisan french ea	'Primary'	Develop	Increase	Increase	Decrease
93% lean ground beef 7% fat lb	'Primary'	Reward	Increase	Maintain	Maintain
Aquafina water case 24-16.9	'Primary'	Reward	Maintain	Maintain	Increase
Rr beef ribeye steak boneless lb	'Primary'	Develop	Increase	Increase	Decrease



## “EASY MEALS” IMPLEMENTATION PLAN

Roles & Responsibilities	Due Date
<b>Category Management</b>	
• Create category business plans that incorporate Easy Meals goals & objectives	
• Assortment mix determination & selection	
• Pricing & markdown management	
• Merchandise selection for promotions	
• Vendor Negotiations	
• Ensure Easy Meals key products should have complete product distribution	
<b>Marketing</b>	
• Create Marketing plan that incorporate Easy Meals goals & objectives	
• Design advertising & promotion strategies	
• Frequent marketing programs	
• Special Events	
<b>Merchandising</b>	
• Create Merchandising plan that incorporate Easy Meals goals & objectives	
• Develop In-Store shelf sets to stimulate demand through visual merchandising	
• Tailor the assortment for Easy Meals key products by stores	
<b>Store Brands</b>	
• Create business plans that incorporate Easy Meals goals & objectives	
• Determining Premium Branding & positioning	
• Develop item introduction	
• Buy merchandise according to Easy Meals segment plan	
• Perform deal analysis & planning for Easy Meals key products	
• Ensure proper inventory is allocated to stores for Easy Meals key products	
<b>Store Operations</b>	
• Create store financial plans that incorporate Easy Meals goals & objectives	
• Store labor maintenance of shelf inventory for Easy Meals key products	
• Operation of specialty departments for Easy Meals key products	

# CUSTOMER EXECUTION WORKSHEETS





## INFERRED DATA EXAMPLE “PRIVATE LABEL 2% MILK”

PRIVATE LABEL 2% MILK			
FINANCIALS		CUSTOMERS (Count)	
DOLLAR SALES	\$1,456,328	TOTAL	1,678
DOLLAR SALES RANK	184	NEW	251
UNIT SALES	318,671	GROWING	503
SHARE OF MARKET	48%	STABLE	755
SHARE OF GROUP	7.2%	DECLINING	167
% ON PROMOTION	55%	LAPSED	83
% STORES SELLING	100%	PLATINUM	71
\$ POTENTIAL	\$345,233	GOLD	168
REGULAR PRICE	\$4.99	SILVER	261
PROMOTIONAL PRICE	\$4.15	BRONZE	909
PURCHASE BEHAVIOR		TIN	269
AVERAGE BASKET	\$31.45	CHERRY PICKERS	747
NET MIGRATION	138	EASY MEALS	468
DOLLARS PER HOUSEHOLD	\$56.32	NEW NORMAL MEALS	218
CONVERSION	23.2%	BUDGET MEALS	198
PURCHASE CYCLE	5	BAKED MEALS	283
UNITS PER PURCHASE	1.4	DELUXE MEALS	271
\$\$ PER PURCHASE	\$5.18	OLD STYLE MEALS	239



# ITEM CHARACTERISTICS EXAMPLE

## “PRIVATE LABEL 2% MILK”

PRIVATE LABEL 2% MILK			
VALUATION		HOUSEHOLD COMPOSITION	
RETAILER IMPORTANCE	VERY HIGH	MALE	HIGH
CUSTOMER IMPORTANCE	VERY HIGH	FEMALE	VERY HIGH
ITEM ROLE	PRIMARY PROVIDER	CHILDREN	VERY HIGH
REPLACEMENT VALUE	VERY HIGH	BABY	VERY LOW
GEOGRAPHIC VARIANCE	LOW	SENIOR	VERY LOW
GROWTH OPPORTUNITY	AVERAGE	KEY BEHAVIORAL	EASY MEALS
TRAFFIC BUILDER	VERY HIGH	KEY ECONOMIC	GOLD
BASKET BUILDER	AVERAGE	ETHNICITY	WHITE
HOUSEHOLD SHOPPING BEHAVIOR		HOUSEHOLD PURCHASE DRIVERS	
CUSTOMER LOYALTY	HIGH	PRIVATE LABEL	HIGH
SHOPPING APP USE	LOW	ORGANIC	AVERAGE
SHOPPING TRIP	ROUTINE	LARGE PACK SIZE	AVERAGE
CIRCULAR	AVERAGE	DIET	LOW
COUPONS	AVERAGE	DOG	HIGH
		CAT	VERY LOW
STRATEGY POTENTIAL			
UPSELL	VERY LOW	PRICE SENSITIVE	HIGH
DEFEND	HIGH	DISCOUNT DRIVEN	HIGH
ATTRACT	HIGH	LOCALLY SOURCED	AVERAGE
REWARD	HIGH	GREEN DRIVEN	AVERAGE
GROW	AVERAGE	ADVENTUROUS	LOW

# INFERRED DATA MODEL EXAMPLE: IMPORTANCE TO THE RETAILER



**L M H**



- Sales among all items
- Sales by key attribute
- Seasonality of sales
- Sales variation by store

**Revenue Generation**

- Profit among all items
- Profit by key attribute
- Seasonality of profit
- Profit variation by store

**Profit Generation**

- Return on Inventory
- Return on Space
- Payment terms

**Efficiency**

- Market share
- Share of wallet
- Product life cycle

**Item Potential**

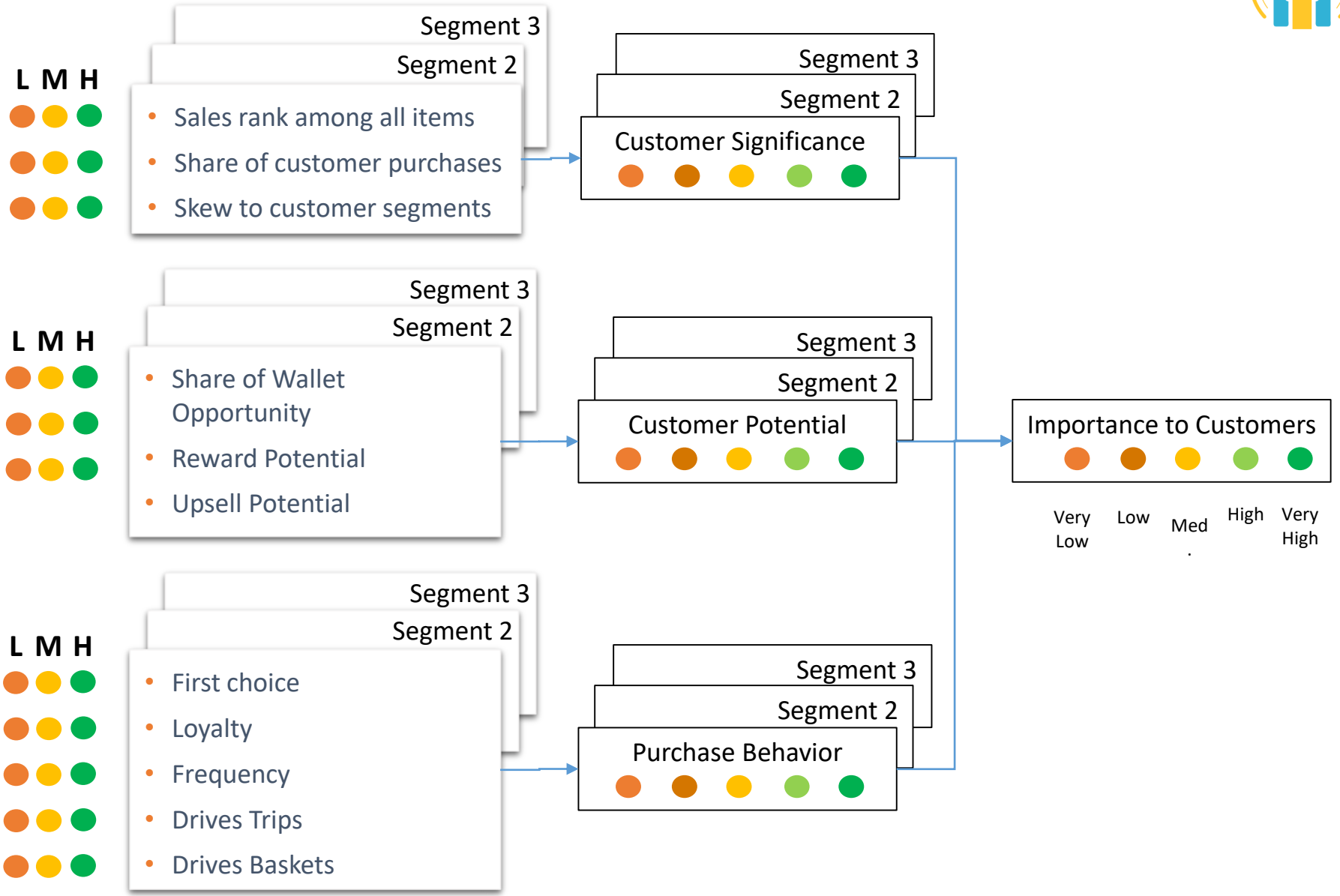
- Potential trip frequency
- Potential basket size

**Trip/Basket Driving**

**Importance to Retailer**

Very Low    Low    Med    High    Very High

# INFERRED DATA MODEL EXAMPLE: IMPORTANCE TO CUSTOMERS



L M H  
 ● ● ●  
 ● ● ●  
 ● ● ●

L M H  
 ● ● ●  
 ● ● ●  
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L M H  
 ● ● ●  
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 ● ● ●  
 ● ● ●



## CUSTOMER-DRIVEN ITEM ROLE DEFINITIONS

		Importance to the Customer				
		Very Low	Low	Medium	High	Very High
Importance to the Retailer	Very High	Major Provider	Major Provider	Preferred Provider	Primary Provider	Primary Provider
	High	Common Provider	Major Provider	Preferred Provider	Primary Provider	Primary Provider
	Medium	Common Provider	Major Provider	Preferred Provider	Preferred Provider	Primary Provider
	Low	Minor Provider	Common Provider	Major Provider	Preferred Provider	Primary Provider
	Very Low	Minor Provider	Minor Provider	Common Provider	Major Provider	Preferred Provider



# CUSTOMER-DRIVEN MARKETING AND MERCHANDISING DECISION GUIDELINES

	Primary Provider	Preferred Provider	Major Provider	Common Provider	Minor Provider
<b>Assortment</b>	<ul style="list-style-type: none"> <li>• Must Carry</li> </ul>	<ul style="list-style-type: none"> <li>• Must Carry</li> </ul>	<ul style="list-style-type: none"> <li>• Carry</li> </ul>	<ul style="list-style-type: none"> <li>• Carry if available space</li> </ul>	<ul style="list-style-type: none"> <li>• Carry if available space or don't carry</li> </ul>
<b>Pricing</b>	<ul style="list-style-type: none"> <li>• Store and customer specific</li> <li>• Best value</li> </ul>	<ul style="list-style-type: none"> <li>• By store zones</li> <li>• Match competition</li> </ul>	<ul style="list-style-type: none"> <li>• By store clusters</li> <li>• Close to competition</li> </ul>	<ul style="list-style-type: none"> <li>• Same in all stores</li> <li>• Within reach of competition</li> </ul>	<ul style="list-style-type: none"> <li>• Same in all stores</li> <li>• Convenience pricing</li> </ul>
<b>Promotion</b>	<ul style="list-style-type: none"> <li>• Best promotions</li> <li>• High activity level</li> <li>• Prime locations</li> </ul>	<ul style="list-style-type: none"> <li>• Good promotions</li> <li>• Medium activity level</li> <li>• Good locations</li> </ul>	<ul style="list-style-type: none"> <li>• Average promotions</li> <li>• Seasonal activity</li> <li>• Available locations</li> </ul>	<ul style="list-style-type: none"> <li>• Available promotions</li> <li>• Low activity level</li> <li>• Home locations</li> </ul>	<ul style="list-style-type: none"> <li>• No promotions</li> </ul>
<b>Target Marketing</b>	<ul style="list-style-type: none"> <li>• Best promotions</li> <li>• High activity level</li> <li>• 'Best value' pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Good promotions</li> <li>• Medium activity level</li> <li>• 'Matched' pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Average promotions</li> <li>• Seasonal activity</li> <li>• 'Close' pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Available promotions</li> <li>• Low activity level</li> <li>• 'Within reach' pricing</li> </ul>	<ul style="list-style-type: none"> <li>• No promotions</li> </ul>
<b>Space Management</b>	<ul style="list-style-type: none"> <li>• Prime location</li> </ul>	<ul style="list-style-type: none"> <li>• Good location</li> </ul>	<ul style="list-style-type: none"> <li>• Average location</li> </ul>	<ul style="list-style-type: none"> <li>• Available location</li> </ul>	<ul style="list-style-type: none"> <li>• Available location or don't carry</li> </ul>
<b>Service Level</b>	<ul style="list-style-type: none"> <li>• Excellent</li> </ul>	<ul style="list-style-type: none"> <li>• Good</li> </ul>	<ul style="list-style-type: none"> <li>• Good</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate</li> </ul>	<ul style="list-style-type: none"> <li>• Minimal</li> </ul>

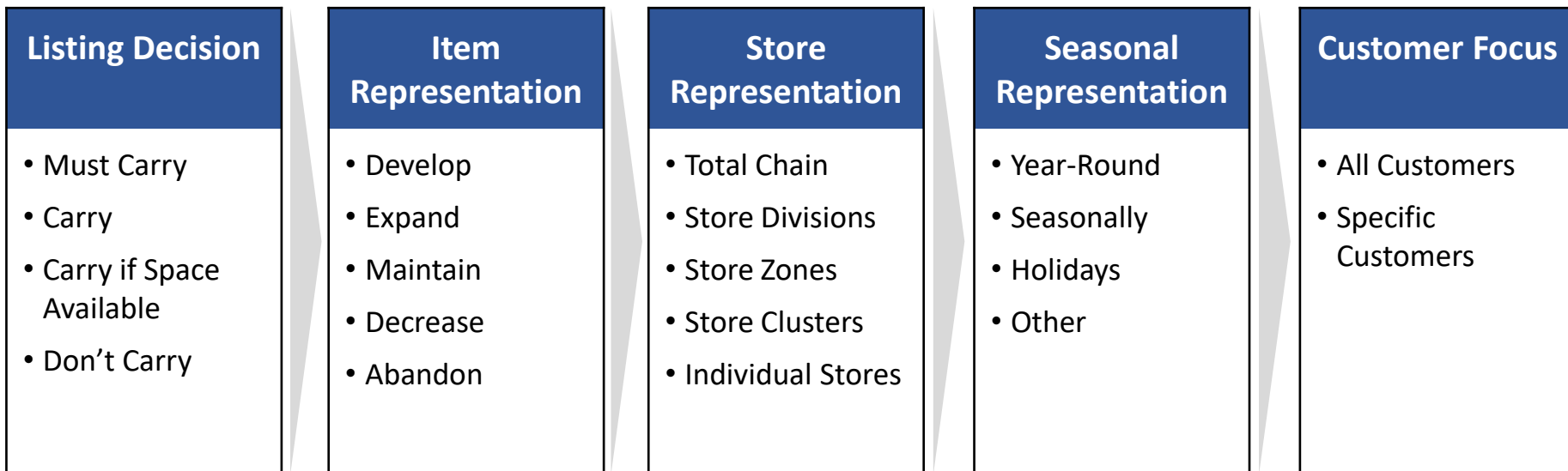


## ITEM RECOMMENDATIONS EXAMPLE: PRIVATE LABEL 2% MILK

PRIVATE LABEL 2% MILK			
RECOMMENDED ACTIONS			
ASSORTMENT			
	RANGE DISTRIBUTION TIMING	MUST CARRY FULL YEAR ROUND	MAINTAIN INCREASE MAINTAIN
PRICING			
	PRICE COMPETITION TIMING	BEST VALUE DISCOUNT GROCER YEAR ROUND	LOWER MAINTAIN MAINTAIN
PROMOTION			
	PRICING OFFER LOCATION ACTIVITY LEVEL TIMING MODES	BEST FINEST PRIME HIGH YEAR ROUND FEATURE, DISPLAY	LOWER IMPROVE KEEP INCREASE MAINTAIN CONTINUE
TARGET MARKETING			
	PRICING OFFER ACTIVITY LEVEL TIMING MODES	BEST FINEST HIGH YEAR ROUND MOBILE, ONLINE	LOWER IMPROVE INCREASE MAINTAIN EXPAND
OTHER			
	CUSTOMER FOCUS SERVICE LEVEL SHELF LOCATION	ALL EXCELLENT PRIME	CONTINUE RAISE MAINTAIN



## CUSTOMER-DRIVEN ASSORTMENT DECISION PROCESS (EXAMPLE)

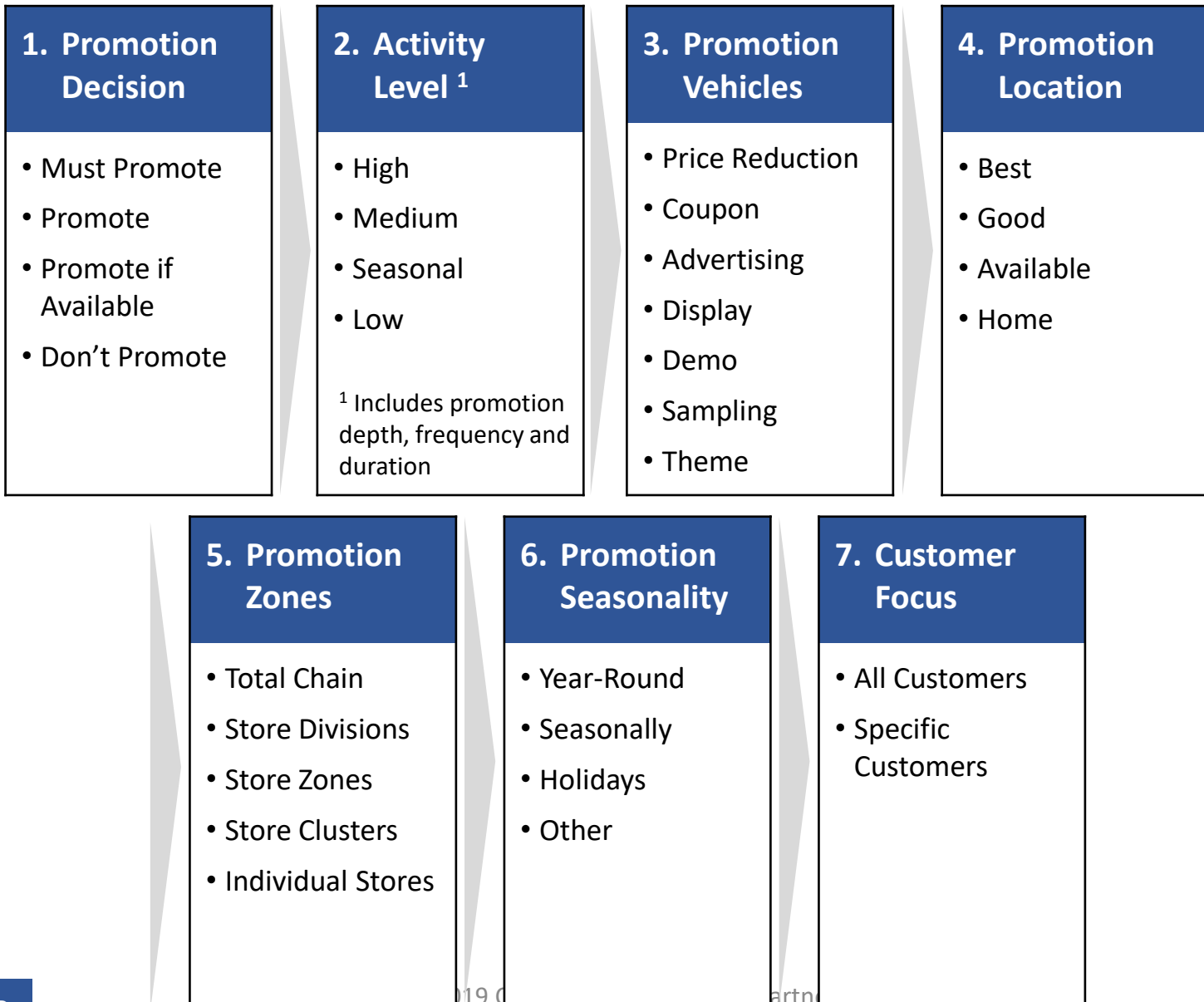




## CUSTOMER-DRIVEN PRICING DECISION PROCESS (EXAMPLE)



# CUSTOMER-DRIVEN PROMOTION DECISION PROCESS (EXAMPLE)

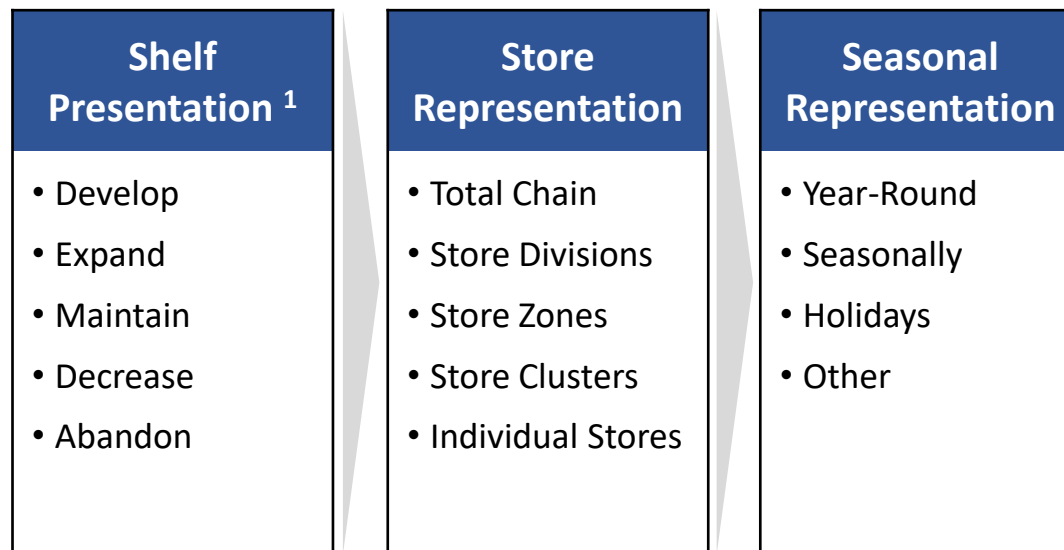


# CUSTOMER-DRIVEN TARGET MARKETING DECISION PROCESS (EXAMPLE)





## CUSTOMER-DRIVEN SPACE MANAGEMENT DECISION PROCESS (EXAMPLE)



<sup>1</sup> Includes location quality and space/facings

# CUSTOMER MONITORING WORKSHEETS



# CUSTOMER MIGRATION



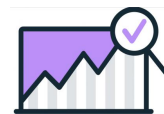
	Current HHs	HHs Chg.	HHs % Chg.	New	Revived	Growing	Stable	Declining	Lapsed	Migration Index	Migration Index Chg.
<b>TOTAL</b>	173,527	584	0.30%	1,480	987	44,734	87,673	38,653	-1,883	116	1.30%
<b>Easy Meals</b>	24,269	39	0.20%	222	125	5,800	12,501	5,621	-308	104	0.70%
<b>Healthy Meals</b>	28,605	41	0.10%	202	144	6,954	14,825	6,480	-302	108	0.60%
<b>Deluxe Meals</b>	31,279	185	0.60%	328	177	8,643	15,224	6,907	-320	127	2.10%
<b>Budget Meals</b>	18,730	31	0.20%	140	90	4,353	9,885	4,262	-199	103	0.70%
<b>Modern Meals</b>	27,156	134	0.50%	270	166	7,374	12,974	6,372	-302	117	1.80%
<b>Old-Style Meals</b>	18,613	33	0.20%	157	88	4,925	9,302	4,141	-212	119	0.70%
<b>Baked Meals</b>	24,883	123	0.50%	232	130	6,797	12,866	4,858	-239	140	1.80%

## CUSTOMER FINANCIALS



	Revenue	Revenue to Target Goal	Revenue Chg vs YAG	Revenue Chg % YAG	
Last Period	<b>TOTAL</b>	\$2,980,359	\$51,809	\$52,676	1.8%
	Easy Meals	\$398,357	\$7,514	\$4,934	1.2%
	Healthy Meals	\$487,253	\$7,889	\$4,326	0.9%
	Deluxe Meals	\$629,969	\$10,327	\$39,834	6.3%
	Budget Meals	\$297,302	\$4,677	\$5,962	2.0%
	Modern Meals	\$481,506	(\$43,446)	(\$14,316)	(3.0%)
	Old Style Meals	\$310,501	(\$11,413)	(\$2,759)	(0.9%)
	Baked Meals	\$375,473	(\$3,155)	(\$6,639)	(1.8%)
Year to Date	<b>TOTAL</b>	\$8,942,078	(\$103,065)	(\$163,829)	(0.4%)
	Easy Meals	\$1,202,072	\$39,075	\$21,803	1.8%
	Healthy Meals	\$1,465,058	(\$38,660)	(\$10,278)	(0.7%)
	Deluxe Meals	\$1,884,906	\$18,332	\$114,502	6.1%
	Budget Meals	\$892,505	\$15,350	(\$17,286)	(1.9%)
	Modern Meals	\$1,443,617	(\$37,016)	(\$42,047)	(2.9%)
	Old Style Meals	\$925,503	(\$48,711)	(\$8,877)	(1.0%)
	Baked Meals	\$1,128,419	(\$15,906)	(\$21,917)	(1.9%)

## SALES CHANGE BY SEGMENT AND CATEGORY



CATEGORIES	TOTAL	Easy Meals	Healthy Meals	Deluxe Meals	Budget Meals	Modern Meals	Old Style Meals	Baked Meals
TOTAL	(\$163,829)	\$8,094	(\$36,909)	\$10,605	(\$25,346)	(\$73,919)	(\$40,195)	(\$6,159)
BAKERY	(\$2,901)	\$1,592	(\$1,448)	\$820	(\$1,421)	(\$1,672)	(\$1,642)	\$871
BAKING	(\$13,367)	(\$587)	(\$1,891)	(\$3,893)	(\$2,204)	(\$2,606)	(\$2,670)	\$483
BEER & WINE	\$19,662	(\$956)	(\$769)	\$17,970	\$4,444	(\$2,014)	(\$2,157)	\$3,145
CANDY	\$1,916	\$119	\$456	\$483	\$346	\$165	(\$327)	\$673
CANNED	(\$10,669)	(\$673)	(\$951)	(\$2,682)	\$2,427	(\$2,965)	(\$4,017)	(\$1,807)
CEREAL	(\$8,937)	(\$2,245)	\$3,249	(\$976)	(\$1,335)	(\$3,744)	(\$1,832)	(\$2,054)
COFFEE & TEA	(\$10,308)	(\$1,330)	(\$3,107)	(\$2,232)	(\$2,400)	(\$3,805)	(\$2,680)	\$5,246
CONDIMENTS	(\$2,284)	(\$759)	(\$878)	\$266	\$554	(\$514)	(\$435)	(\$517)
COOKIES CRACKERS	(\$26,503)	(\$515)	(\$5,500)	(\$4,683)	(\$3,889)	(\$6,914)	(\$4,020)	(\$983)
DAIRY	(\$8,929)	(\$2,054)	\$1,152	\$2,051	(\$3,097)	(\$4,444)	(\$2,390)	(\$148)
DELI	\$20,444	\$4,620	\$10,600	\$2,056	\$828	(\$163)	\$595	\$1,908
FLORAL	\$12,223	\$2,046	\$4,308	\$2,096	\$2,027	(\$2,932)	\$1,508	\$3,170
FROZEN FOOD	(\$36,163)	\$10,513	(\$12,950)	(\$6,533)	(\$6,669)	(\$10,008)	(\$8,738)	(\$1,779)
GENERAL MERCH	(\$10,880)	(\$379)	(\$3,964)	\$682	(\$872)	(\$2,609)	(\$2,327)	(\$1,411)
GROCERY	(\$8,743)	(\$338)	(\$1,444)	\$665	(\$777)	(\$3,050)	(\$2,341)	(\$1,458)
HEALTH & BEAUTY	(\$10,135)	(\$188)	(\$3,209)	\$1,543	(\$1,584)	(\$3,641)	(\$967)	(\$2,090)
MEAT	(\$40,245)	\$272	(\$20,045)	\$2,148	(\$3,630)	(\$9,784)	\$2,086	(\$11,292)
PRODUCE	\$4,051	(\$315)	\$1,283	\$3,949	(\$3,155)	(\$4,960)	\$1,736	\$5,512
SNACKS	(\$10,433)	(\$428)	(\$1,246)	\$704	(\$1,281)	(\$3,359)	(\$3,246)	(\$1,577)
SOFTDRINKS	(\$16,287)	(\$40)	\$696	(\$3,227)	(\$2,417)	(\$3,802)	(\$5,571)	(\$1,925)
SUGAR	(\$5,342)	(\$261)	(\$1,251)	(\$603)	(\$1,240)	(\$1,100)	(\$761)	(\$125)

## DRIVERS OF CHANGE: "EASY MEALS" SEGMENT



Products	Change	Dollars	Households	# of Transactions	Units per Transaction	Average Unit Price
TOTAL		\$8,094	131	3.09	1.30	-\$0.09
BAKERY		\$1,592	144	1.41	0.30	-\$0.21
BAKING		(\$587)	-40	(0.72)	-0.45	-\$0.01
BEER & WINE		(\$956)	-66	(0.69)	-1.50	\$0.23
CANDY		\$119	61	0.84	0.60	\$0.24
CANNED		(\$673)	-40	(0.16)	-0.15	\$0.05
CEREAL		(\$2,245)	-52	(0.81)	-1.50	\$0.06
COFFEE & TEA		(\$1,330)	-93	(0.91)	0.30	\$0.00
CONDIMENTS		(\$759)	-65	(0.64)	-0.45	\$0.06
COOKIES CRACKERS		(\$515)	-40	(0.17)	-0.90	\$0.31
DAIRY		(\$2,054)	-105	(0.81)	-1.20	\$0.06
DELI		\$4,620	186	0.56	0.10	\$0.26
FLORAL		\$2,046	-42	(0.09)	-0.10	\$0.44
FROZEN FOOD		\$10,513	173	3.22	1.10	-\$0.06
GENERAL MERCH		(\$379)	-40	0.70	0.70	-\$0.16
GROCERY		(\$338)	-40	0.63	0.85	-\$0.37
HEALTH & BEAUTY		(\$188)	-24	0.53	1.00	-\$0.28
MEAT		\$272	73	1.64	0.10	\$0.27
PRODUCE		(\$315)	-40	0.85	0.20	-\$0.04
SNACKS		(\$428)	40	(0.33)	-1.25	\$0.32
SOFTDRINKS		(\$40)	-8	0.95	0.30	\$0.01
SUGAR		(\$261)	-32	0.31	-0.50	\$0.30

# TARGET MARKETING OBJECTIVES AND ACTIONS: “EASY MEALS” SEGMENT



Priority	Objectives	Actions	Status
<b>1# Protect Key Customer Relationships</b>	Protect 2,388 Platinum & Gold customers	<ul style="list-style-type: none"> <li>Invest to grow at an easily consumable rate by:                             <ul style="list-style-type: none"> <li>- Concentrating effort on maintaining strength in Deli to Go, Frozen Regular Entrees, Frozen Pizza, Convenience Deli</li> <li>- Defend strengths of Regular Soft Drinks, Domestic Still/Table Wine, Refrigerated Skim/Low-Fat Milk</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>In progress</li> <li>In progress</li> </ul>
<b>2# Develop Key Customer Relationships</b>	Migrate the 1,311 likely to migrate Platinum & Gold customers up the value ladder	<ul style="list-style-type: none"> <li>Build selectively on strengths in Hot Bar Items, Frozen Dinners&amp; Entrees,</li> <li>Challenge for leadership by strengthening vulnerable product areas such as Beef, Chicken, Turkey, Chocolate Candy and Spices/Seasonings</li> </ul>	<ul style="list-style-type: none"> <li>In progress</li> <li>In progress</li> </ul>
<b>3# Mend Key Customer Relationships</b>	Revive the 999 Platinum, Gold, and Silver customers that slipped down the value ladder back up	<ul style="list-style-type: none"> <li>Win back customers purchases in abandoned Fruit Produce Beef and Frozen categories</li> <li>Exploit strengths in Deli to Go, Frozen Regular Entrees, Frozen Pizza, Convenience Deli</li> </ul>	<ul style="list-style-type: none"> <li>In progress</li> <li>In progress</li> </ul>
<b>4# Harvest low-opportunity Customer Relationships</b>	Don't invest any more resources in 6,259 Bronze, Tin and Peanut customers who have a high propensity to switch to competitors	<ul style="list-style-type: none"> <li>Divest from non-profitable customers by:                             <ul style="list-style-type: none"> <li>- Reducing discounts from targeted offers in Primary and Preferred Provider items</li> <li>- Avoiding investments in Major, Minor and Common Provider items</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>In progress</li> <li>Completed</li> </ul>
<b>5# Win Back Key Customers</b>	Win back the 1,200 lapsed Bronze customers took business away	<ul style="list-style-type: none"> <li>Invest to grow in abandoned categories of Floral, Fruit Produce</li> </ul>	<ul style="list-style-type: none"> <li>In progress</li> </ul>
<b>6# Develop New Customer Relationships</b>	Retention plan for 885 new first time Customers	<ul style="list-style-type: none"> <li>Invest in “\$5 per basket off’ program to get the customer first 3 repeat visits</li> <li>Other targeted offers based on value segments</li> </ul>	<ul style="list-style-type: none"> <li>In progress</li> <li>In progress</li> </ul>



## OTHER MARKETING OBJECTIVES AND ACTIONS: “EASY MEALS” SEGMENT

Objectives	Actions	Status
<b>Retailer Brand Image Strategy</b>		
Helping our customers enjoy a better quality of life by means of convenience-oriented products that save time and make meal preparation easier	<ul style="list-style-type: none"> <li>Communication plan to emphasize convenience-oriented products that save time and make meal preparation easier</li> </ul>	<ul style="list-style-type: none"> <li>Launch next month</li> </ul>
<b>Relationship Strategy</b>		
Mend relationships with those shoppers that reduced purchases in Frozen Foods, Beef and Chicken Categories	<ul style="list-style-type: none"> <li>Improve everyday pricing</li> <li>Reinvest in Sanderson Farms Chicken</li> <li>Communicate changes by means of circular and target marketing</li> </ul>	<ul style="list-style-type: none"> <li>Begun</li> <li>Begun</li> <li>On schedule</li> </ul>
<b>Communication Plan Objective</b>		
Communicate that we made a mistake with our Easy Meals customers, that we understand what we need to do and are doing it	<ul style="list-style-type: none"> <li>Signage in store communicating objective</li> <li>Include message in the personalized mail offering</li> <li>Communicate in digital personalized circular</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>In progress</li> <li>On schedule</li> </ul>
<b>One to One Marketing</b>		
Use offers to get declining Platinum, Gold & Silver customers reengaged with us in the Frozen Foods, Beef and Chicken Categories	<ul style="list-style-type: none"> <li>Hot offers to get customers back into buying the Frozen Foods, Beef and Chicken Categories</li> </ul>	<ul style="list-style-type: none"> <li>Completed ... results look good</li> </ul>



## KEYS TO SUCCESS “EASY MEALS” SEGMENT

		Status
<b>Major Customer Initiatives</b>	<ul style="list-style-type: none"> <li>Expanding premium own-brand products in Frozen Foods</li> <li>Introducing line of single-portion meals in Frozen Foods</li> </ul>	<ul style="list-style-type: none"> <li>On-schedule for June launch</li> <li>In design phase</li> </ul>
<b>Store Brands</b>	<ul style="list-style-type: none"> <li>Pricing to match price decreases on National Brands in Frozen</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> </ul>
<b>CPG</b>	<ul style="list-style-type: none"> <li>Shopper marketing funds and participation in Targeted Marketing program to win-back purchases in Frozen Foods, Beef and Chicken categories</li> </ul>	<ul style="list-style-type: none"> <li>On track ... initial results positive</li> </ul>
<b>Marketing</b>	<ul style="list-style-type: none"> <li>Develop communication plan for winning back Easy Meal customers</li> </ul>	<ul style="list-style-type: none"> <li>On-schedule for April launch</li> </ul>
<b>Category Management</b>	<ul style="list-style-type: none"> <li>Rework pricing in Frozen Foods, Beef and Chicken categories for key Easy Meals Primary and Preferred Provider items</li> <li>Negotiate with CPG vendors for target marketing events and everyday low pricing in Frozen Foods, Beef and Chicken categories</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>Meetings scheduled</li> </ul>
<b>In-store specialty department</b>	<ul style="list-style-type: none"> <li>Ensuring that Easy Meals’ top products Primary and Preferred Provider items in Beef &amp; Chicken are available and prominently displayed.</li> </ul>	<ul style="list-style-type: none"> <li>On track</li> </ul>



## FUNDING AND RESOURCE REQUIREMENTS “EASY MEALS” SEGMENT

		Status
Target Marketing	\$400K in shopper marketing funds to invest in Gold & Silver	On plan
Store Brands	Work with new product development on upscale Organic line	Work started
Marketing	Increase in-store promotional displays for Easy Meals	Need Management assistance working through Marketing
Category Management	Work with Deli, Yogurt & Packaged Perishables category management to provide Easy Meals superior value in product mix, pricing and promotion offerings	Work begun with Deli & Yogurt Packaged Perishables requires new shelf sets



## RESOLUTIONS “EASY MEALS” SEGMENT

CATEGORIES	Dollar Change	Major Resolutions for this Period
BAKERY	\$1,592	<ul style="list-style-type: none"><li>Continue savory lunchtime rolls promotions</li></ul>
BAKING	(\$587)	<ul style="list-style-type: none"><li>Review assortment with Category Manager</li></ul>
BEER & WINE	(\$956)	<ul style="list-style-type: none"><li>Price closer to competition</li></ul>
CEREAL	(\$2,245)	<ul style="list-style-type: none"><li>Improve Promotional Pricing</li></ul>
COFFEE & TEA	(\$1,330)	<ul style="list-style-type: none"><li>Target market customers that have quit buying category</li></ul>
COOKIES CRACKERS	(\$515)	<ul style="list-style-type: none"><li>Improve Cracker Promotional Pricing</li></ul>
DAIRY	(\$2,054)	<ul style="list-style-type: none"><li>Review Assortment Decisions</li></ul>
DELI	\$4,620	<ul style="list-style-type: none"><li>Look for other Product extension opportunities</li></ul>
FLORAL	\$2,046	<ul style="list-style-type: none"><li>Continue Target Marketing of Special Events</li></ul>
FROZEN FOOD	\$10,513	<ul style="list-style-type: none"><li>Continue Circular Promotions</li></ul>
SNACKS	(\$428)	<ul style="list-style-type: none"><li>Improve Promotional Pricing</li></ul>
SUGAR	(\$261)	<ul style="list-style-type: none"><li>Price closer to competition</li></ul>