VSI
Value/Dollar
Shopper Insights

Value/Dollar Shopper Insights
Report Highlights

VideoMining®

Value/Dollar Shopper Insights

The objective of this deck is to provide some sample findings from the recently concluded Value/Dollar Shopper Insights (VSI) Program from VideoMining.

To learn more about this report, please contact a VideoMining Representative:

Priya Baboo (814-574-1574) pbaboo@videomining.com

Jeff Friedlaender (914-468-0808) jfriedlaender@videomining.com

Beth Langeslay (424-237-9723) blangeslay@videomining.com

Matt Wheeler (814-599-5650) mwheeler@videomining.com

Background and Objectives

- **The Dollar Store class-of-trade is continually evolving and growing in the US marketplace, with the number of stores doubling to roughly 25,000 over the past decade. These stores offer a wide variety of products, both nationally branded as well as their own brand or no-brand products at low price points. They are attracting a wide variety of consumers, as they offer many categories of products in one location.**

- **The primary objectives of this program were to develop a detailed understanding of the Dollar Store shopping environment, including**

    - ✓ Dollar Store shopper profile
    - ✓ Dollar Store shopping habits
    - ✓ Store selection criteria
    - ✓ Market Basket – Details regarding recent purchases
    - ✓ Purchase decision-making

Methodology & Sample

- **In order to accomplish these research objectives, an Internet Interviewing Research Program was conducted across the US among qualified shoppers.**

- **A total of 2,500 consumers were interviewed who had shopped at a Dollar Store within the past (one) week.**

- **The sample was split to ensure geographic representation, as well as including representation from all of the major Dollar Store retailers. An exact breakdown of the sample is provided in the full report.**

- **The interview was split into two sections:**
  - ✓ Respondents were asked their attitudes, usage and perceptions of Dollar Stores, as well as their reasons for usage.
  - ✓ Respondents were also asked in detail about two of the products that they purchased during their most recent Dollar Store visit, providing more detailed data on up to 5,000 individual items (2,500 consumers X 2 products each = 5,000 items purchased).

- **Throughout this report, differences have been highlighted by Major Chains, Type of Shopper, Categories Purchased, Usage Patterns and Demographics.**
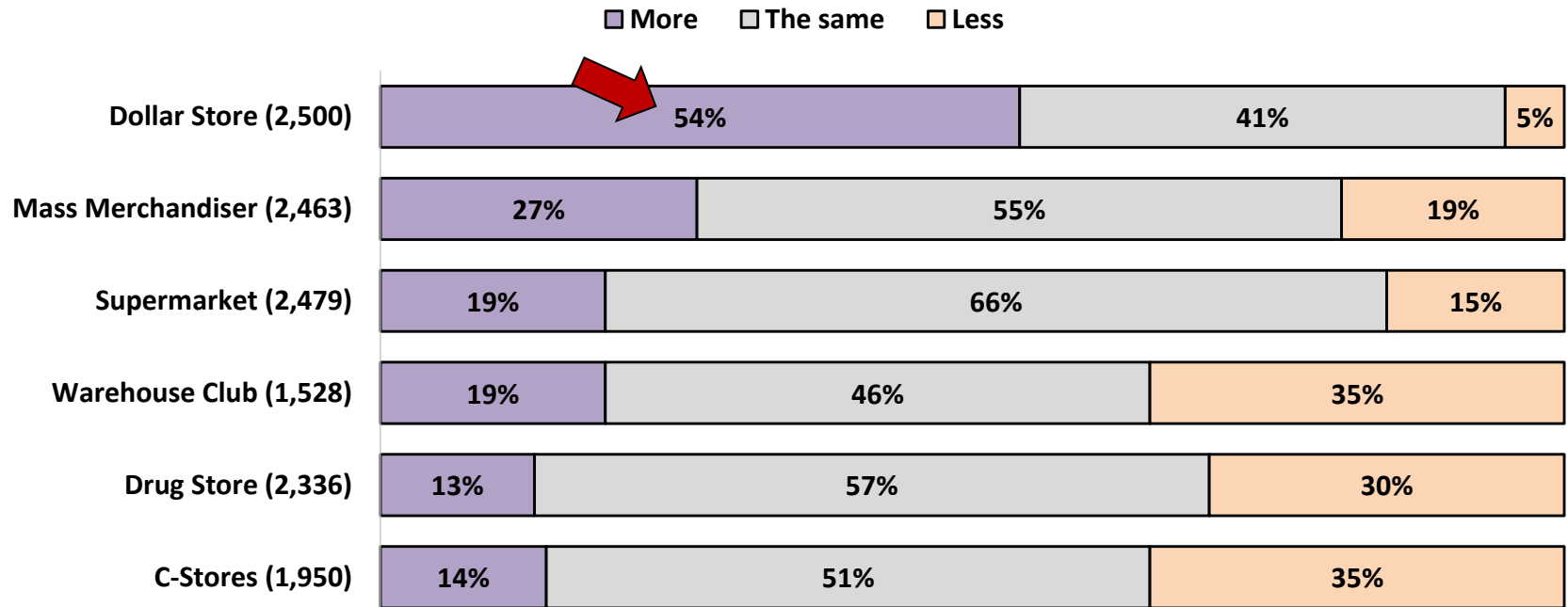
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Report Highlights

Changes in Shopping Behavior Compared To Year Ago

Q. Over the past year, have you been shopping more often, the same or less often in each of the following types of stores?

Legend: ■ More □ The same □ Less

| Store	More	The same	Less
Dollar Store (2,500)	54%	41%	5%
Mass Merchandiser (2,463)	27%	55%	19%
Supermarket (2,479)	19%	66%	15%
Warehouse Club (1,528)	19%	46%	35%
Drug Store (2,336)	13%	57%	30%
C-Stores (1,950)	14%	51%	35%

- **Over ½ of Dollar Shoppers increased shopping in this channel, and this was far more prevalent than for any other class-of-trade.**
- **Over ¼ also increased use of Mass Merchandisers, yet this was only ½ as many as indicated such for Dollar Stores.**
- **Notable decreases in usage were observed for Warehouse Clubs, Convenience Stores and Drug Stores.**

How an Improved Economy Will Affect Shopping in Dollar Stores:
By Usage Level

VSI

Q. When the economy or your economic situation improves, will you <u>continue</u> to shop in Dollar Stores?
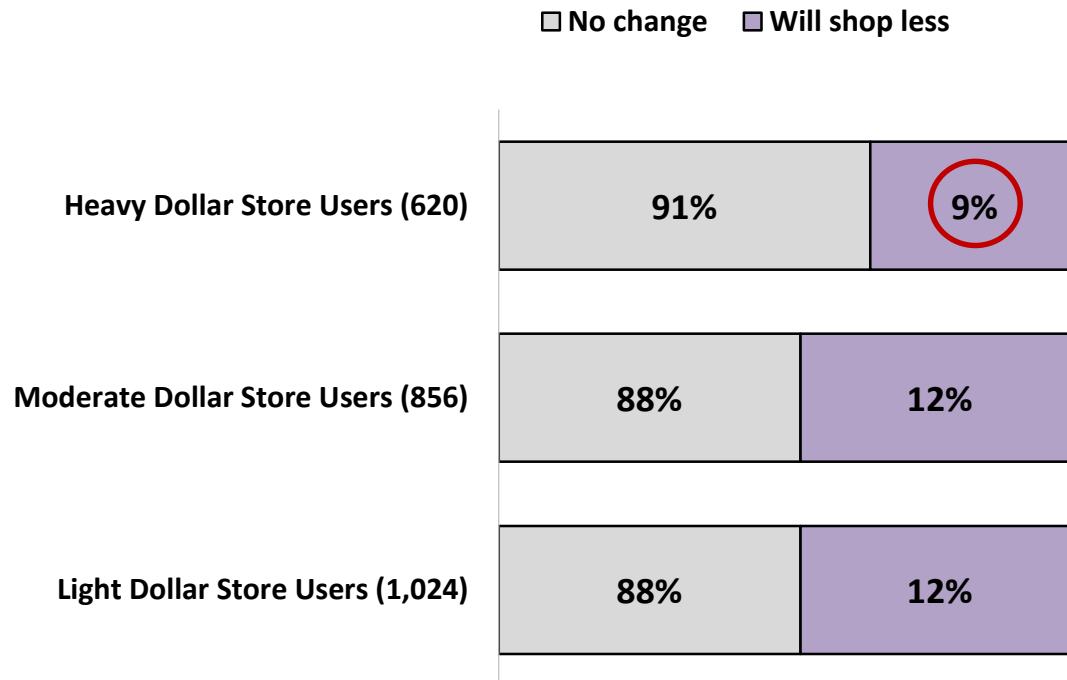
- Both Moderate and Light Dollar Store Users are more likely than Heavy shoppers to indicate a reduction in Dollar Store shopping once their economic situation improves.

☐ No change ☐ Will shop less

	No change	Will shop less
Heavy Dollar Store Users (620)	91%	9%
Moderate Dollar Store Users (856)	88%	12%
Light Dollar Store Users (1,024)	88%	12%

Numbers circled in red are significantly lower at 90% Confidence Level
Numbers circled in green are significantly higher at 90% Confidence Level

Most Important Reason for Choosing To Shop in this Store:
By Retailer

Q. Although you may have chosen this particular store for a variety of reasons, what <u>one</u> reason was the <u>most</u> important one for choosing <u>this store</u> to shop in instead of some other type of store?

Base: Total Respondents	Total (2,500) %	Chain A (700) %	Chain B (710) %	Chain C (715) %	All Other (375) %
Best prices on products	23	22	16	29	26
Convenient store location	19	27	23	12	13
Good variety/selection of products	10	8	8	12	13
It's convenient (n/s)	8	8	9	7	6
It's fun to shop	6	2	4	10	8
Easy to find what I want	6	5	8	6	3

- **Competitive prices and convenient location are among the top store selection criteria.**
  - ➢ **Prices were significantly more important to Chain C Shoppers and less important to Chain B Shoppers.**
  - ➢ **Convenience was of greater importance to Chain A and Chain B Shoppers than to Chain C and other retailer shoppers.**
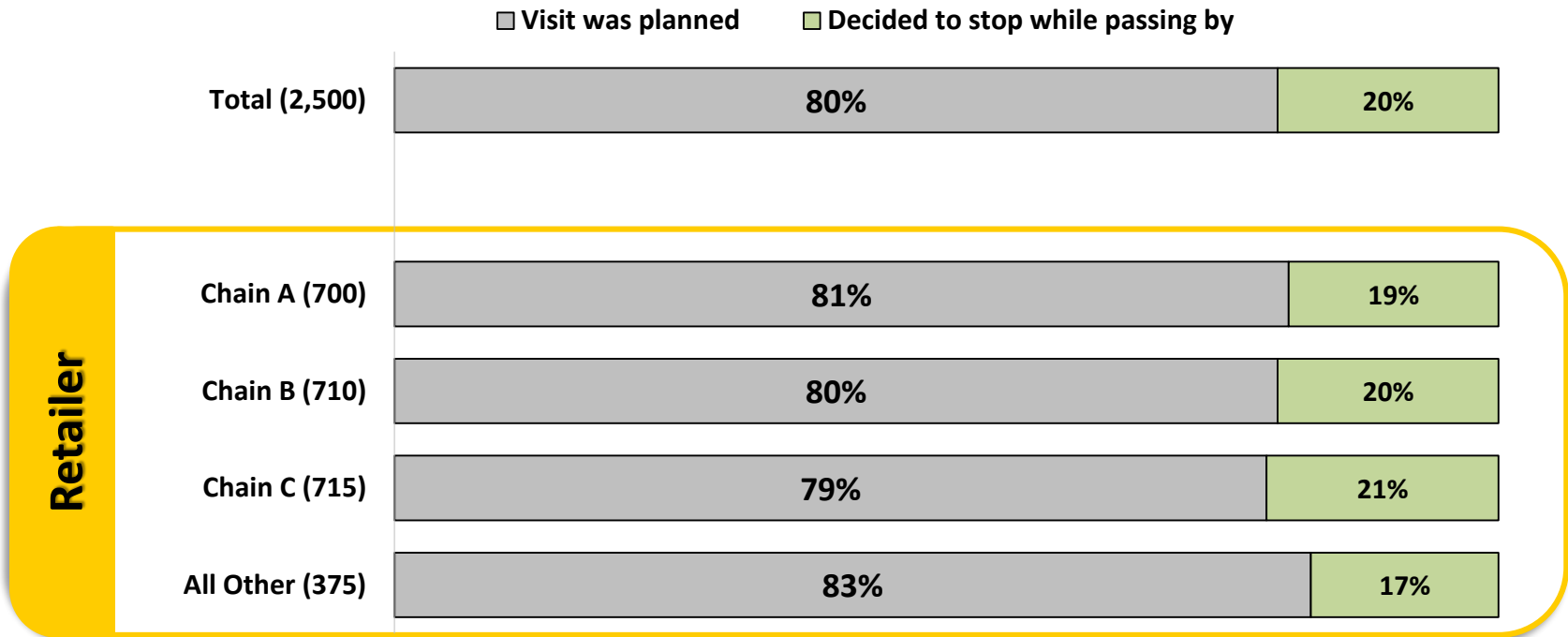- **Chain C is more often considered fun to shop.**

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Decision To Visit Dollar Store

Q. On you most recent visit to a Dollar Store, did you plan your visit to this store or did you decide to stop in while passing by?

☐ Visit was planned   ☐ Decided to stop while passing by

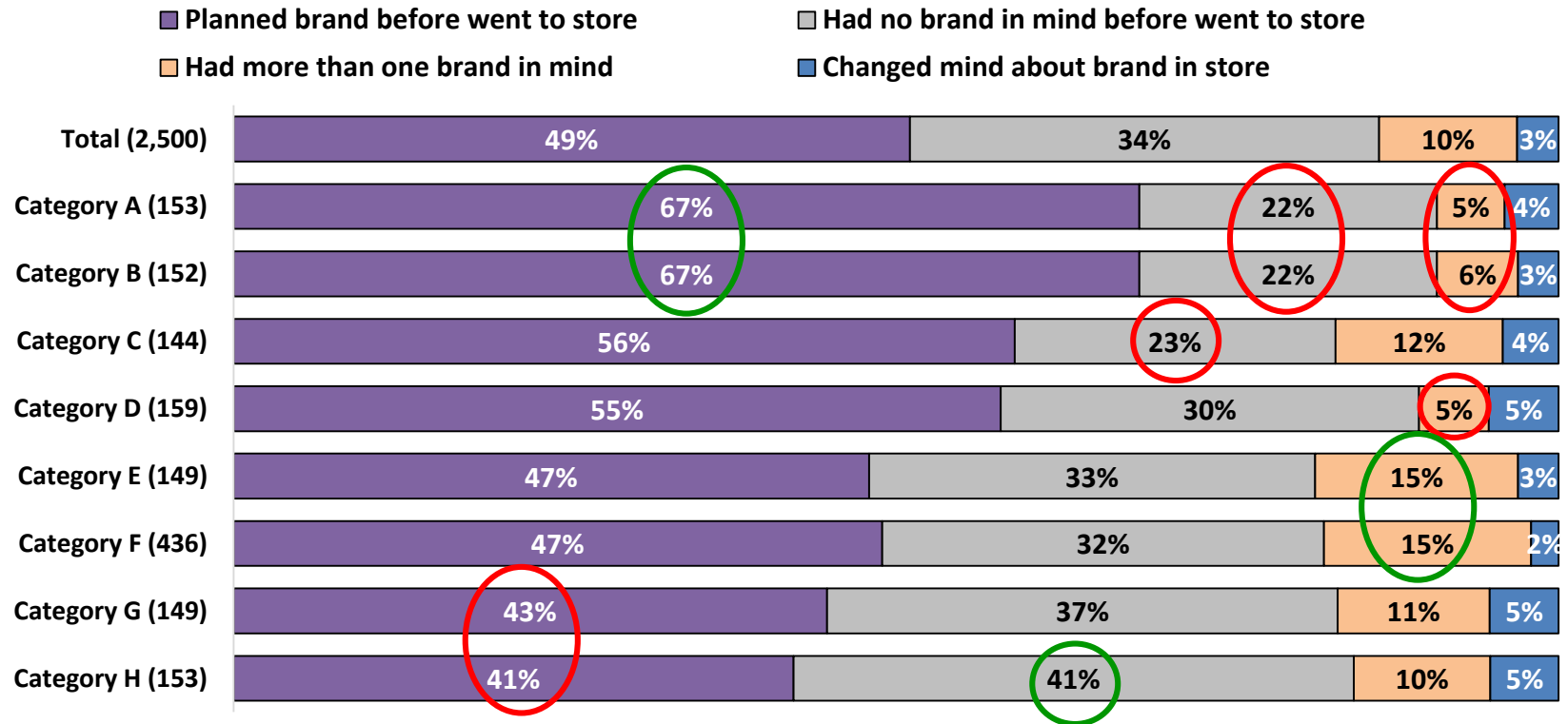| Retailer	Visit was planned	Decided to stop while passing by
Total (2,500)	80%	20%
Chain A (700)	81%	19%
Chain B (710)	80%	20%
Chain C (715)	79%	21%
All Other (375)	83%	17%

- **Eight out of ten shoppers planned their most recent Dollar store visit.**
- **There was no meaningful differences noted between retailers.**

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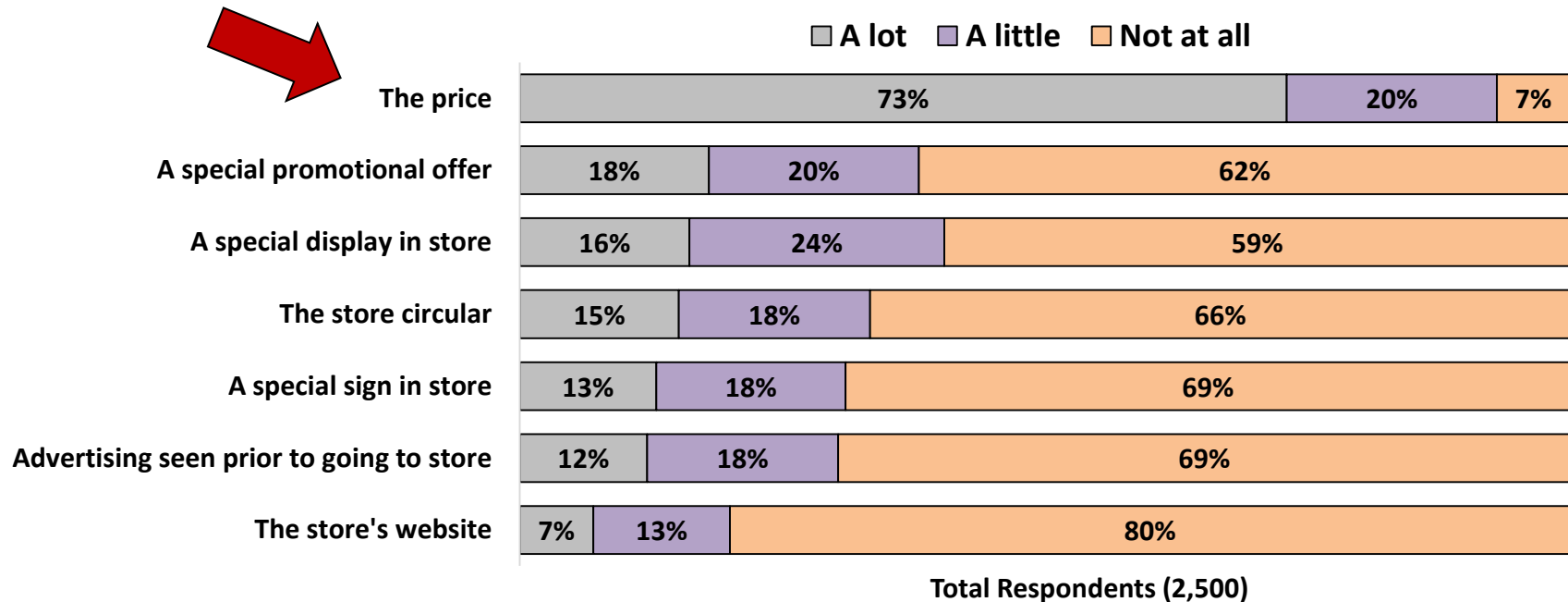
When Brand Decision Was Made

Q. Which one of the following statements best describes when you decided to buy this brand?

- ■ Planned brand before went to store
- □ Had no brand in mind before went to store
- ■ Had more than one brand in mind
- ■ Changed mind about brand in store

Category	Planned brand before went to store	Had no brand in mind before went to store	Had more than one brand in mind	Changed mind about brand in store
Total (2,500)	49%	34%	10%	3%
Category A (153)	67%	22%	5%	4%
Category B (152)	67%	22%	6%	3%
Category C (144)	56%	23%	12%	4%
Category D (159)	55%	30%	5%	5%
Category E (149)	47%	33%	15%	3%
Category F (436)	47%	32%	15%	2%
Category G (149)	43%	37%	11%	5%
Category H (153)	41%	41%	10%	5%

- ▪ **About ½ purchase decisions for a brand was made prior to going to the store.**
  - ➢ **Brand planning was highest for Category A and Category B, where two thirds decide on brand prior to going to the store.**
  - ➢ **This drops off for Categories G and H, where less than ½ decide on brand prior to going to the store.**

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Purchase Influencers

Q. Again, thinking about how you came to buy this product, there are a variety of things that may have influenced your selection. For each of the factors listed below, tell us whether this is something that influenced your selection a lot, a little or not at all?

Legend: ☐ A lot ☐ A little ☐ Not at all

Factor	A lot	A little	Not at all
The price	73%	20%	7%
A special promotional offer	18%	20%	62%
A special display in store	16%	24%	59%
The store circular	15%	18%	66%
A special sign in store	13%	18%	69%
Advertising seen prior to going to store	12%	18%	69%
The store's website	7%	13%	80%

Total Respondents (2,500)

- **Price is the only significant influencer on the purchase decision among Dollar Store shoppers.**
- **Other than price, at least six out of ten shoppers reported that each of the purchase influencers had no effect at all on their decision.**