Shopper Insights are Designed to Address the Complete Path to Purchase

**Pre-Purchase**
- Segments
- Profiles

**Need**
- Need States
- Occasions

**Channel**
- Shopper Missions
- Trip Triggers

**Consumer**
- Media Digestion
- Information Seeking

**Post Purchase**
- Shopping Experience
- Product Satisfaction

**Planning**
- Plan vs. Impulse
- Shopping List

**Buying**
- Purchase Influencers
- Brand Loyalty
- Switching Behavior

**Shopping**
- Assortment
- Pricing
- Promotion

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

- **Need State**
  - Shopper Segments
  - Usage Occasions

- **Channel**
  - Shopper Mission
  - Trip Type

- **Planning**
  - Planned/Impulse
  - Decision Order

- **Shopping**
  - Attribute Importance
  - Brand Ratings

- **Buying**
  - Purchase Influences
  - Switching Behavior

- 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

- Prescription/Pharmacy: 22%
- Beauty/Personal Products: 16%
- Groceries: 13%
- Beverages: 9%
- Candy/Gum/Mints/Snacks: 7%
- OTC/Non-Prescription Medicine: 6%
- Photo Processing: 6%
**Research Reveals When and Where Key Purchase Decisions are Made**

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

<table>
<thead>
<tr>
<th>When or where decided</th>
<th>Where decided Form</th>
<th>Where decided Package</th>
<th>Where decided Brand</th>
<th>Where decided Variety</th>
<th>Where decided Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decided (planned) before entering the store</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decided while shopping in the store</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decided in the aisle or at the shelf</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Decided at the shelf</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Factor</th>
<th>% First Decision</th>
<th>% Second Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Form</td>
<td>36%</td>
<td>24%</td>
</tr>
<tr>
<td>Package</td>
<td>34%</td>
<td>22%</td>
</tr>
<tr>
<td>Brand</td>
<td>30%</td>
<td>18%</td>
</tr>
<tr>
<td>Variety</td>
<td>24%</td>
<td>16%</td>
</tr>
<tr>
<td>Price</td>
<td>15%</td>
<td>22%</td>
</tr>
</tbody>
</table>
Research Can Measure the Importance and Purchase Impact of Key Attributes

- High Purchase Impact
- High Stated Importance
- Value Added
- Key Benefits
- Low Value
- Required Features
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

- Purchase another variety: 27%
- Purchase a different pack/size: 23%
- Purchase another brand: 20%
- Purchase another form: 12%
- Go to another store to buy item: 10%
- Would not purchase anything: 8%
Decision Tree Derived via Statistical Interaction and Classification Tree Technique

Category Buyers

- Heavy: 27%
- Medium: 40%
- Light: 33%

Away from Home

- Not Portable: Statistics
  - P-Value = .003
  - Chi-Square = 18

- Portable Pack: Statistics
  - P-Value = .001
  - Chi-Square = 24

At Home

- Value Brand: Statistics
  - P-Value = .005
  - Chi-Square = 16

- Premium Brand
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