



+16% BeSci Win

Average Basket Size
Retail / Merchandise / Pricing



Category: Retail / Merchandise / Pricing

Project: Increase average customer basket size by AUD \$1

Client: Confidential

The client – an immersive art experience has a merchandise shop at the end of the experience. Visitors must pass through the shop to exit. Already happy with the sales the aim was to see if behavioural science could improve the return. A well qualified 3rd party team managed the shop. A percentage of profits went to the art experience operators. The aim was to ideally:

1. Increase the average basket size spend by AUD \$1
2. Increase the percentage of people who spend

The BeSci Approach:

We conducted a data audit and analysis of the transactional merchandise sales data

- We identified friction points within the shop
- We then recommended a series of pricing nudge interventions

The Real World Challenges:

The shop was a dynamic retail space. Management had a very successful daily, hourly, ‘finger on the pulse’ approach. Merchandise and positioning was changing daily, often. We were not going to stop this. Nor would we want to. This is a reality of

nudging in the real world. It meant proof points of success would be difficult. Significant seasonal and environmental factors would make measurement near impossible. Plus the management team had the final say on which nudges they were prepared to try. They were not prepared to pilot them all. A number of recommended nudges therefore were not implemented. Some were not practical to pilot and would need to wait until a new experience went live. Due to staff turnover in other areas of the business, no nudges were introduced to increase visitors in the shop converting to spend rates.

The Behavioural Science Data Insights:

Among other insights such as busiest times of day, product purchases, stock levels etc key insights included:

- Majority of customers (46%) purchased 1 item. 25% purchased 2 items
- 10% of the 150+ product lines resulted in 53% of revenue
- 31% of products resulted in 83% of revenue
- 12% of revenue came from one product line

We consider these to be quite ‘standard’ learnings. What was unexpected was the discovery of ‘4 Transactional segment profiles’:

- The client was already aware of some behavioural differences. For instance they spoke of **Friday night being ‘date night’** and attracting a different client and spend. Our data analysis confirmed this and added new transactional segments to target.

Nudge Results:

1. We had one ‘backfire effect’. This result was seen within hours and management immediately reversed the product back to ‘normal’.
2. Additional nudges were introduced with impact. There was an increase in average basket size across the next 2 experiences. Statistical data is not available. We can confirm that along with management finger on the pulse changes, there was direct impact in increased sales from these nudges.

Measured Results Matter



+16%

Increase in average basket size from \$42 to \$49 (\$7).

In addition to reversing a 2% basket size decline.



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Transactional segment profiles



Understanding the Brain is Your Business



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