Case study
Large retail chain

OBJECTIVE: A large retail chain wanted help calculating each customer's share of wallet as well as likely households for additional spend.

SOLUTION: Experian's Custom Analytics conducted an analysis to determine the top demographic drivers of spend. These drivers were combined into distinct groups using Experian's household level demographics:

- **Regional Life Stage Group** – Combination of the top demographics driving customer spend within last year:

  - **Client Region, Household Composition, Age, Income**

Once customers were segmented into distinct behavioral groups, spend distributions within each group were evaluated to calculate:
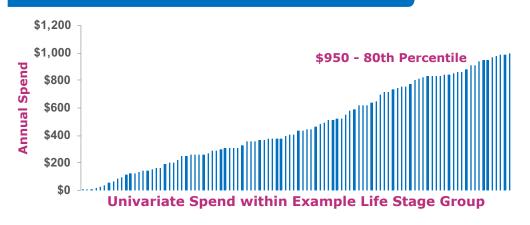
- **Potential Spend** – Amount of money spent if a customer meets their potential within a year. Defined as the **80th percentile** of spend within a customer's *Life Stage Group.*

- **Share of Wallet** – A customer's percentile spend within their Life Stage group. This key metric was calculated as a customer's current spend divided by their potential.

RESULTS: Customers with a total of **$1.6 billion** in unfulfilled potential were identified along with ways to understand and influence each customer's spending behavior.

EXAMPLE LIFE STAGE GROUP

DEMOGRAPHIC COMPOSITION

Region	HH Composition	Age Group	HH Income
Midwest	2 Adults with Kids	Age 46 - 55	$75 - $100k

LIFE STAGE'S POTENTIAL SPEND

$950 - 80th Percentile

Annual Spend axis: $1,200 / $1,000 / $800 / $600 / $400 / $200 / $0

Univariate Spend within Example Life Stage Group

·:experian.