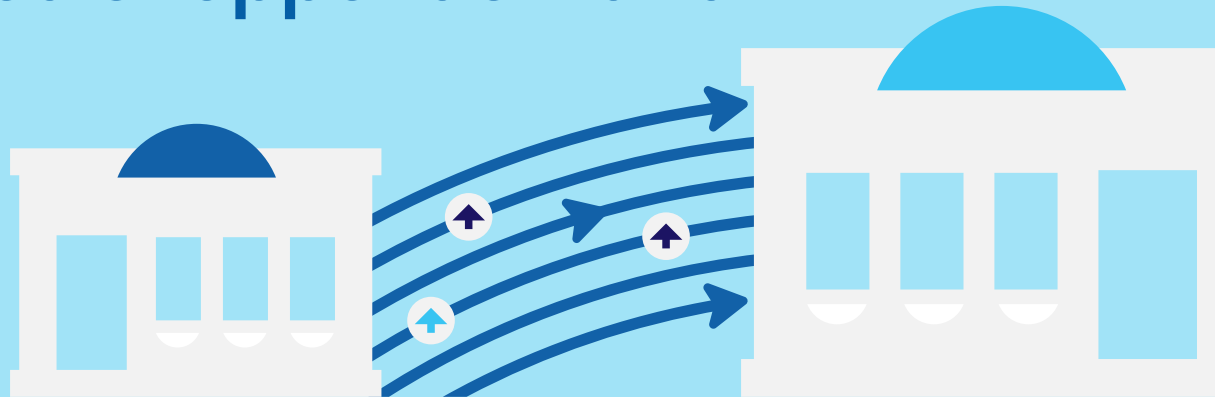# clustering assortment to meet localized shopper demand

the challenge

Due to space constraints, small-format retailers are only able to stock a limited selection of salty snacks. Traditionally, these retailers will stock the same assortment across all of their stores, focusing on the most popular varieties.

However, this assortment strategy misses out on potential sales because shopper preferences differ across retail locations.
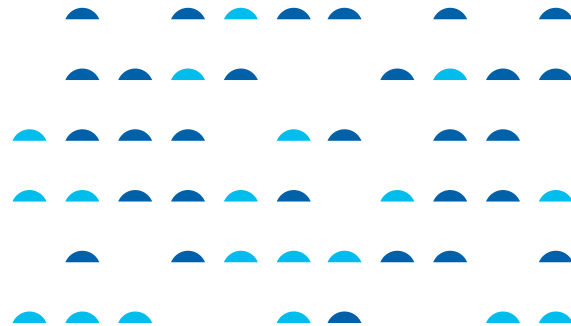
the solution

Using pepviz™ data for two national retailers, shopper behaviors were analyzed across the convenience channel. By looking at shoppers' buying patterns and behaviors, each of the retailers was able to sort its customers into four clusters—with each of the clusters being assigned its own salty snack product mix.

Across these clusters, 80% of the items were consistent, minimizing complexity, but the differences allowed for optimal product selection and sales impact.

"The data showed that we could leverage our core strengths while nuancing across clusters to optimize our impact."

MIKE DEL POZZO
Chief Customer Officer, PepsiCo

pepviz™

the results

The convenience store chains were able to identify areas of growth through evolved planograms that reflect the desires of the newly developed shopper profiles.

With these clustering models in place, one chain saw sales in the salty snack segment grow by $4,000 per store per year, while the other chain saw growth of nearly $1,300 per store per year. Both retailers plan to expand their clustering models to drive future sales growth using the advanced data capabilities of pepviz.

SALTY SNACK SEGMENT GROWTH

CHAIN A $4,000 ▲
PER STORE, PER YEAR

CHAIN B $1,265 ▲
PER STORE, PER YEAR

ABOUT PEPVIZ

pepviz is a first-of-its-kind data practice that helps you unlock new ways to grow in food & beverage. With actionable insights and dynamic data, we help:

• win new shoppers

• drive trips and loyalty

• inspire impulse

• improve category performance

• boost omnichannel shopping

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