Scintilla Case Study

Black Rifle Coffee Company: They're Hot & Cold, Yes or No?

This case study was shared live at **Walmart Data Ventures Inspire Event**, October 1, 2024.

Scintilla has allowed us to dig into our categories in ways we haven't before. We're learning who the consumer is and how to best serve them in specific, strategic ways.

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Scintilla Case Study: Black Rifle Coffee Company
The opportunity:

Walmart and Black Rifle Coffee Company (BRCC) wanted to gain a better understanding of the in-store relationship between Package Coffee and Ready-To-Drink (RTD) coffee customers to provide a better shopping experience and discover growth opportunities across the departments.

To do that, they needed to learn:

- Who is the shopper?
- How do they shop across the departments?
- How do we provide better solutions and better meet these shoppers' needs?
- Is there a strong case to potentially merge these two separate aisles?

Scintilla Case Study: Black Rifle Coffee Company
The approach:

Their first step was to determine **who** shops in the Packaged Coffee and RTD coffee aisles and explore their differences, similarities, and **how** they are shopping across the departments and varying segments within them.

Utilizing the Profile section of the **Performance in Detail** report, BRCC pinpointed the major differences of the Packaged Coffee and RTD shoppers from age to income.

Category Shopper Profile
(By Transactions – Index vs. Retailer/Category)

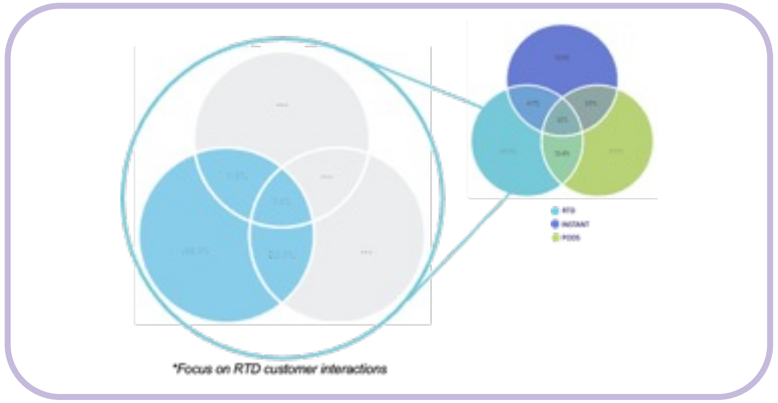
Age:
18-49, 109-126 index

Gender:
Male/Female even split

Income:
<$50K, 112 index

Customer Price Sensitivity:
Mid-Market, 103 index

Retailer Loyalty:
Premium Loyalty, 124 index



The **Cross Shop** report shows us that the RTD customer is shopping the Packaged Coffee aisle 74% of the time, but more interestingly is the segment within the aisle they are shopping more.

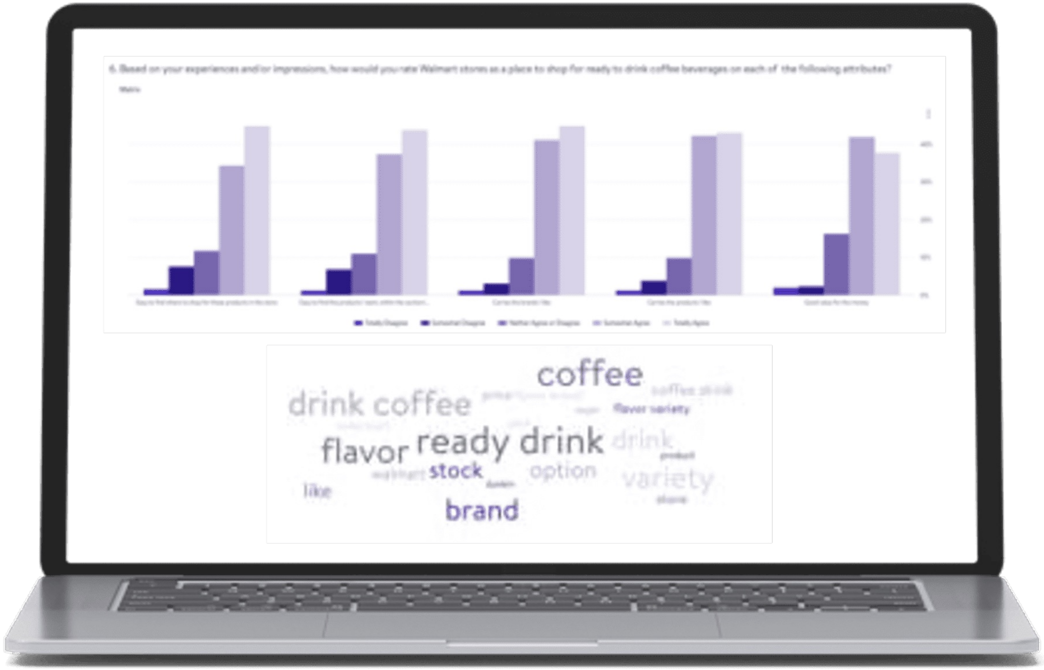
Scintilla Case Study: Black Rifle Coffee Company
The approach:

BRCC then turned to **Customer Perception** to find out more about how Walmart customers feel about shopping the Packaged Coffee and RTD aisles.

“Have more coffee stocked in the front that is already cold.”

“Have more flavor variety & carry brands that are more natural.”

“The aisle is sometimes a bit overwhelming...just wish it was organized differently.”



- Shopper ideals reinforced the importance of focusing on the front-end cold case
- 78% of Walmart shoppers surveyed are purchasing Packaged Coffee over the L3W, while RTD sits at 32%
- The second-most popular position shoppers stated as their ideal location for RTD was in the Packaged Coffee aisle
- Shoppers are wanting more grab-and-go for RTD, as pick-up today options are limited

Scintilla Customer Perception survey(s) FY24

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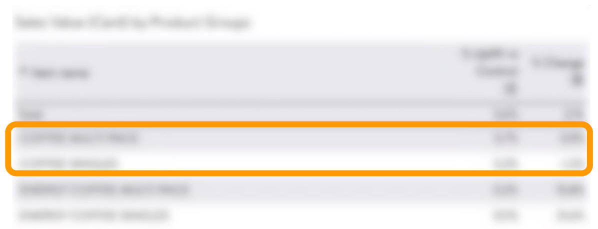
The approach:

Walmart initiated a small test of a section of RTD coffee in the Packaged Coffee aisle. They used multiple Shopper Behavior reports to dig into the performance of those test RTD and Packaged Coffee sets.

Test & Control



- After finding a control set of stores, create **custom groups**
- **Test & Control** – identify uplift in test stores vs. control stores
- Was there an increase in % of sales of new category customer vs. existing?

Performance in Detail

Using the custom groups, track performance drivers, drainers, trends, and shopper profiles

- Did test stores see, or outpace, growth vs. control stores?
- Were there any trends across the initial 6-months?
- Are new customer demographics shopping RTD in test stores?

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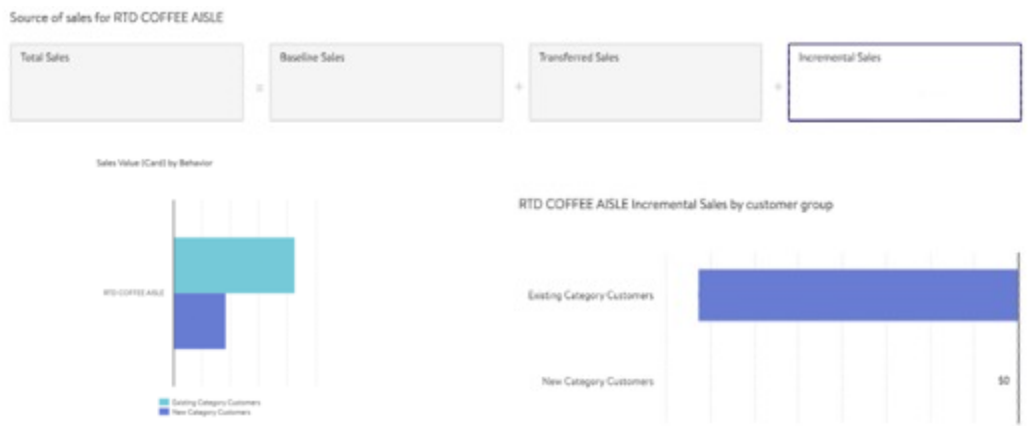
The approach:

Continuing to dig in, BRCC assessed how incremental the test set was performing and if there was more, less, or the same amount of interaction between the departments.

Source Of Value

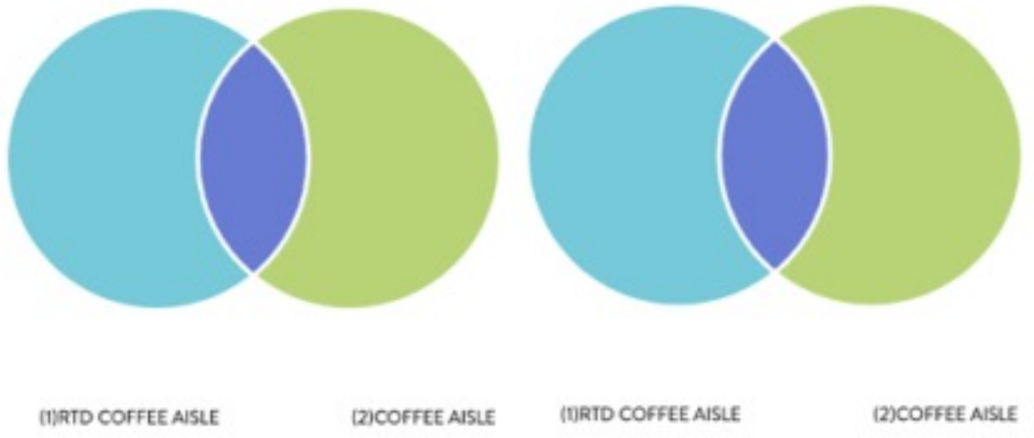


- Was this an incremental move?
- What percentage of sales came from existing and/or new category customers?

Cross-Shop

Test – 6.7% Interaction

Control – 8.2% Interaction



- Was there an increase or decrease in interaction in test stores vs. control?

Scintilla Case Study: Black Rifle Coffee Company

The approach:

Finally, they looked at the customer's purchasing power by seeing how many have entered or left the category as well as the size and contents of their basket.

Switching

- Did new customers enter or leave the category segments?
- Did RTD single-serve and/or multi-pack gain dollars from other segments within the coffee aisle?

Basket

Item Name	Composite Rank	Key Measures: Transactions	Customers	Product Penetration	Significance
Total		[illegible]	[illegible]		
DRY ADDITIVES	1	[illegible]	[illegible]	[illegible]	[illegible]
Coffee Filters	2	[illegible]	[illegible]	[illegible]	[illegible]
LIQUID ADDITIVES	3	[illegible]	[illegible]	[illegible]	[illegible]
NON DAIRY CREAMERS	4	[illegible]	[illegible]	[illegible]	[illegible]
ARTIFICIAL SWEETENER	5	[illegible]	[illegible]	[illegible]	[illegible]
CREAMERS LARGE	6	[illegible]	[illegible]	[illegible]	[illegible]
CREAMERS SF	7	[illegible]	[illegible]	[illegible]	[illegible]
COCOA PODS	8	[illegible]	[illegible]	[illegible]	[illegible]
KEURIG BREWERS	9	[illegible]	[illegible]	[illegible]	[illegible]
COFFEE FILTERS	10	[illegible]	[illegible]	[illegible]	[illegible]
5 CUP COFFEEMAKER	11	[illegible]	[illegible]	[illegible]	[illegible]
SPECIALTY BREWERS	11	[illegible]	[illegible]	[illegible]	[illegible]
TRADITIONAL FAMILY BAGS	11	[illegible]	[illegible]	[illegible]	[illegible]
coffee cups	14	[illegible]	[illegible]	[illegible]	[illegible]
HALF AND HALF	14	[illegible]	[illegible]	[illegible]	[illegible]

- Was there a higher basket spend?
- Was there a shift in items in the basket (i.e. More coffee in RTD basket or vice versa)?

Walmart Data Ventures

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The results:

Armed with these insights from Scintilla, the teams determined they needed to continue tracking their test and potentially run a new one. Their next steps include:

Keep watching the test results

Test stores saw 7% more new category customers than control – this can be attributed to coffee customers seeing RTD in the aisle

RTD has a purchase frequency of 1.7X a year, so the test is only capturing one purchase cycle in the 21-wk timeframe

Allow customers to adjust to new location

Greatest driver of decline came from Customer Penetration in test stores

Expand the test in a strategic way

Moving RTD to the Packaged Coffee aisle, vs. Packaged Coffee to the RTD aisle, is the correct move considering the interaction. Giving the test more time will allow current RTD customers time to find the new location, as well as potentially continue to capture a new audience from the Packaged Coffee aisle shopper.