Scintilla Case Study

The Fishin' Company:
Cannibalization Forecasting Demystified

Fishin'™

Inspire 2024

"**Now, with Shopper Behavior and Channel Performance,** we can answer a lot of the questions that we couldn't answer before.

- Preston Polson, *Lead Data Analyst* | **The Fishin' Company**

Preston Polson
Lead Data Analyst
The Fishin' Company

Joel Nizza
Sourcing Manager - Seafood
Walmart

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The opportunity:

Ahead of a known nationwide price decrease for Species X, The Fishin' Company, a fresh and frozen seafood supplier, was asked by their Walmart Merchant team to assesses its potential cannibalization of other items in the assortment .

However, due to a lack of available data, the team was unable to conduct a thorough analysis...or so they thought.
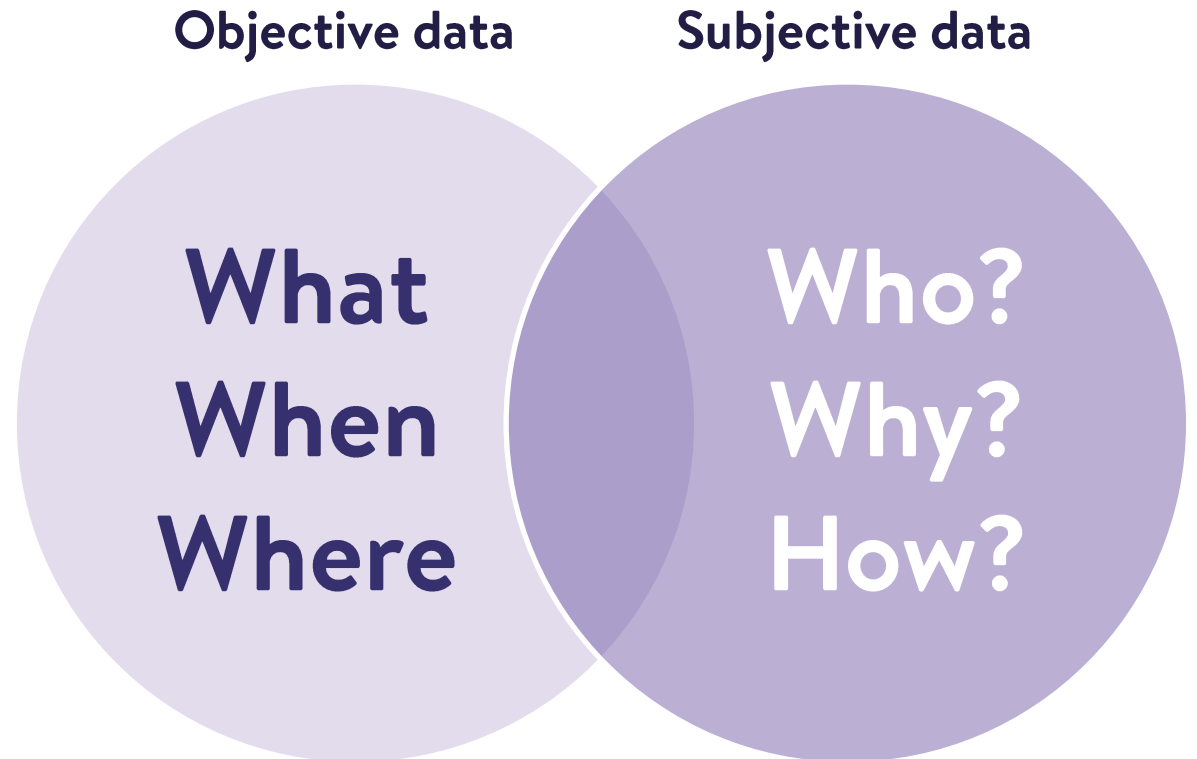
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The opportunity:

The team realized they were no longer tied to only the raw objective data of the past. They now had subjective data they could utilize by leveraging the full **Scintilla Suite**:

- **Who is the customer?**

- **Why and how are they purchasing?**

- **How is the customer engaging in the shopping experience?**

- **What is their path to purchase?**

Objective data   **Subjective data**

What When Where   **Who? Why? How?**

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The approach:

To help predict potential cannibalization, they leaned on **Channel Performance Report Builder** for historical sales data and various Shopper Behavior reports to build on their insights.

Shopper Behavior

Channel Performance

Customer Perception
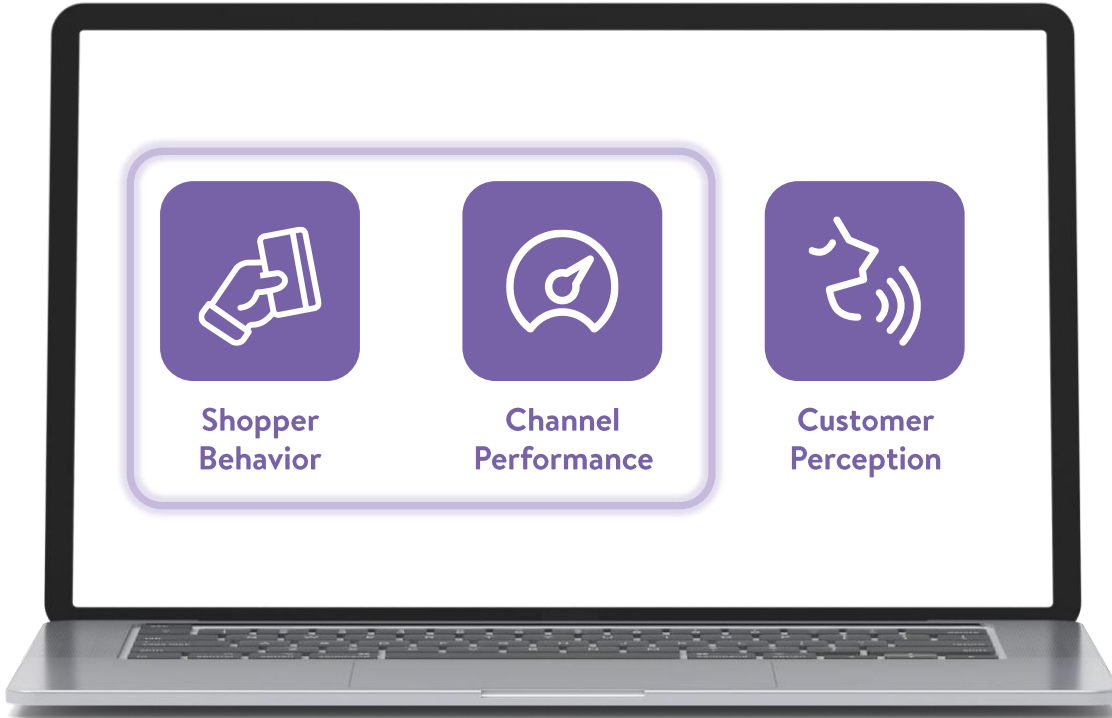
Scintilla

- Channel Performance
  - Report Builder

- Shopper Behavior
  - Basket Analysis
  - Item Switching
  - Cross Shop

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The approach:

Starting in **Report Builder**, The Fishin' Company looked for previous price changes for Species X. What surfaced was a price increase. They theorized that the impact seen from a price increase could be inversed to predict what would happen when a price decrease took place. Then they took it a step further by analyzing the subjective data from **Shopper Behavior**.

Report Builder

- Pulled all Species X data, all stores, AUR
  - This Year and Last Year columns

- Created a species-specific, but item-agnostic measure LB/Store/Week

- Visualized continuous 104-week period in Power BI to identify best period for analysis

- Key callout: No cannibalization was notable in the raw transactional data for this period
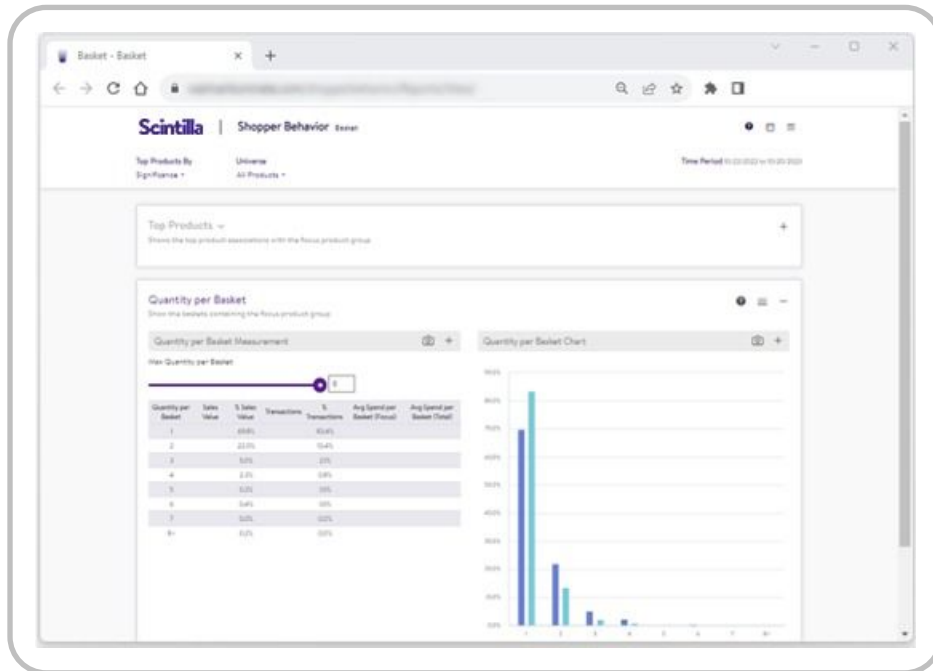

104-Week View of Species X Pound/Store/Week Velocity vs AUR/lb

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The approach:

Before going too deep, they wanted to better understand the shopper profile for Species X. They used the **Shopper Behavior Basket** report to see what items were purchased alongside Species X and learn if it was bought in bulk.

Basket Analysis – Species X

Basket Report

- Checked for ranking other species often bought with Species X

- Checked for items per transaction

- Checked for other ingredients for a clearer picture of how most customers prefer to prepare Species X to compare against similar profiled species
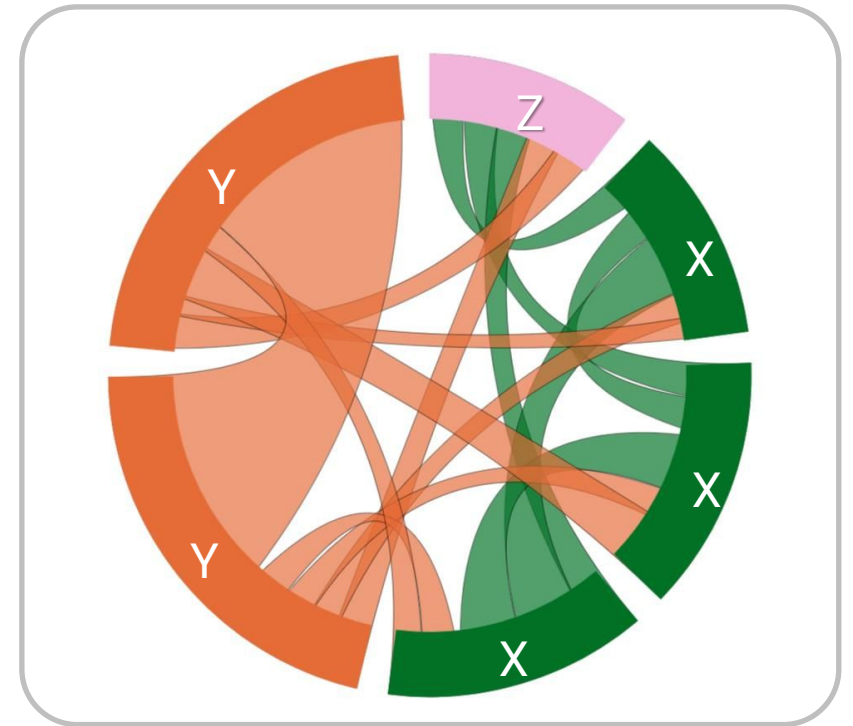
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The approach:

That led to the **Switching** report, where portions of their theory were confirmed. Additionally, they uncovered one unexpected outcome: A new species' impact on the assortment.

Switching Report

- Level the field: started with all items available within all stores carrying all their top-10 species

- Visualized the switching change in Power BI to see the cannibalization that had occurred
    - Species Y cannibalized as was assumed based on species profile similarity
    - Species Z, with a completely unrelated species profile and unrelated basket profile, unexpectedly emerged as the next highest cannibalization
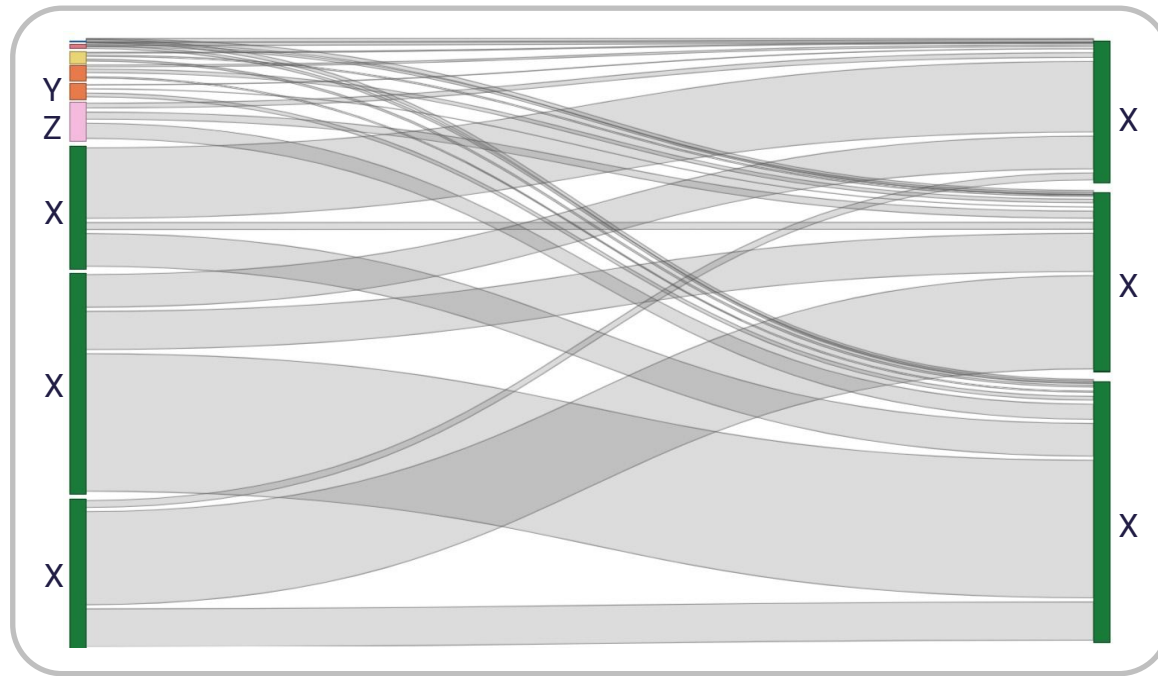   - Note: Price sensitivity data matched on Species X & Z

Inter/Intra Item & Species Switching Species X, Y, Z

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The approach:

Further research in the **Cross Shop** report provided visibility into customers who previously purchased Species X and did not switch to a new species or reduce their spend by moving to smaller package sizes.

Inter-Species Cross Shop

Cross Shop Report
Intra-Species Shopper Behavior insights:

- Limited to all stores fully traited

- Identified the propensities of customers who buy Species X to stay within the subcategory
  - Majority stayed with same size
  - Others stepped up or down in package size, while very few bought larger package

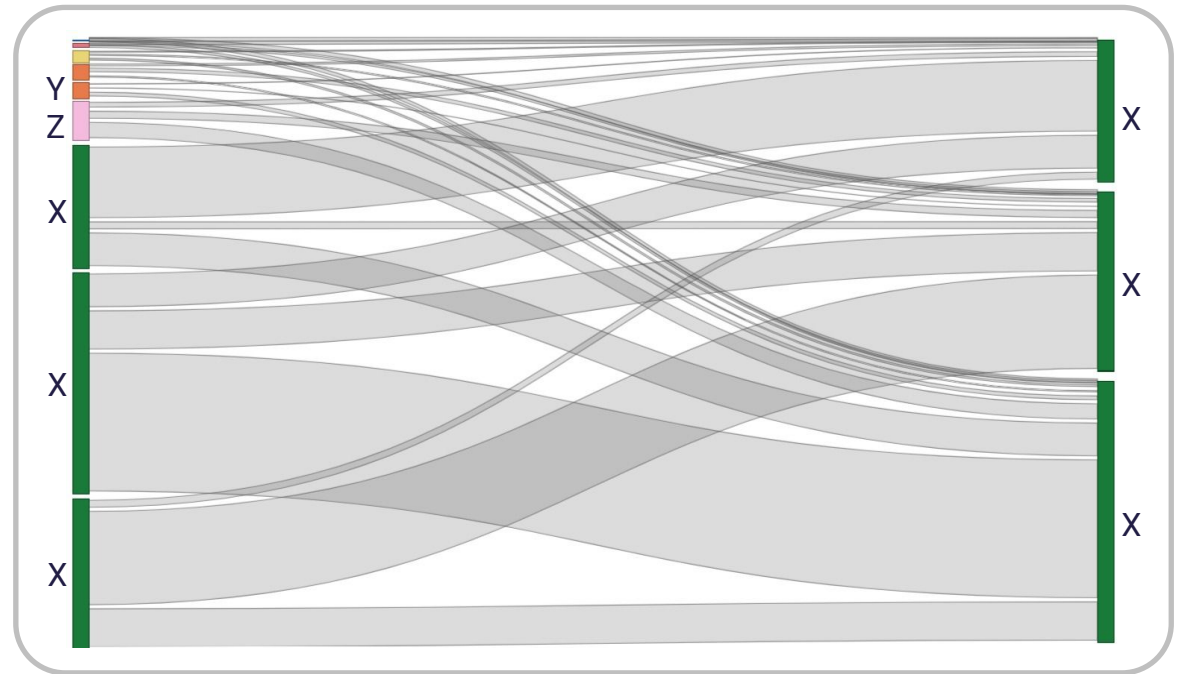# Scintilla Case Study: The Fishin' Company
The approach:

Additionally, the **Cross Shop** report provided valuable insights on how Species X compared to the rest of the assortment.
The results provided confidence in understanding how previous price changes may have impacted cannibalization, helping to inform future strategies.

Cross Shop Report
Intra-Species Shopper Behavior insights:

- Saw same-species progression for Species X as item switching indicated, but now with scale of other species/items included

- New item (Species Z), a different and unexpected species with completely different profile, that emerged in item switching again identified
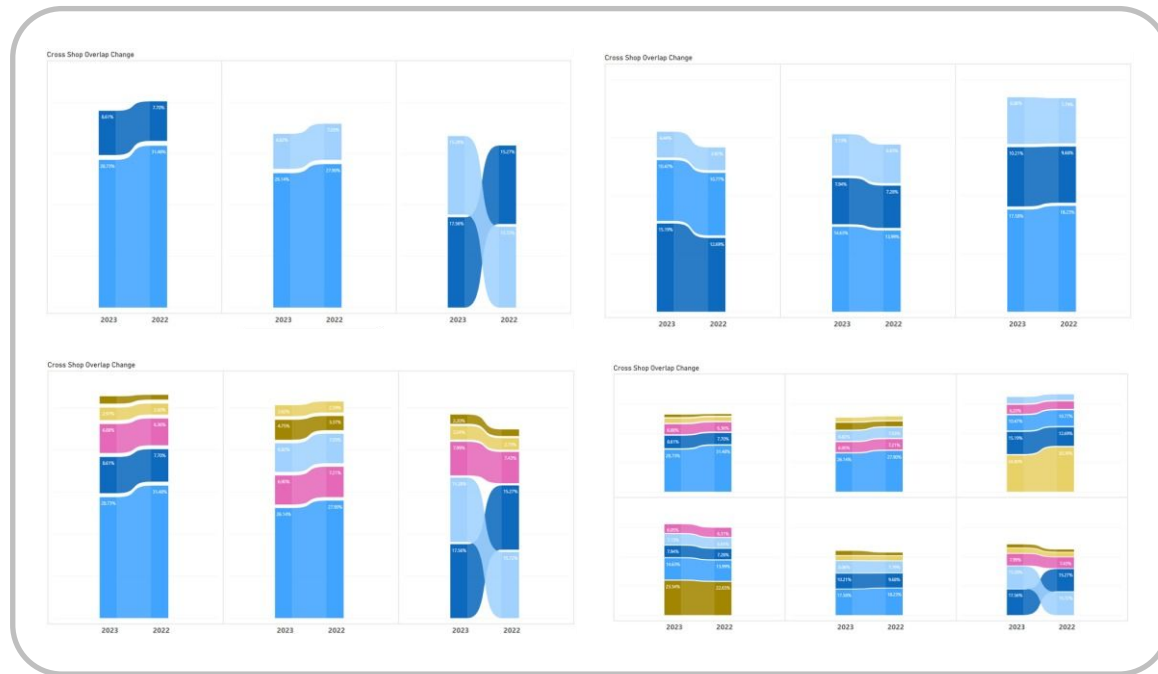

Inter-Species Cross Shop

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The approach:

By taking the insights from the two time periods after the original price increase and inversing it, The Fishin' Company felt confident that they could predict the type and scale of cannibalization to expect.

Inter-species and intra-species cross shop changes YoY

Cross Shop Report
Out-of-the-box approach:

- Picture clear on prior cannibalization

- With price decrease coming, simply assume the inverse as the increase
  - Provided scale of cannibalization between the time periods
  - Used scale and items with adjustments made to exclude low in-stock events for forecast changes

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The results:

Using **Scintilla Channel Performance** and **Shopper Behavior**, The Fishin' Company moved beyond assumptions to leveraging real, verified shopper behaviors to inform on enhanced strategies and more confident decision making.

- Utilizing this information, the team drafted updated forecast recommendations and presented them to their Walmart Merchandising team.

- Merchant settings matched findings, with exception of Species Z which drove deeper conversations
  - Forecasts for all impacted items updated
  - Inter-species and intra-species cannibalization trending followed as predicted