

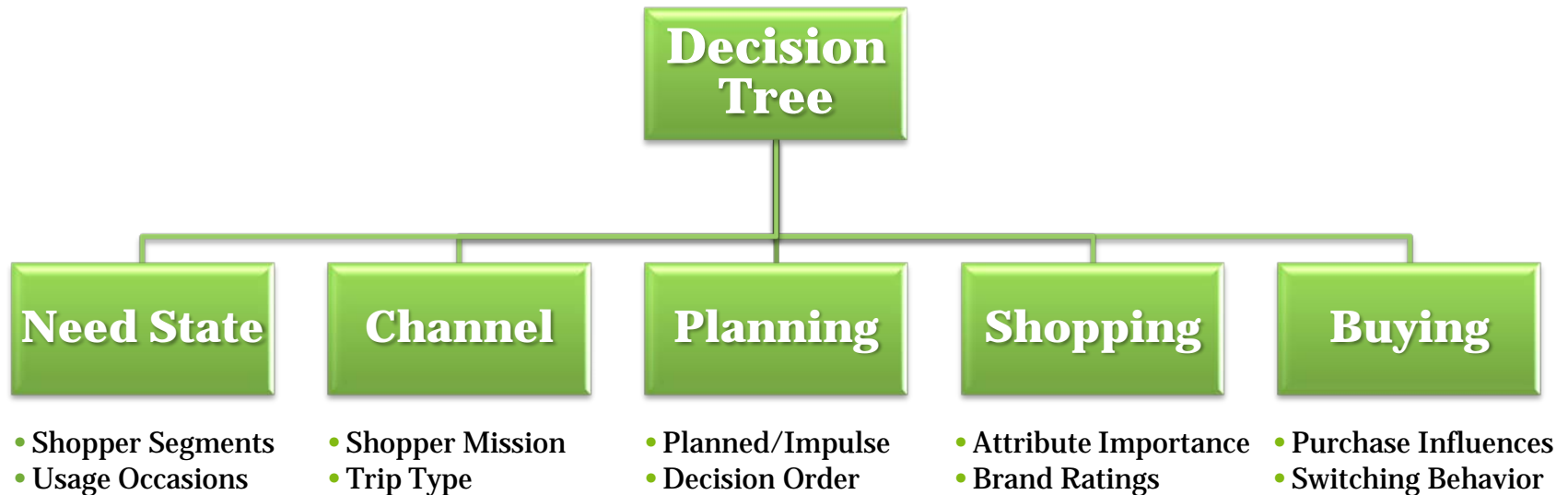
***DechertHampe***  
*Consulting*

***Shopper Insights***  
***Consumer Decision Trees***

# Shopper Insights are Designed to Address the Complete Path to Purchase



# Decision Tree Focuses on the In-store Elements of the Path to Purchase



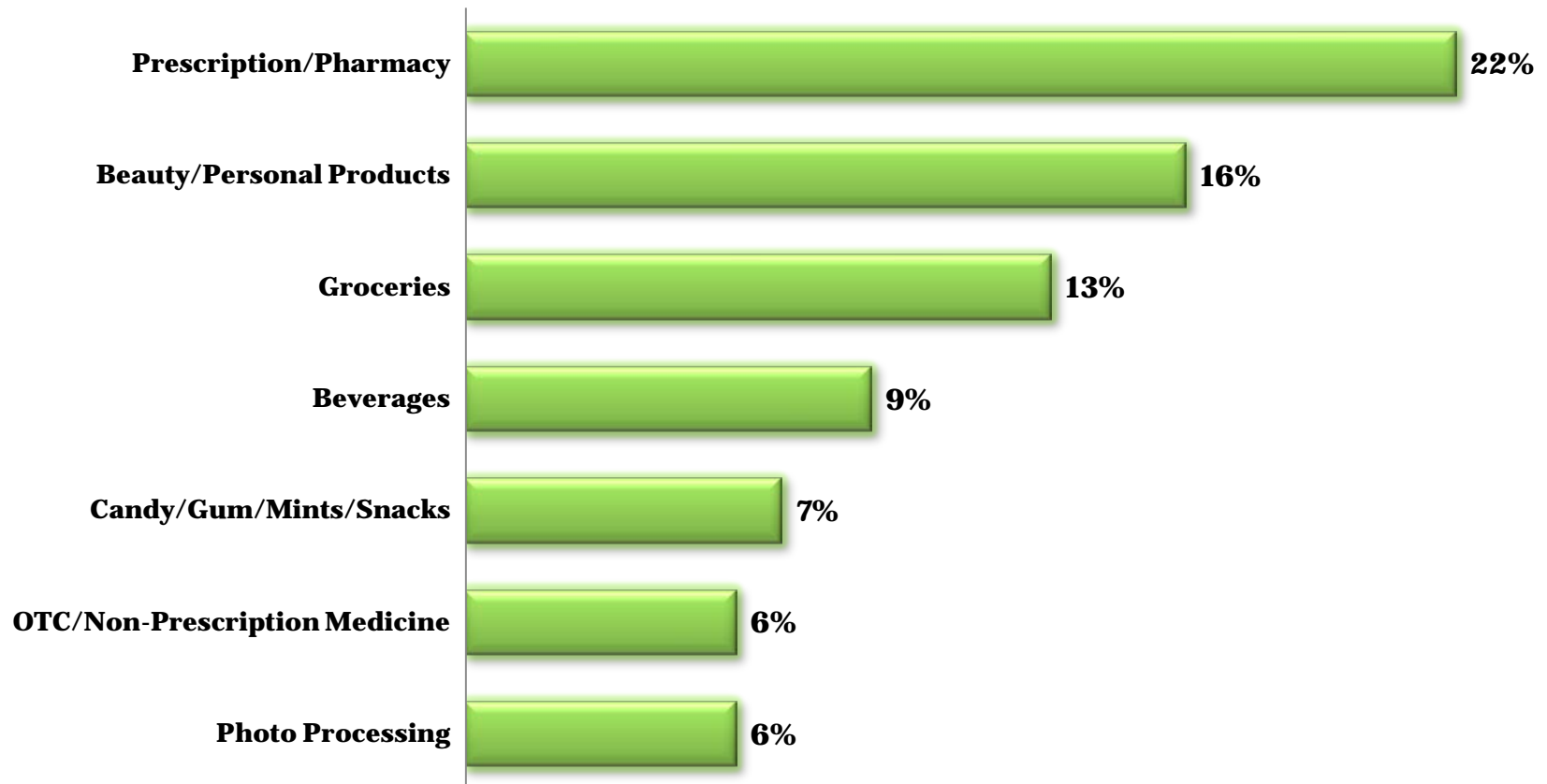
- **The CDT involves understanding consumer needs, selecting the channel / retailer, planning the trip, shopping the store / category, and actual buying behavior**

# ***DHC has Developed a Unique and Proven Consumer Decision Tree Methodology***

- **Research study design for consumer decision tree**
  - *In-store (or on-line) intercepts with qualified shoppers*
  - *Exposure to real or simulated category and shelf construct*
- **Identify and measure key determinants of purchase behavior**
  - *Need states; usage occasions*
  - *Degree of purchase planning*
  - *Stated order of key decisions*
  - *Importance of key attributes to purchase decision*
  - *Purchase influences (display, etc.)*
  - *Switching behavior when selection not available*
- **Sophisticated analytics used to model consumer decision tree**
  - *Logistic regression*
  - *Hierarchical cluster analysis*
  - *Statistical classification trees*

# Decision Tree Research Can Identify Shopping Missions and Trip Triggers

## Primary Reason for Shopping in Drugstore Today



# Research Reveals When and Where Key Purchase Decisions are Made

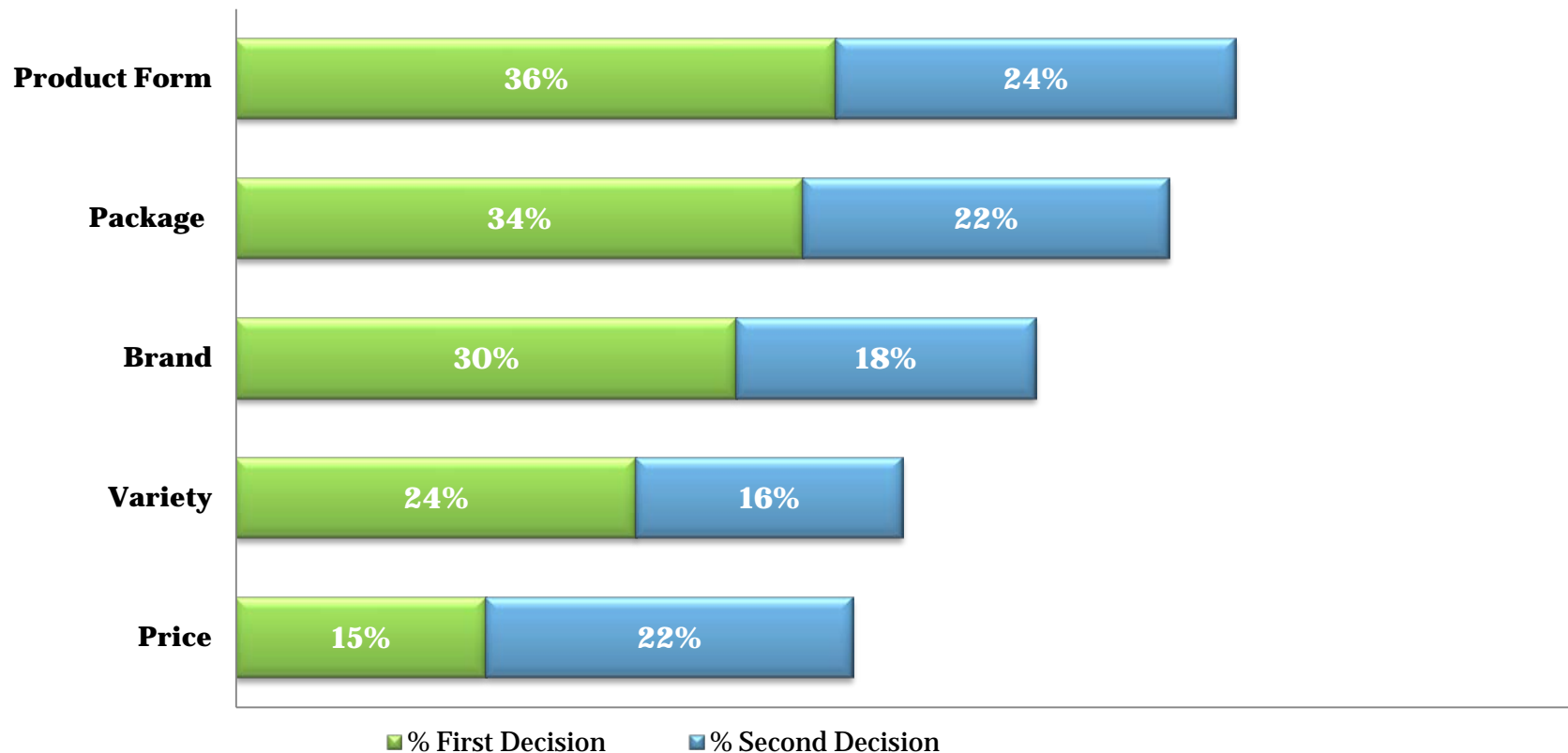
- **When or where did you decide on the item you purchased today?**

When or where decided	Where decided Form	Where decided Package	Where decided Brand	Where decided Variety	Where decided Price
Decided (planned) before entering the store					
Decided while shopping in the store					
Decided in the aisle or at the shelf					
Decided at the shelf					

# Research Can Identify the Order of the Factors Considered in the Decision Process

- Please indicate which factors you considered first, second, etc.

## Order of Decisions



# Research Can Measure the Importance and Purchase Impact of Key Attributes

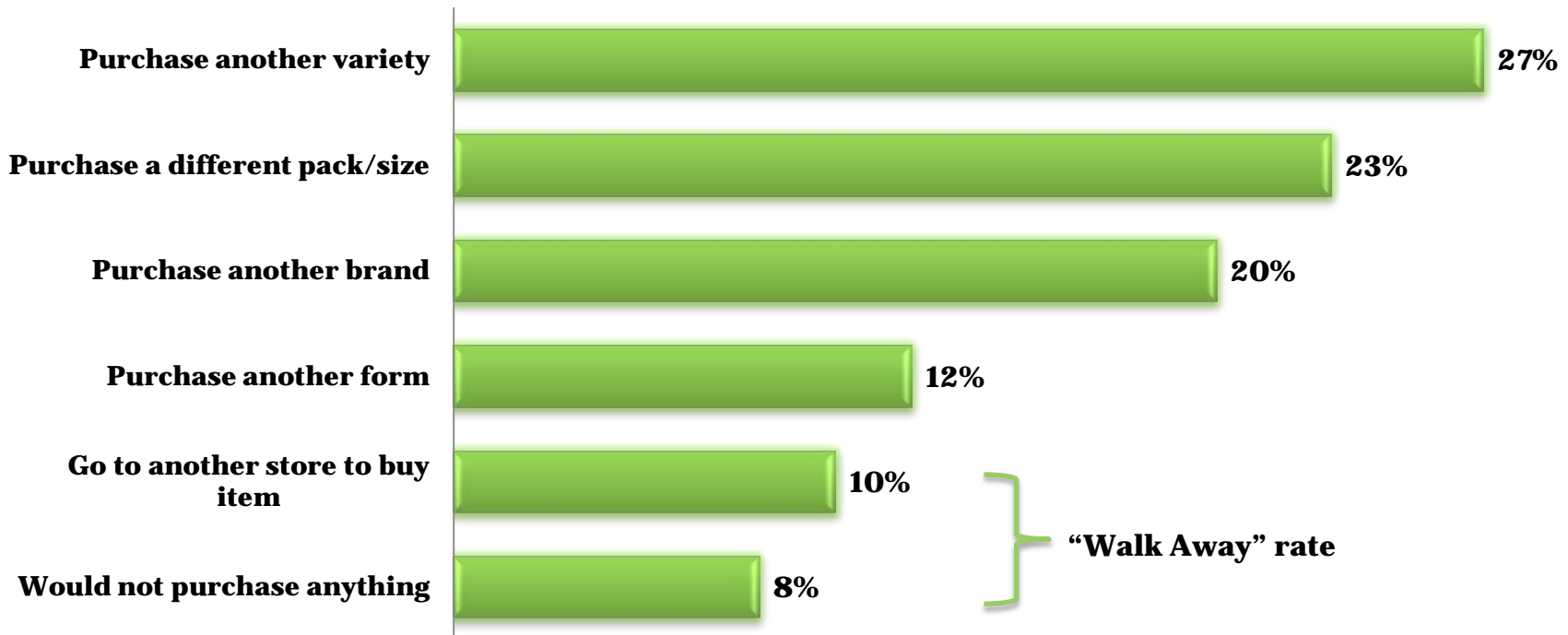




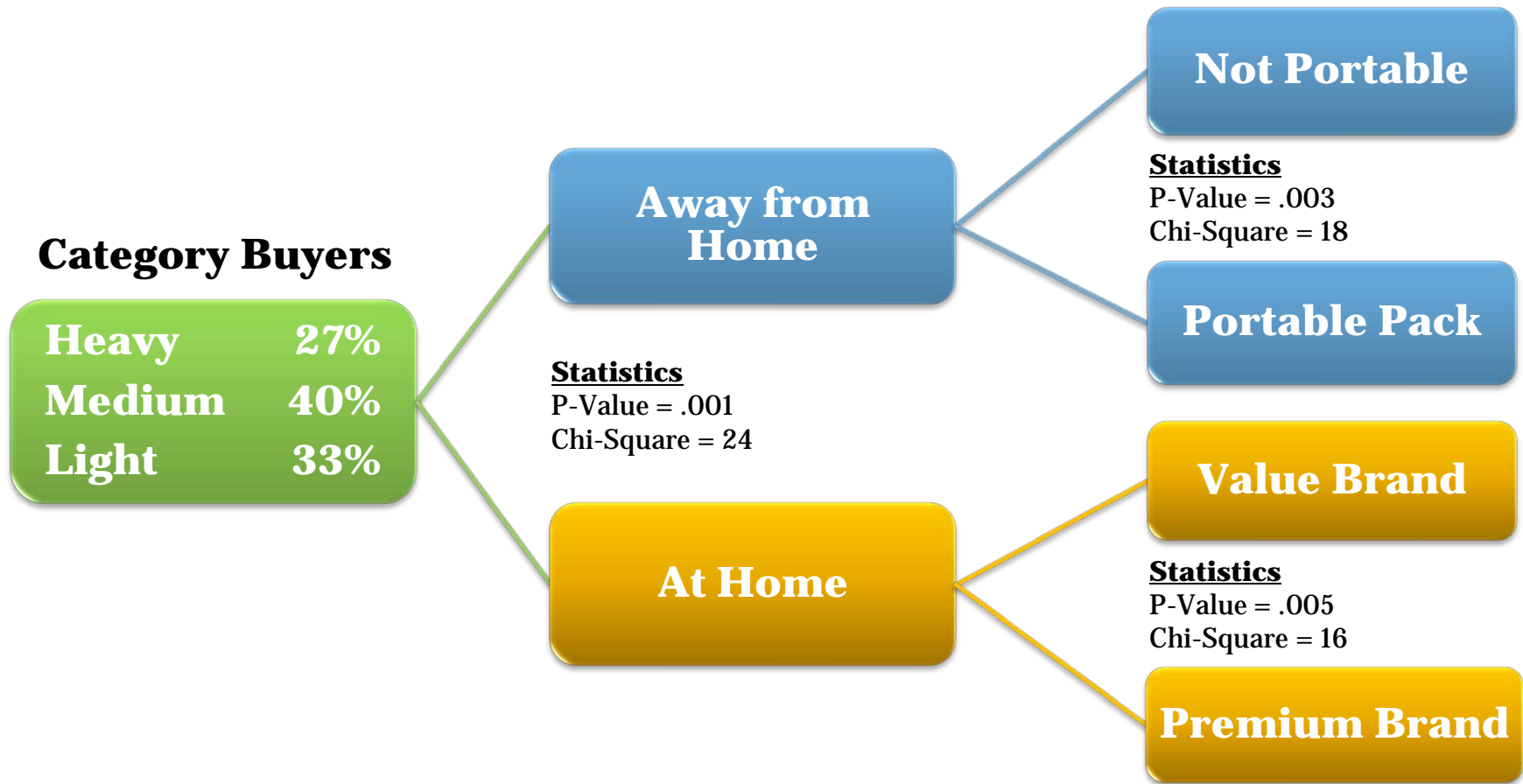
# Research Can Gauge Degree of Shopper Loyalty and Switching Behavior

- **If for any reason, the specific item you wanted was not available at this store, what would you be most likely to do?**

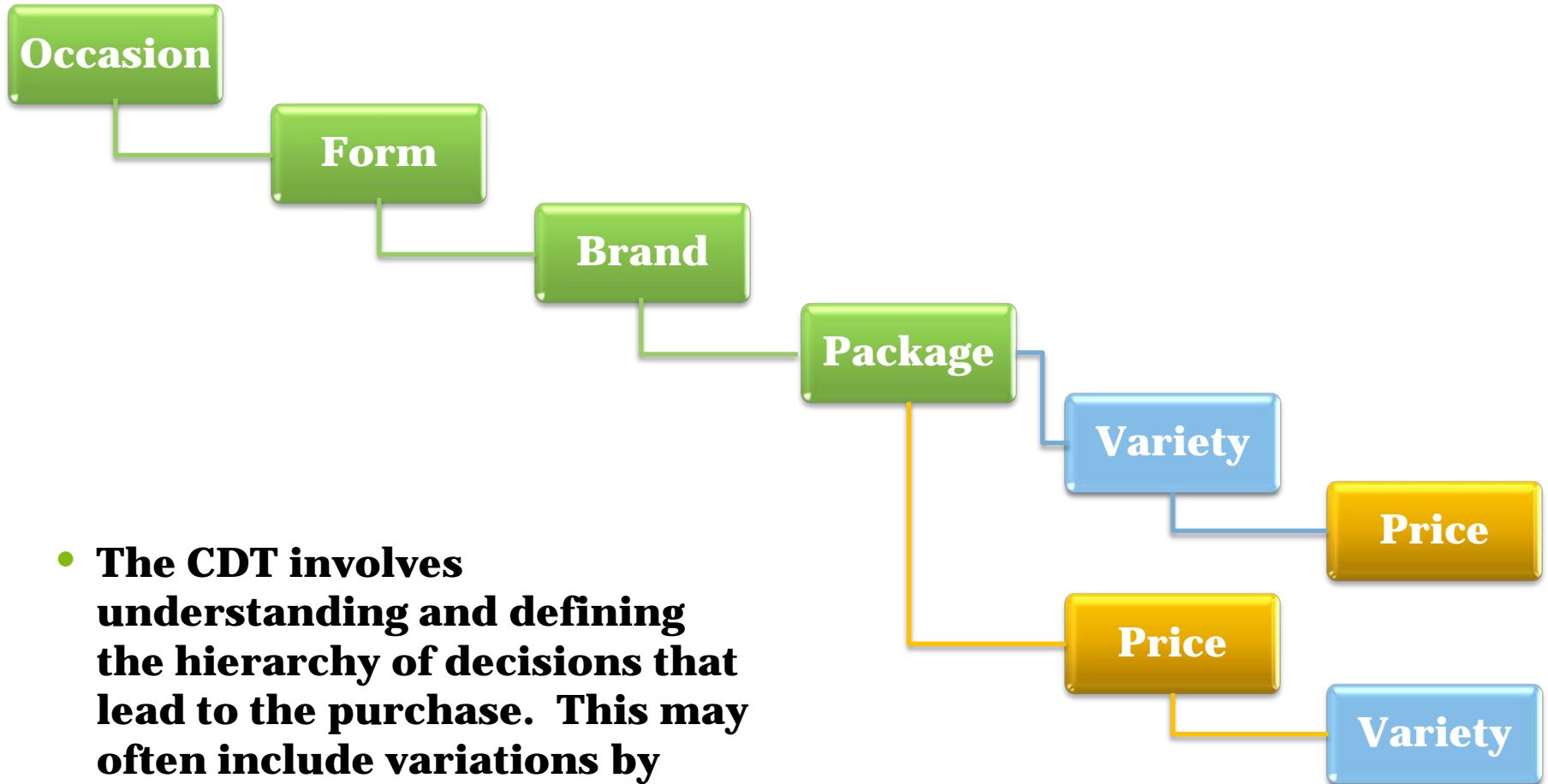
## Switching if item not available in this store



# Decision Tree Derived via Statistical Interaction and Classification Tree Technique



# Statistical Analysis Leads to Development of Decision Tree Model and Variants



- **The CDT involves understanding and defining the hierarchy of decisions that lead to the purchase. This may often include variations by shopper segment, channel and retailer**

# ***Consumer Decision Tree Generates Major Benefits for Category Management and Shopper Marketing***

- **CDT helps to understand shopper behavior**
  - *Establish key shopper segments and heavy users*
  - *Understand shopper missions and trip triggers*
  - *Determine retail channel and store selection*
- **CDT provides category knowledge**
  - *Establish market structure*
  - *Identify key product attributes*
  - *Understand brand interactions*
- **CDT provides input for category management**
  - *Establish category segments*
  - *Define assortment requirements*
  - *Define optimal shelf arrangement*
- **CDT provides input for shopper marketing**
  - *Identify opportunities to influence purchase*
  - *Set objectives for in-store marketing*