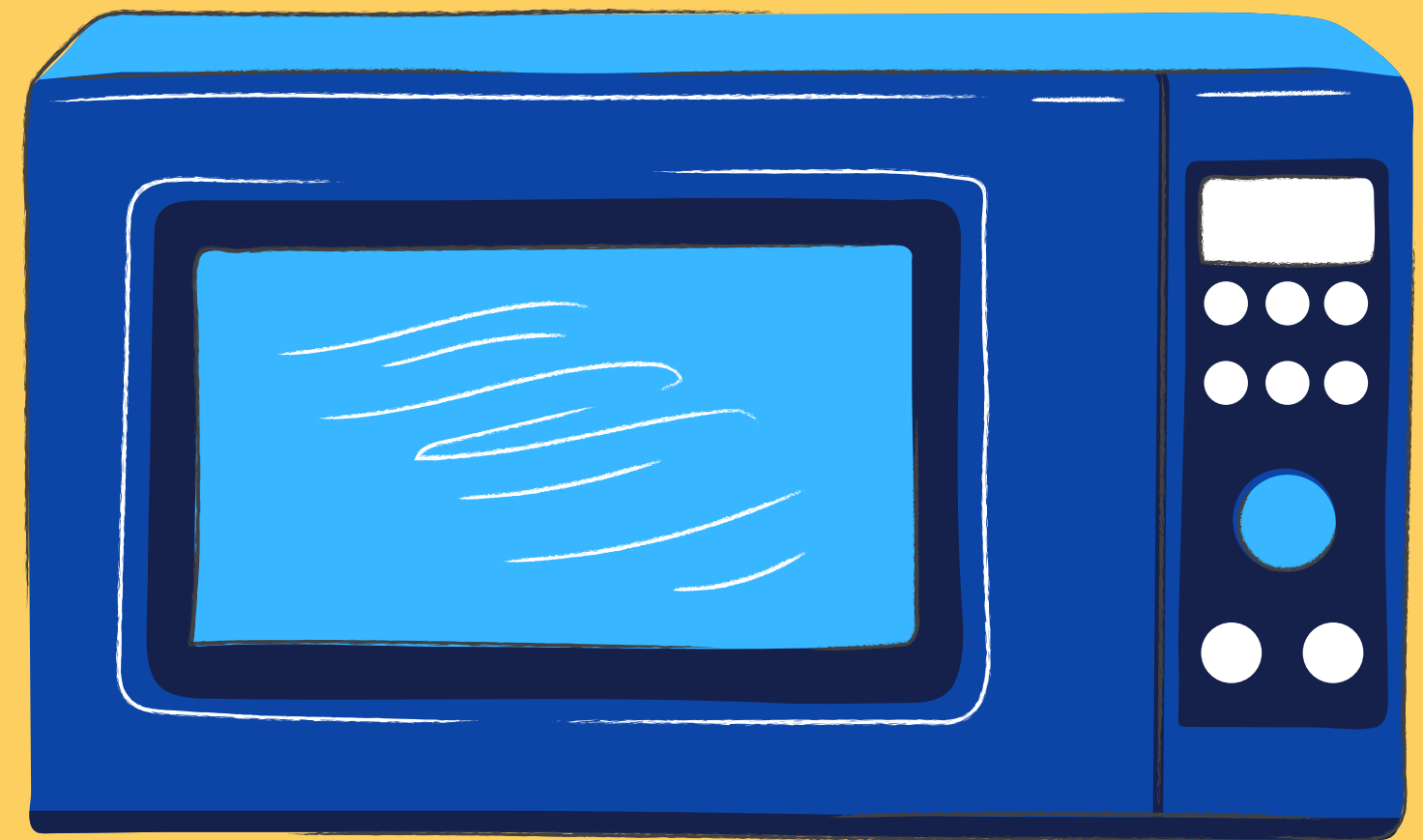


Frozen Food Market Analysis

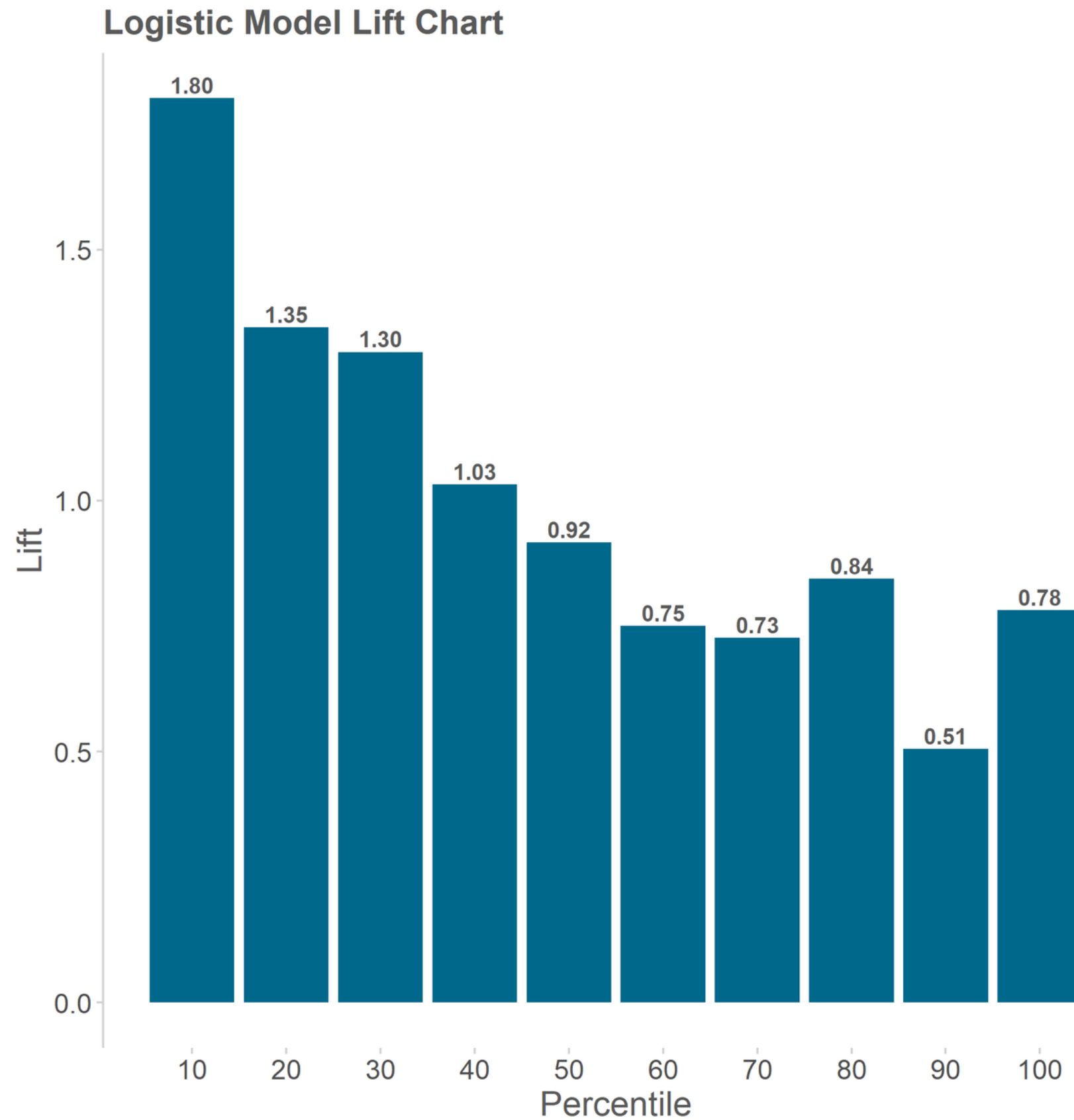


Objectives

THE TWO KEY FOCUSES OF OUR ANALYSIS

- Create a predictive model that is able to predict whether or not a household will purchase frozen food products.
- Create distinct cluster analysis groups to highlight frequent purchases, and customer segment traits.





Accuracy: 60.63%
Sensitivity: 62.58%
Detection Rate: 20.84%
Prevalence: 33.30%

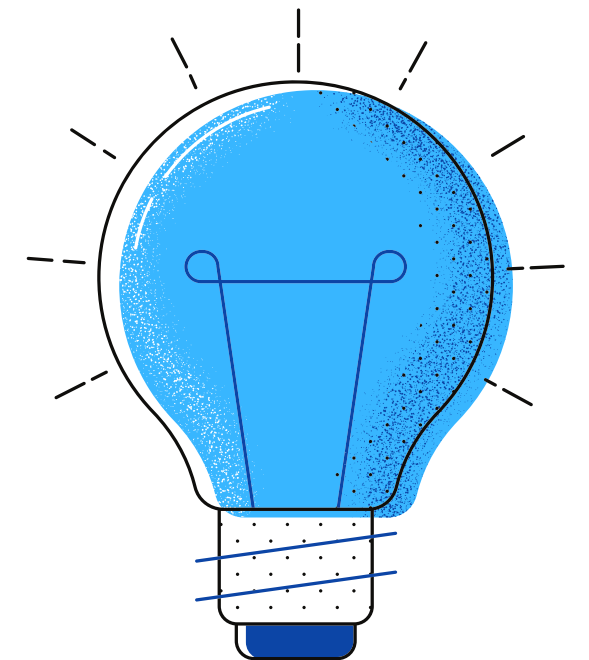
Predictive Model Findings

Significant Variables:

- Yogurt Expenditures ***
- Household Occupants ***
- **Male Post Graduate *****
- Owns a Dog *
- **Income level ***
- Male Graduate Degree *
- **Male Work Hours ***
- Female or Male College Degree
- Male Birth Years

Logistic Model Insights

- Households become less likely to purchase frozen foods as income level increases.
 - More flexibility in food budgeting (Ex. Takeout food/eating out.)
- Males with postgraduate degrees holding all other variables constant are 31% less likely to purchase frozen foods.
 - Those with post-graduate degrees tend to have higher incomes
- As work hours increase, so too does the probability that an individual will purchase a frozen dinner.

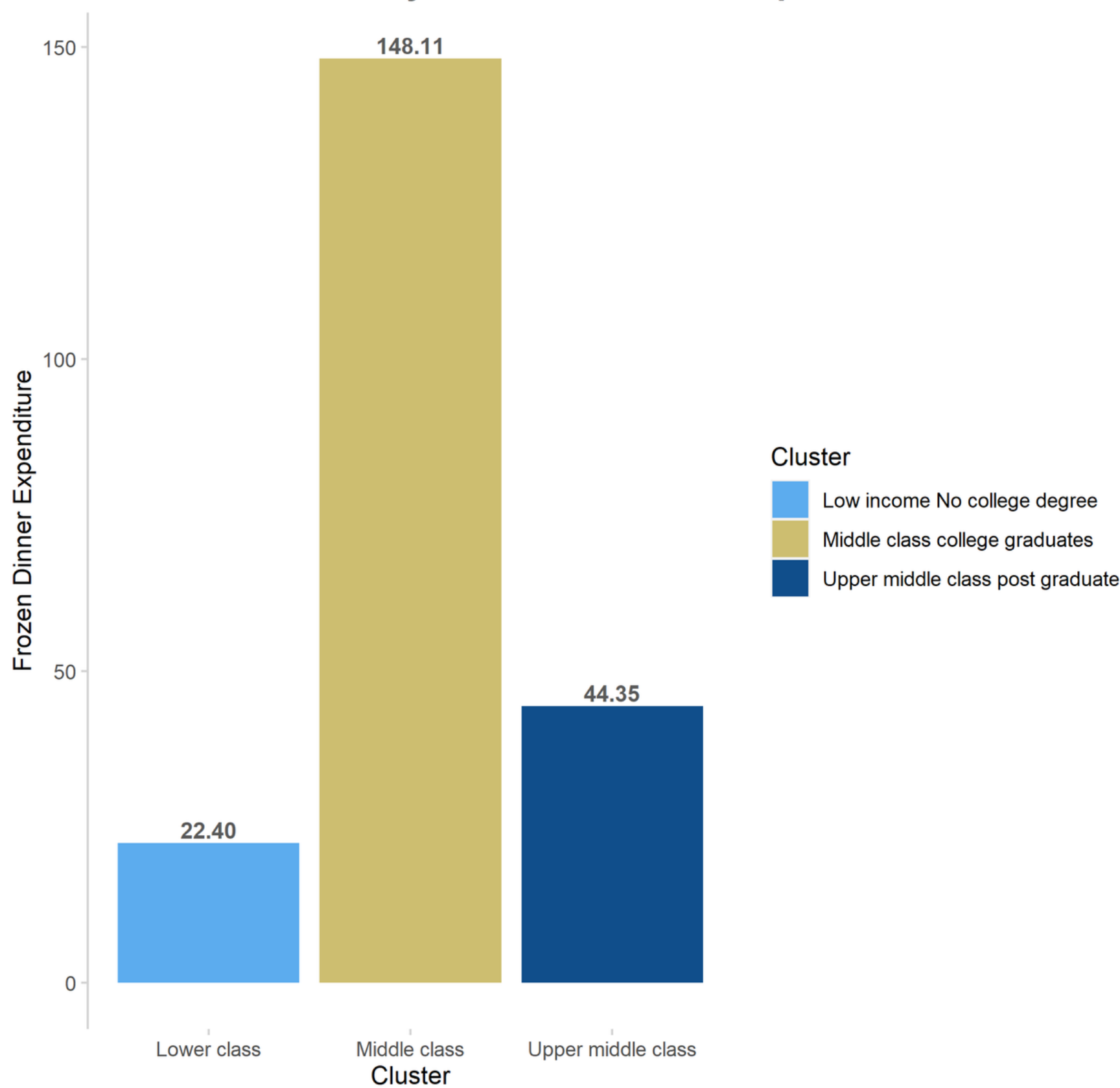


Cluster Analysis:

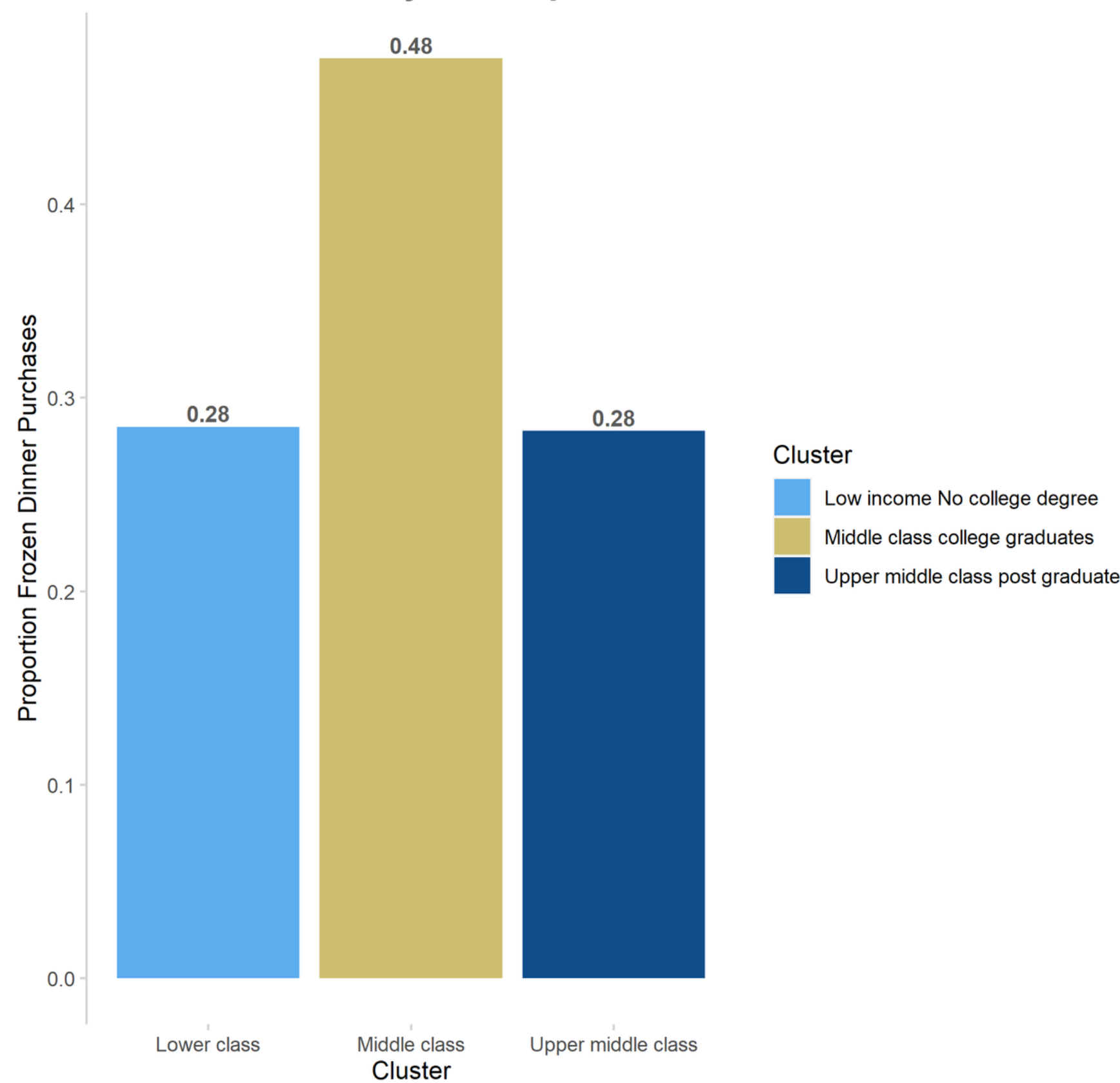
Frozen Food

Market

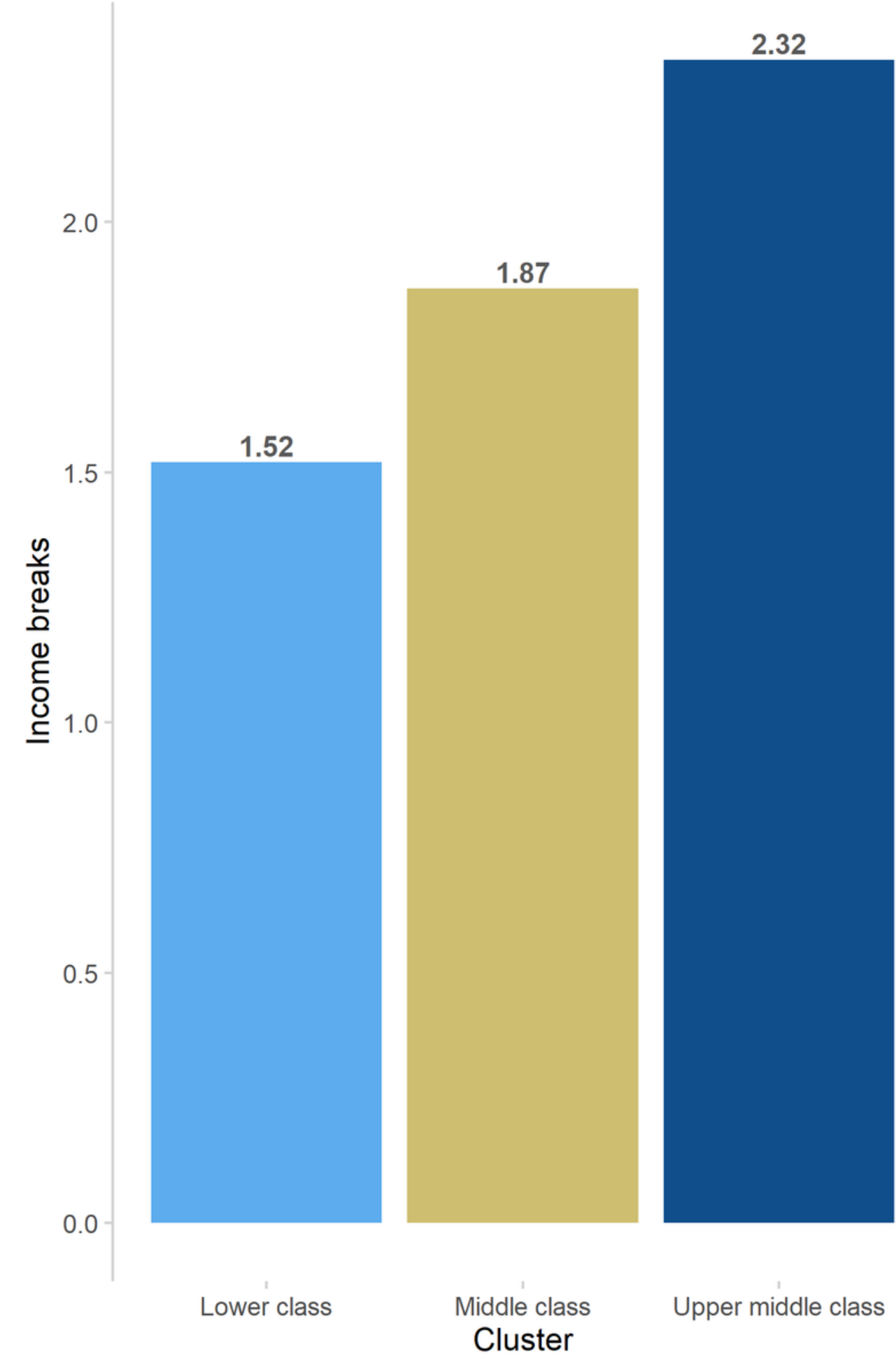
Cluster Means Analysis: Frozen Dinner Expenditure



Cluster Means Analysis: Proportion Frozen Dinner Purchases



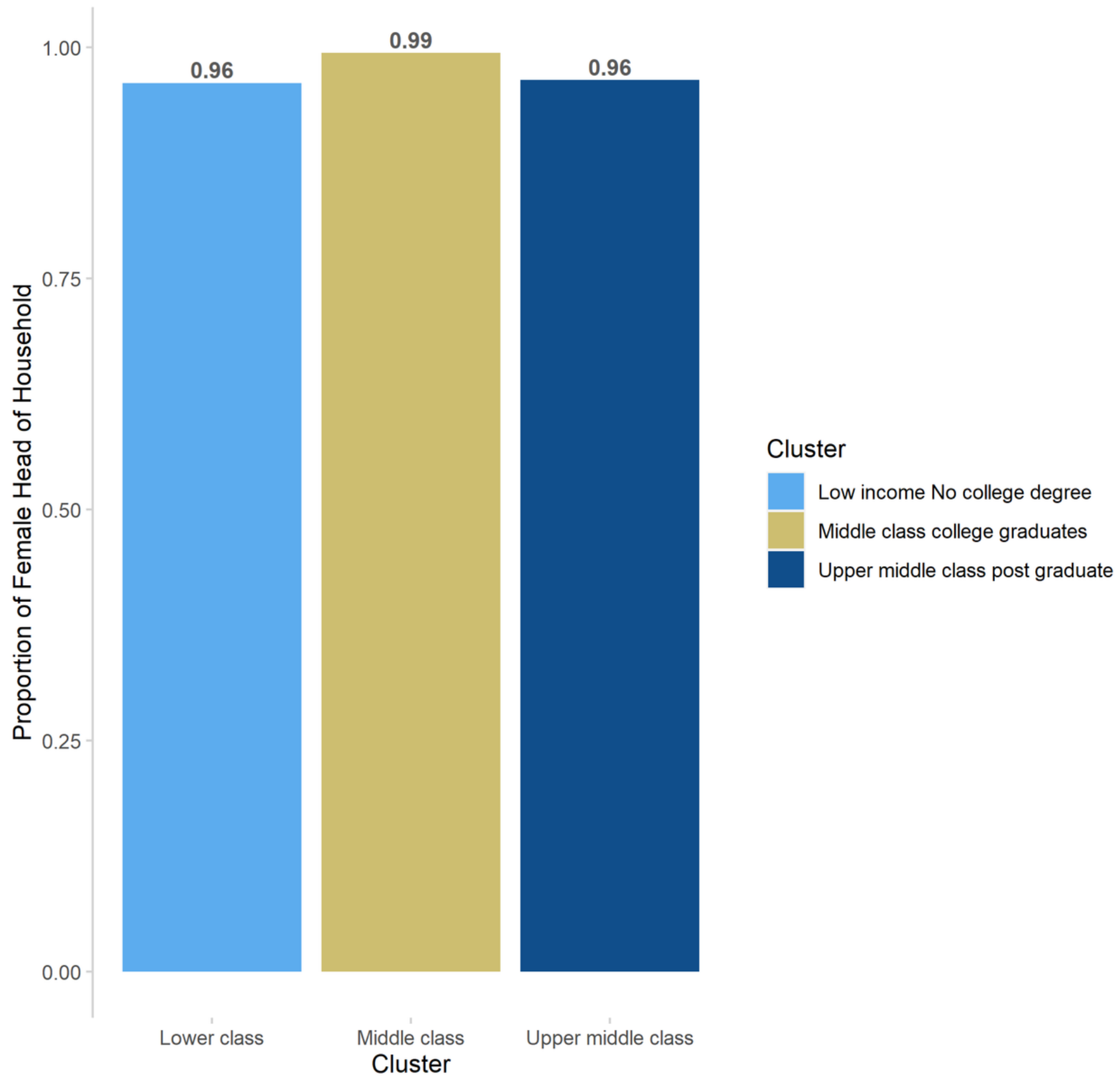
Cluster Means Analysis: Income breaks



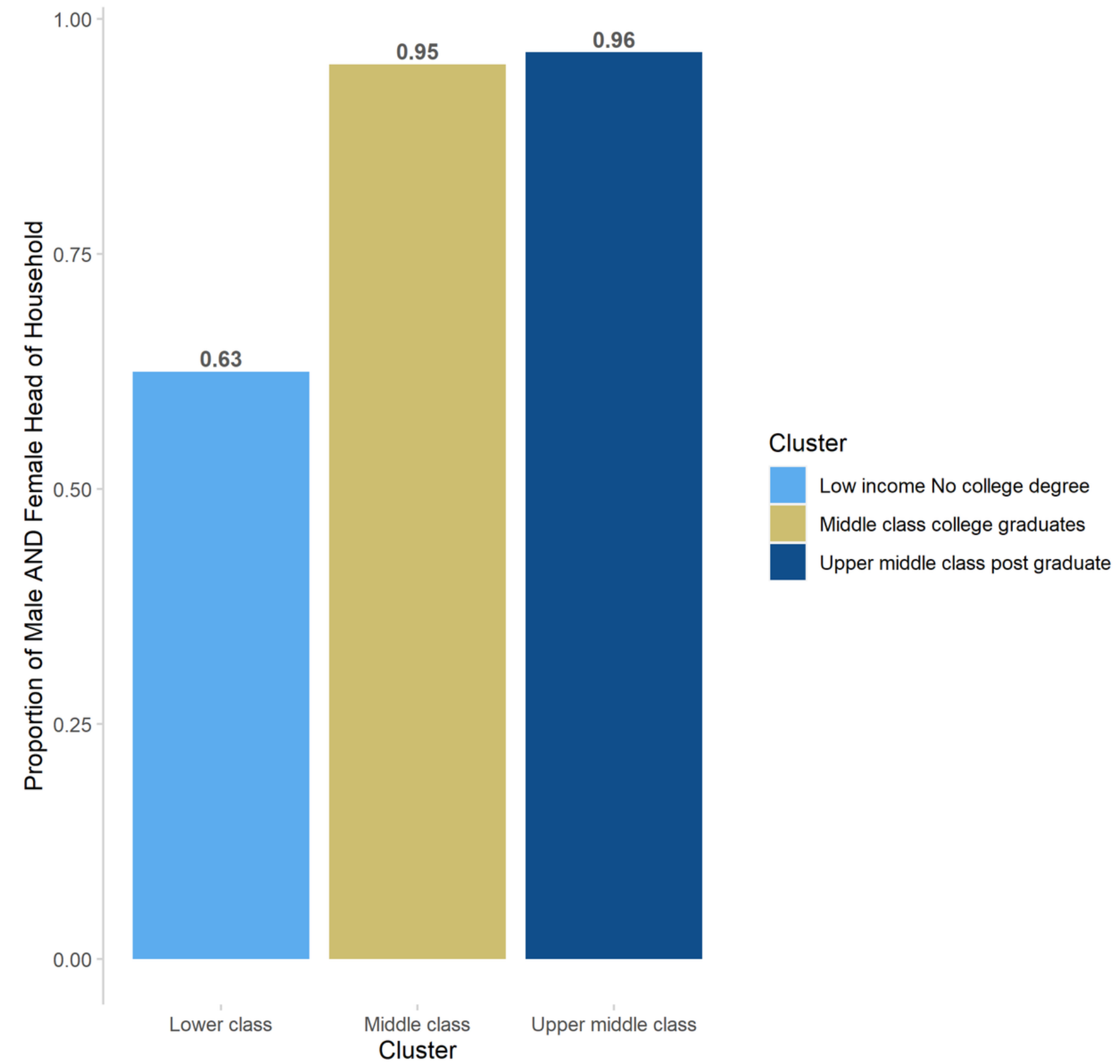
100% of the third cluster or the "upper middle class cluster" had post-graduate degrees.

- Cluster
- Low income No college degree
 - Middle class college graduates
 - Upper middle class post graduate

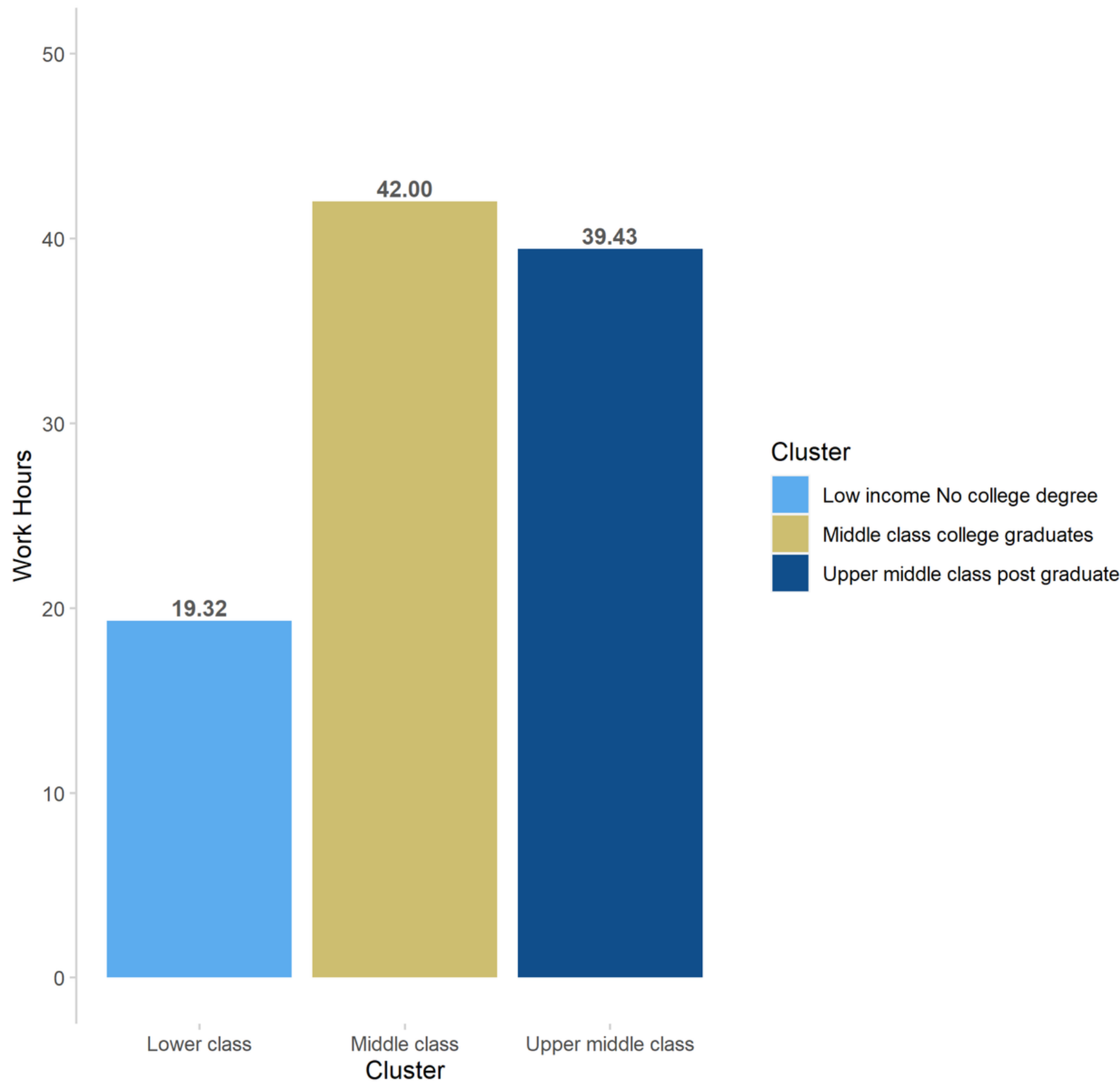
Cluster Means Analysis: Female Head of Household



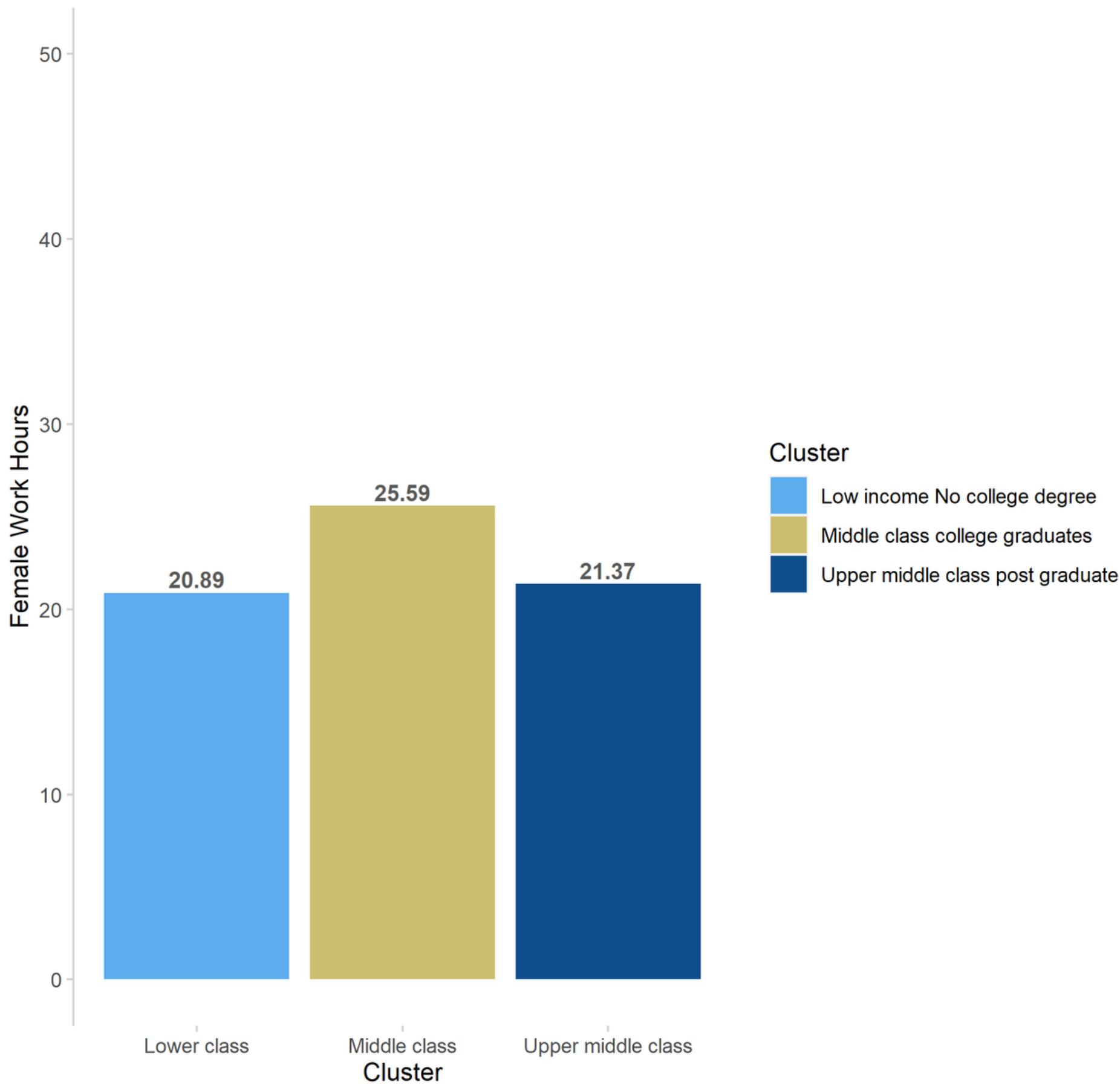
Cluster Means Analysis: Male AND Female Head of Household



Cluster Means Analysis: Male Work



Cluster Means Analysis: Female Work Hours



Recommendations

Recommendation 1: Luxury Product Line

Launch an luxury Frozen food product line.

- Geared towards the higher income cluster consisting of post-graduate individuals
- Advertise more expensive ingredients.
 - Competing with takeout food which *may* be perceived as higher quality or "tastier".



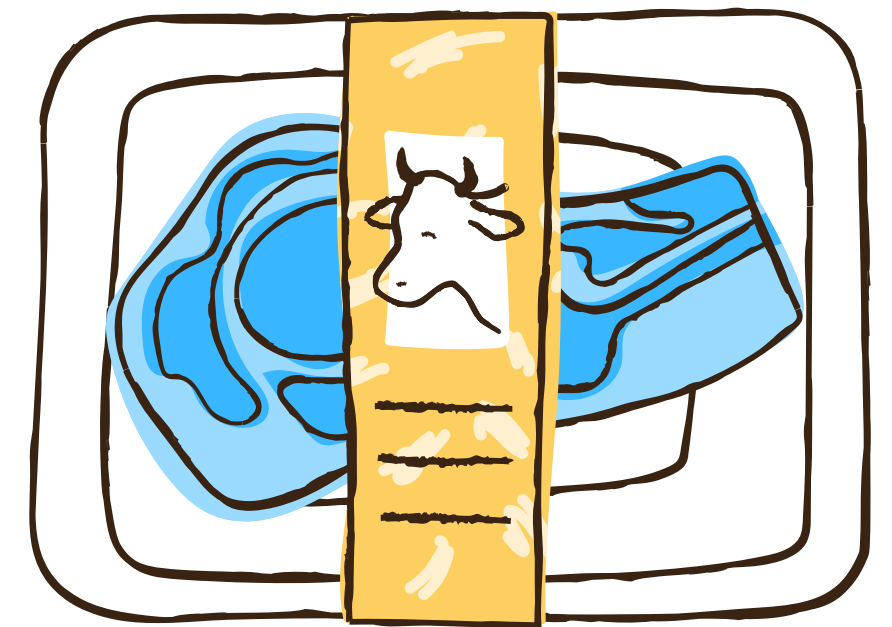
Recommendation 2: Packaging and Ad Campaigns

Launch an ad campaign that portrays how quick and easy frozen food preparation is.

- Appeals to the largest cluster group which also has the highest average work hours.
- Doubles down on an already successful customer segment.

Modify existing packaging to highlight quick and easy preparation.

- Adds to appeal of product to middle income individuals browsing store shelves.
 - *Ex. "Ready in five minutes!"*



Recommendation 3: Affordable Product Line

Launch an affordable Frozen food product line.

- Geared towards the lower income cluster.
- Largest cluster
- Ad campaigns targeting female head of households.

