



VideoMining

Case Study: The Hershey Company

A convenience channel deep dive on need states throughout the day and the resulting impact on the candy category.

At a glance

The Hershey Company partnered with market research provider VideoMining to perform a deep dive into candy shoppers behaviors and changing need states throughout the day. The results helped shape display best practices, merchandising design, assortment, and promotional strategies.

Key metrics

VideoMining's proprietary technology leverages AI and machine learning capabilities, overlaid with an expertise in behavioral science applied to in-store shopping moments to unlock growth opportunities and insights.



20,000

Micro-moments tracked and decoded per trip



1.6 Billion

Store trips captured annually

Background



The Hershey Company sought to better understand shopper need states and behavioral patterns at key dayparts to make informed strategies on shopper marketing and merchandising solutions in the convenience channel.

Solutions



VideoMining's patented AI sensors and behavioral science technology captured candy buyer behaviors and their response to environmental stimulus across thousands of in-store trips to detect hidden trends that would unlock growth for daypart and in-store marketing strategies.



Undetectable AI-Powered Video Sensors



Authentic Behavioral Research with Empirically Validated Results



Behavioral Science AI-Powered Analytics Track Shopper Reaction

Benefits



1

Visibility to Hidden Behavioral Trends

Behavioral data, overlaid with shopper profiles, dayparts, and POS data unlocked previously unknown connections in shopping patterns.

2

Need State Segmentation and Portfolio Strategy

Key attributes of shopper browsing, searching, and deciding on product criteria uncovered desired product attributes and decision criteria based on daypart.

3

Traffic Flow and Path to Purchase Insights

By examining every step of the shopper journey, we uncovered essential insights in the sequence of a candy buyer's trip, and how product placement influenced behaviors in the store.



VideoMining

Unlocking Behavioral Insights with AI



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Case Study (cont.)

Category Insights to Drive Impulse Purchases in C-Store

For candy giant Hershey, convenience stores are a critical retail battleground. Millions of hungry customers pour into stores daily, looking for a quick pick-me-up that candy can easily provide. But while c-stores are important for candy, the category's place in the minds of channel shoppers is more tenuous, particularly since candy is rarely a primary trip-driver.

"candy is often not a destination in the convenience channel," noted Susan LaPointe, Director of Shopper Insights at Hershey. "We're just not a reason to go to the store, but we're a perfect add-on. So we always look at candy as the potential to put one more buck into the basket before somebody checks out." Key to inspiring this type of impulse shopping is understanding the behaviors of c-store shoppers, but this has not traditionally been easy. C-store shoppers are typically in a hurry and have little time to participate in traditional research like shopper intercepts or online surveys. For Hershey, making sure that its retail approach met customer needs in this tricky but important channel seemed all but impossible. That is, until Hershey began working with VideoMining. The unique in-store behavior measurement technology of VideoMining was able to provide Hershey with an opportunity to truly see and understand the in-store behaviors of c-store shoppers through the Channel Shopper Insights (CSI) Megastudy, which has expanded to feature incredible behavior sample of 12 million shoppers nationwide, VideoMining can provide a look at c-store shoppers at a scale and accuracy unavailable elsewhere.



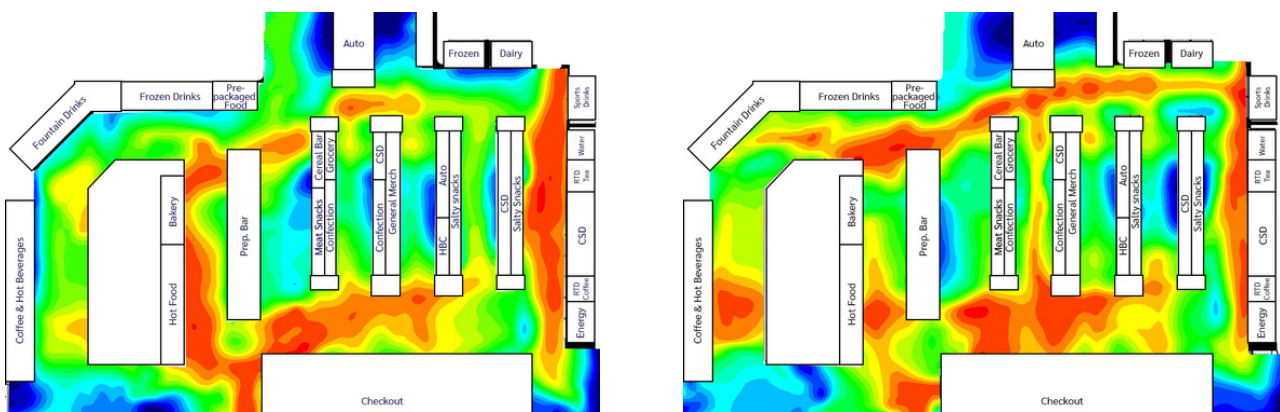
The VideoMining Approach

The CSI MegaStudy is an annual multi-week study of shoppers across multiple stores nationwide. The study is made possible thanks to VideoMining's ongoing partnerships with a number of the nation's top convenience retailers, who have given permission to install hidden, ceiling-mounted cameras in their stores throughout the country. These cameras capture video of millions of shopping trips, which are tracked and measured in real time by VideoMining's patented shopper measurement software. The MegaStudy ultimately produces a massive sample of metrics on shopper behaviors across the store, including every category of interest. These metrics are used to develop multiple standardized reports, which address shopper behavior at every level of the store. CSI MegaStudy reports include Benchmark reports, which provide fundamental understanding of category-level behavior, and Deep Dive reports which include segmentation by key factors such as daypart.

The Outcome

For Hershey, the ability to segment by daypart was of critical importance. “We started looking at some of the classic things like demographics and just saw no differences between buyers and non-buyers in those kind of metrics,” said LaPointe. “We weren’t quite willing to give up at that point, so we said, “Okay, let’s just take all the people who bought and all the people who didn’t buy and look at every measure and see where the differences are.” When we did that, we found that day parts showed us some really different patterns of behavior.” Specifically, Hershey found that the need-state for Candy customers differs by time of day. For example, morning customers were more likely looking for their “daily treat”, whereas shoppers at lunchtime were looking for a “meal enhancer” and late afternoon shoppers sought Candy primarily for energy. This was determined by comparing the levels of traffic and engagement for Candy and other store categories across different periods of the day to examine differences and patterns of behavior. Additionally, transaction data was incorporated to see what products were purchased with Candy throughout the day. As Candy is an impulse product, understanding the flow of traffic was also important for selecting locations that gave the category the best opportunity to end up in the shopper’s basket.

Candy is currently located in multiple locations around stores, including front end, the primary shelf and several displays storewide. But depending on the location, the flow of traffic could be low, meaning little exposure for the product in that location. Additionally, as seen in the heatmaps above, traffic flows are also dependent on time of day, so it’s important that placement in the store takes into account varying need-states throughout the day. Armed with this information, Hershey has worked with retailers to implement changes in stores to improve Candy location. Additionally, Hershey has worked to address changing need states by modifying assortment, partnering with other categories, and changing messaging by time of day. Critical to all of this, of course, is continuing to test with VideoMining, and the unmatched ability to see shopper behavior storewide.



Heatmaps demonstrate large differences in store traffic between lunch and evenings. Lunch traffic spreads throughout the store, while evening traffic concentrates near the entrance.



VideoMining pioneers behavioral insights for winning in-store through proprietary Behavior Sensing Technology™ and AI-Powered Data Decoding Systems. We own and operate a nationwide Behavior Panel™ in partnership with leading chain retailers to provide ongoing fact-based industry and shopper trends, along with a network of Behavior Labs™ for accelerating innovation through "testing and learning" in real stores with real shopper input.

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