



Making Sense of Data:
Customers at the
Center of Your Business

### What we're here to do

Explain dunnhumby

How we understand customers

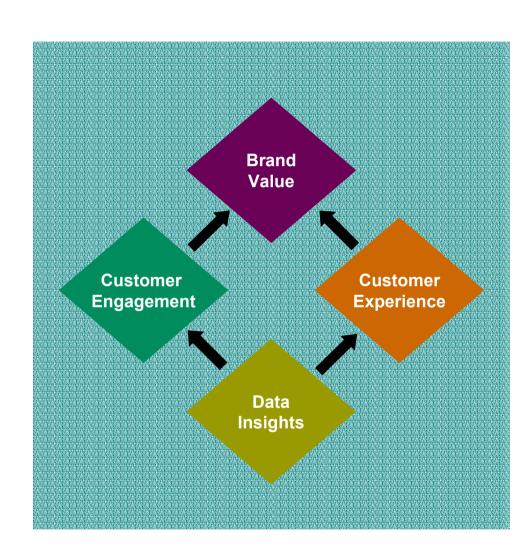
The power of customer centricity





### Who is dunnhumby?

- An International consulting and marketing services organization focused on customercentric planning and execution.
- Founded in 1989 by Clive Humby and Edwina Dunn. Now employing over 400 people worldwide.
- Headquartered in London, with a joint venture operation in Cincinnati.
- Over 120 customers across the globe including CPG, retail, financial services, energy, leisure, travel, telecommunications and manufacturing.





## Our goal is delivering shareholder value



Brand Value – the measurable benefits that our clients and their customers obtain through the engagement with dunnhumby

The outcome – what we deliver



#### Our service lines

#### Customer engagement

Customer centric business transformation – the alignment of our client's employees and business with its customers



#### Communications and media

Media strategy and planning, communication execution via retail media and direct marketing

#### **Shopping Experience**

Creating the theater, pricing, assortment, availability, store relevance, etc.



#### **Custom Insight**

Research and analysis of customer behaviors and context, perceptions, realities, adaptive subconscious

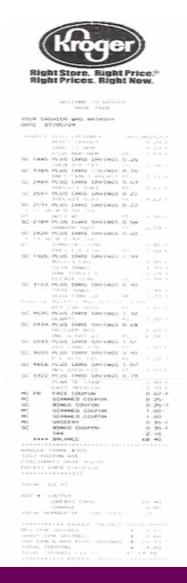
#### **Data Solutions**

Data and technology solutions that enable the insight and deployment





### We start with rich sources of transactional data



Obs	BASKET_ID	PRODUCT_ID	PERIOD_ID	STORE_ID	PAYMENT_ID	CARD_ID	PERSON_ID	TRANS_TIME	QUANTITY	WEIGHT	SALES_VALUE	TOT_ITEM_DISC_AMT_1	TOT_ITEM_DISC_AMT_2	TOT_ITEM_DISC_AMT_3
	1 23637261085	820642	1282	367	3	9374547		2014	1		3.22	0	-1.07	0
	2 23637261085	833824			3	9374547		2014	1	50	4	0	0	0
	3 23637261085	850656				9374547		2014	1		1.67	0	-1.32	0
	4 23637261085	854852				9374547		2014	1		2.81	0	0	0
	5 23637261085	896444				9374547		2014	1		0.89	0	-0.4	0
	3 23637261085	929231				9374547		2014	1	-	2.5	0	-0.68	0
	7 23637261085	966427				9374547		2014	1	-	2.24	0	0	0
	3 23637261085	986382				9374547		2014	1	•	2.5	0	-0.79	0
	9 23637261085	1019332				9374547		2014	1		3.99	0	-0.4	-1
1						9374547		2014	1	26	1.04	0	-0.26	0
1			1282			9374547		2014	1	-	2.39	0	-0.6	0
	2 23637261085					9374547		2014	1	•	2	0	-1.99	0
	3 23637261085					9374547		2014	1		6.98	0	-1.51	-1
	4 23637261085		1282			9374547		2014	1	117	1.16	0	-0.58	0
	5 23637261085					9374547		2014	1	78	3.11	0	-0.63	0
	3 23637261085 7 23637261085		1282			9374547 9374547		2014 2014	1	26	1.56	0	-0.26	0
1						9374547		2014	1	-	3.29	-	0	0
1						9374547		2014	1		3.79 7.99	0	0	0
	23637261085					9374547		2014	0	. 0	-0.35	-0.35	0	-0.35
2						9374547		2014	2		3.73	-0.35	0	-0.35
_	23637261085					9374547		2014	1		2.49	0.23	0	0.23
	3 23637261085					9374547		2014	1	-	1.89	0	0	0
2						9374547		2014	1	-	0.67	0	-0.22	-0.67
2						9374547	•	2014	1		0.67	0	-0.22	0.07
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### We enrich this with other data sources

#### We know a lot about customers...

#### Application Form



• Where do they live?

#### Reference Data



- Which promotions do they buy?
- Which coupons do they redeem?
- Are they a club member?



- How much do they spend?
- Where do they shop?
- How often do they visit?
- What do they buy?



External Data

- What do they tell us in market research?
- What type of street do they live in?
- How far do they live from competitors?



# We use the data to create a comprehensive view of our customers

This is a friend I know, she is....



- ...a busy young lady
- ...looks after her health
- ...loves fresh produce
- ...shops on Saturday mornings
- ...reads People Magazine
- ...has a cat
- ...doesn't particularly care about price
- ...but does look out for promotions
- ...she pays mostly by debit card
- ...seldom uses self-scanning

I know 42m people in the US as well as I know her



# We also create a common customer language for the business

They ultimately become part of a larger tool kit

#### Lifestage

Demographics sourced from 3<sup>rd</sup> party

### Profitability

Profit rate
Cost to serve

### **Primary Channel**

Preferred channel (in store, online)

#### MyLife

Motivations behind shopping behaviour

"You are what you buy"

### **Promotional Promiscuity**

Cherry picking deals, promotionally indifferent

### **Brand Advocacy**

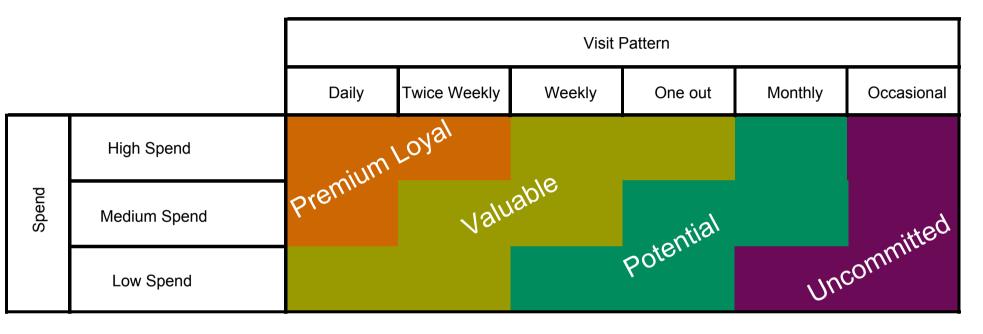
The customers emotional affinity to the brand

# Shopping Habits

Share of shopping, Recency & frequency



# Our first key segmentation looks at customer loyalty



- Measured weekly overall, by division, by store
- A key scorecard for the organization



# MyLife is built from a set of customer dimensions

**Price** 

**Diet** 

Fresh

MyLife is built up from a series of individual factors that influence customer shopping behavior

Behavior dimensions



Healthy

**Organic** 

Low Carb

Bulk

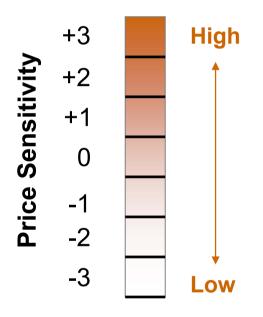
Etc....

We call these individual factors – 'dimensions'

Dimensions have the ability to evolve over time based on emerging trends



# For <u>every</u> customer we score their behavior against <u>each</u> 'dimension'



Price Sensitive: Buy lowest price points in a category

**Mainstream** 

**Upscale:** Buy the products they want



# This language makes understanding customers simple for the business

This is a friend I know, she is....



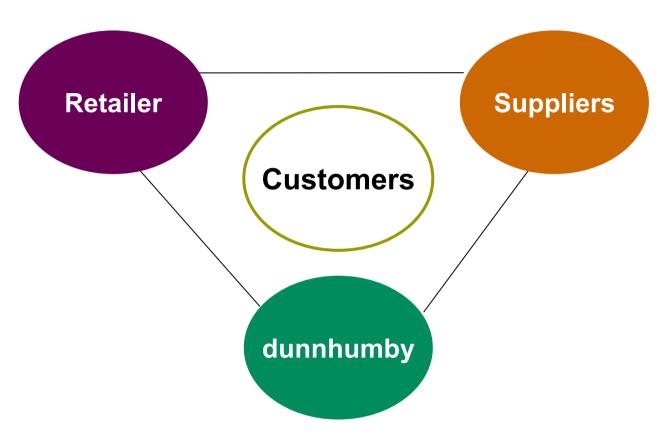
...a Premium Loyal Finest Customer

We understand 42m people in the US in this language



This language is essential for placing the customer at the center of our thinking and

action



- helps create more productive dialogue
- helps us deliver more inclusive and effective sales initiatives



# Customer insight and language ultimately drives all actions



## The power of customer centricity



# We send personalized, relevant communications

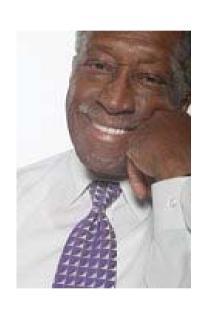






### So what does this all mean?

 Our singular focus is the customer. Understand them better than anyone else – loyalty, lifestyles, opportunity.







- Above all else they come first.
- If the customer wins we all win!





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