

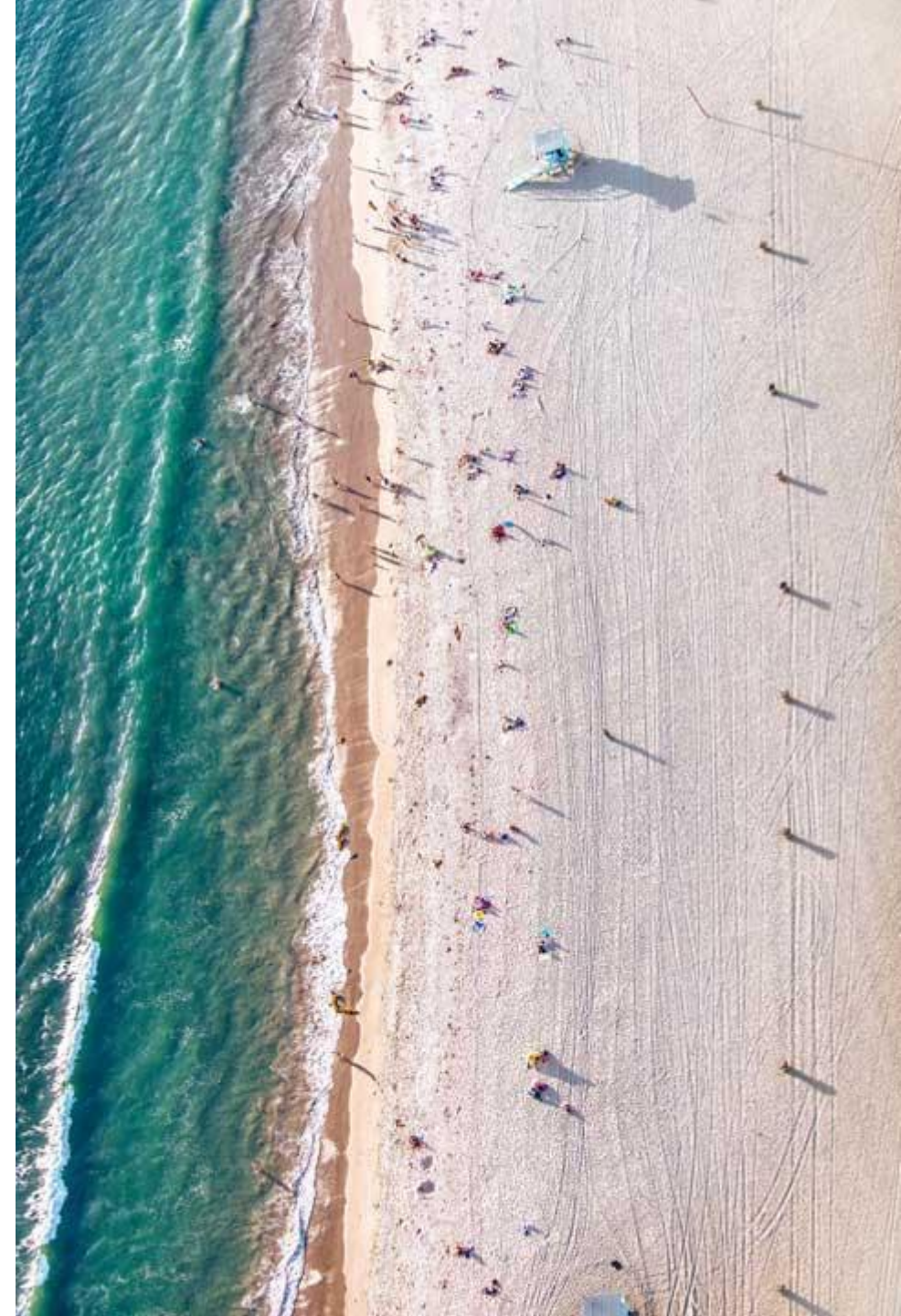
June 2020

Category review: Chips

Retail Analytics



Classification: Confidential



Our 17 year history assures best practice in privacy, security and the ethical use of data

We all have a responsibility to use data for good

Privacy

- We have built our business based on privacy by design principles for the past 17 years
- Quantum has strict protocols around the receipt and storage of personal information
- All information is de-identified using an irreversible tokenisation process with no ability to re-identify individuals.

Security

- We are ISO27001 certified - internationally recognised for our ability to uphold best practice standards across information security
- We use 'bank grade' security to store and process our data
- Comply with 200+ security requirements from NAB, Woolworths and other data partners
- All partner data is held in separate restricted environments
- All access to partner data is limited to essential staff only
- Security environment and processes regularly audited by our data partners.

Ethical use of data

Applies to all facets of our work, from the initiatives we take on, the information we use and how our solutions impact individuals, organisations and society.

Quantum believes in using data for progress, with great care and responsibility. As such please respect the commercial in confidence nature of this document.

Executive summary

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Chip Category Analysis

- The Mainstream category of Young and Mid-age Singles/Couples exhibits the highest expenditure on chips per purchase.
- Older Families (Budget) demonstrate the highest purchase frequency, followed by Young Singles/Couples (Mainstream), with Retirees (Mainstream) contributing to a combined 25% of sales revenue.
- Across all stores, Kettle is the most commonly purchased brand of chips.
- Only the Young and Mid-age Singles/Couples segment shows a preference for Doritos as their top-purchased brand, while Smiths is the preferred choice for other segments.
- The most frequently purchased chip size across all segments is 175 grams, followed closely by the 150-gram size.
- There is a notable spike in chip transactions leading up to Christmas, presenting an advantageous opportunity for promotional offers.

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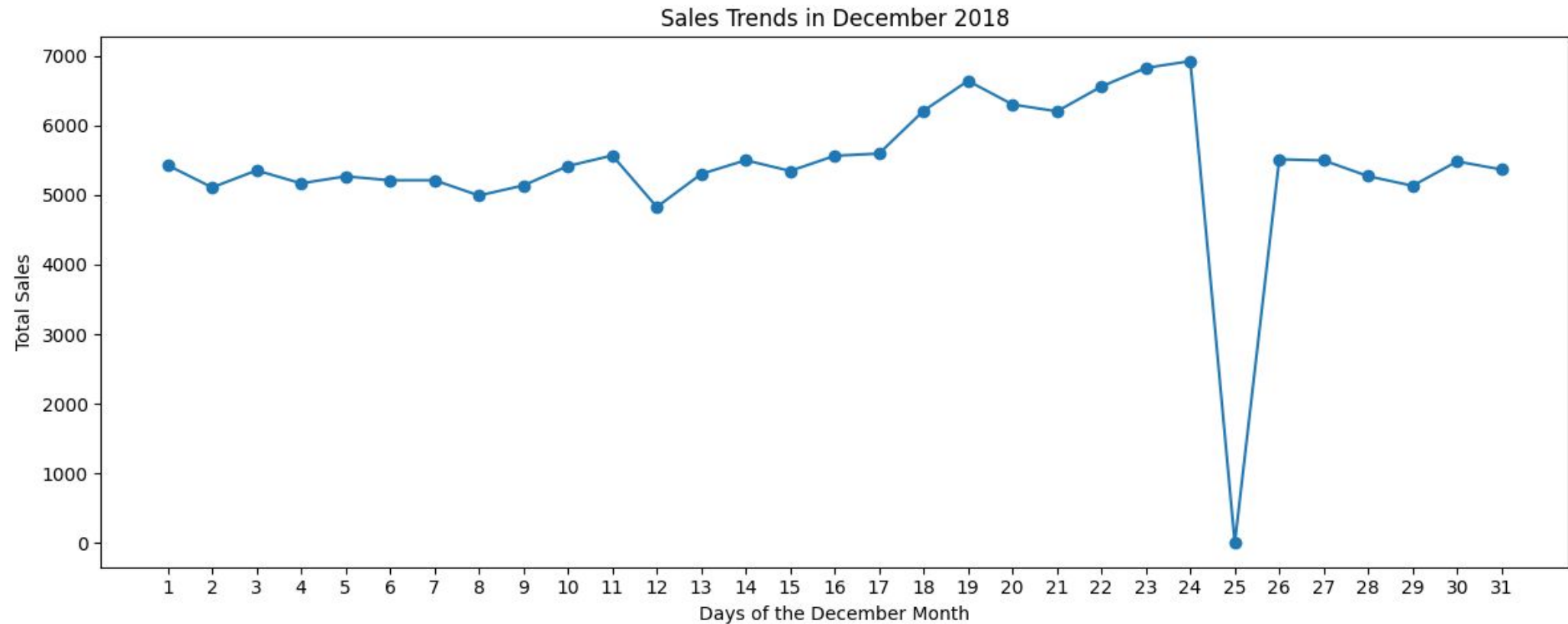
Store Trial Performance

- One control store was selected for each trial store and the values of metrics were compared in trial and pre trial period.
- For trial stores 77 and 88, there was a significant difference in performance observed in at least two of the three trial months compared to the control stores.
- However, trial store 86 did not exhibit the same level of significant difference in performance. We can consider reaching out to the client to inquire whether there were any disparities in how the trial was executed at store 86

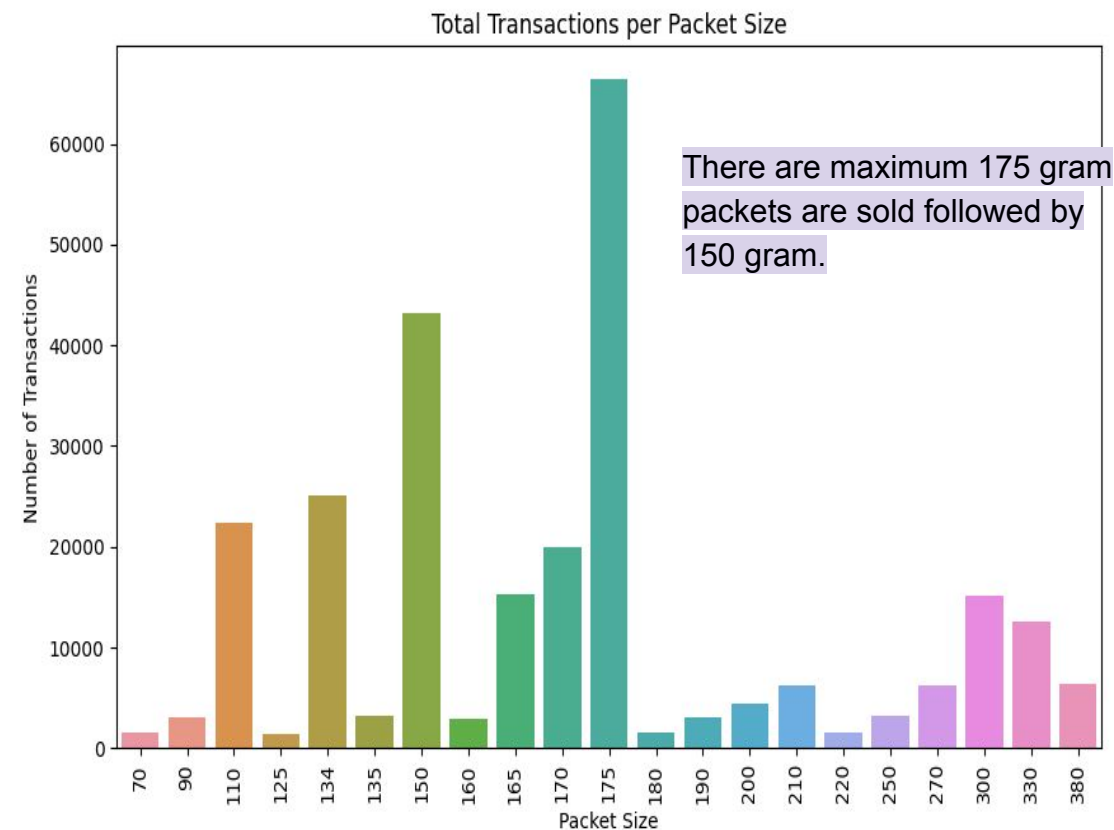
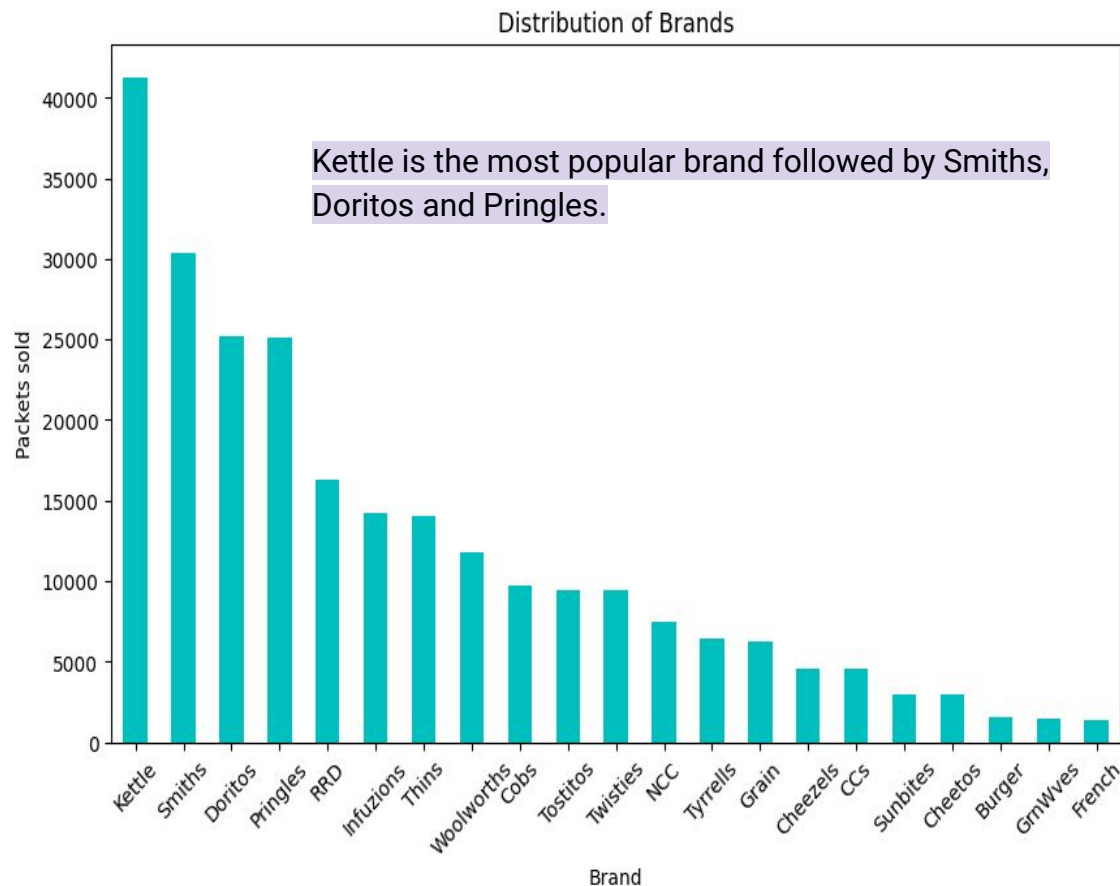
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Chips Category Analysis

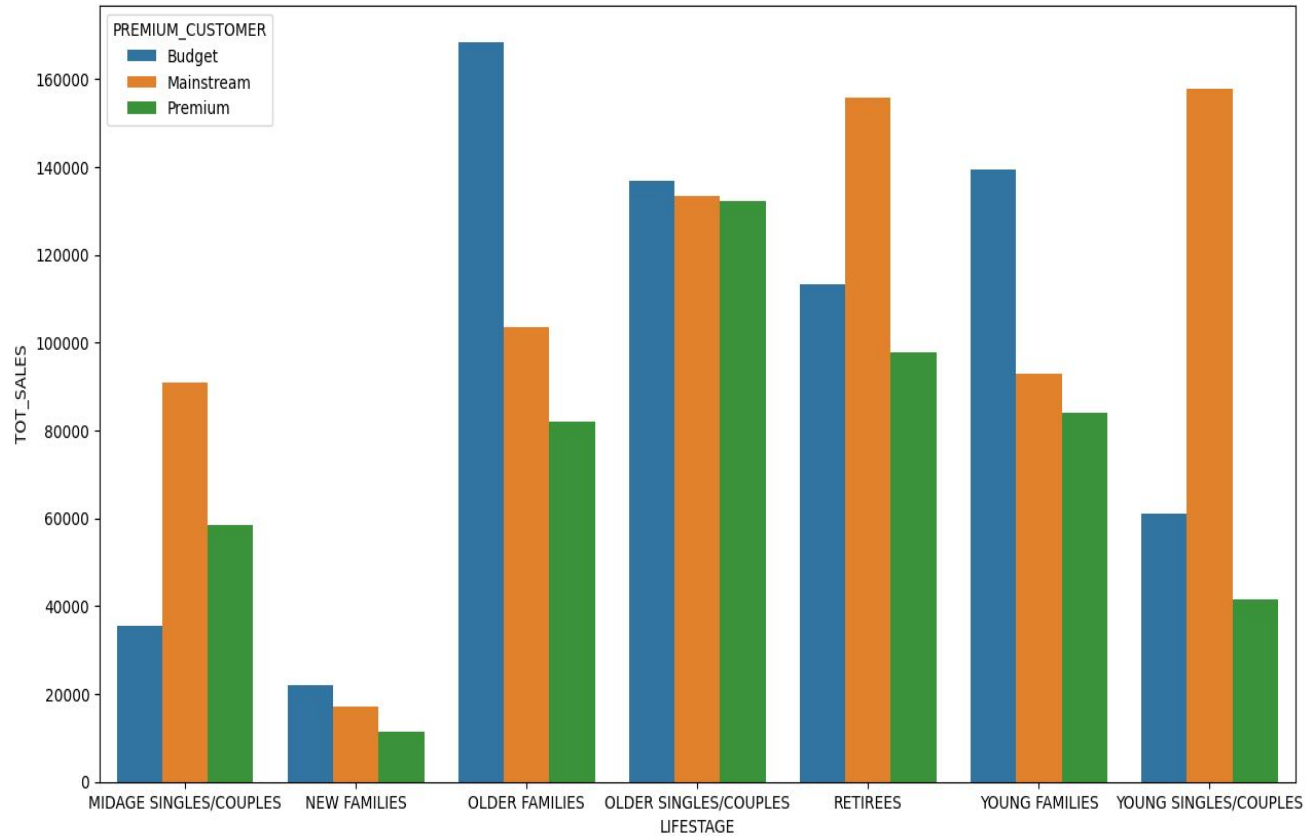
1. In December 2018, there is a notable sales dip on December 25th, as stores remained closed for the holiday. This dip reflects the non-operational status of shops on Christmas Day.
2. In the days leading up to Christmas, we observe a steady sales increase, indicating heightened shopping activity as customers prepare for the holidays. After Christmas, sales gradually return to levels similar to early December, with post-Christmas and New Year's Eve activities contributing to this pattern.



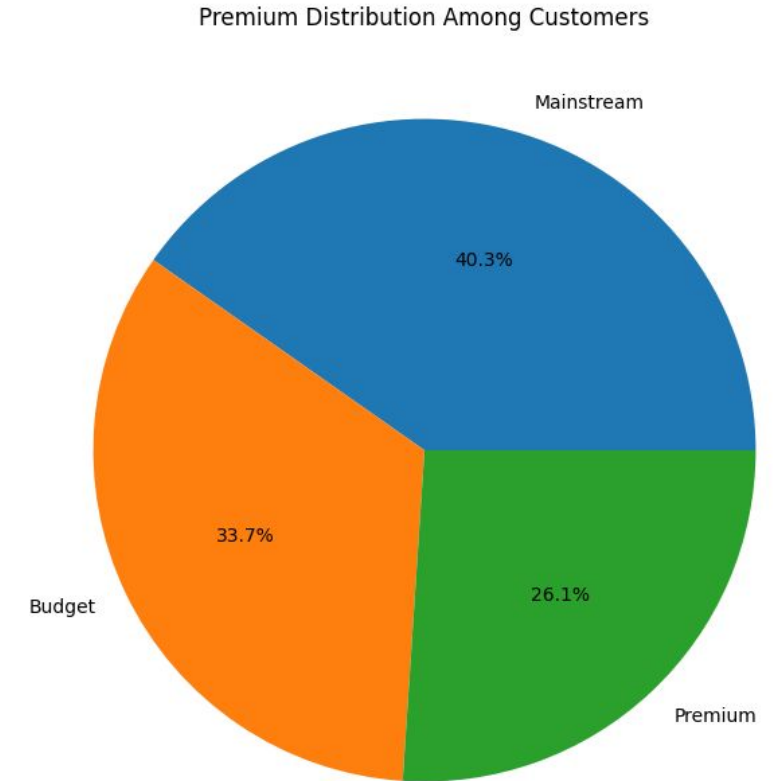
Affluence and its effect on consumer buying for the category of chips



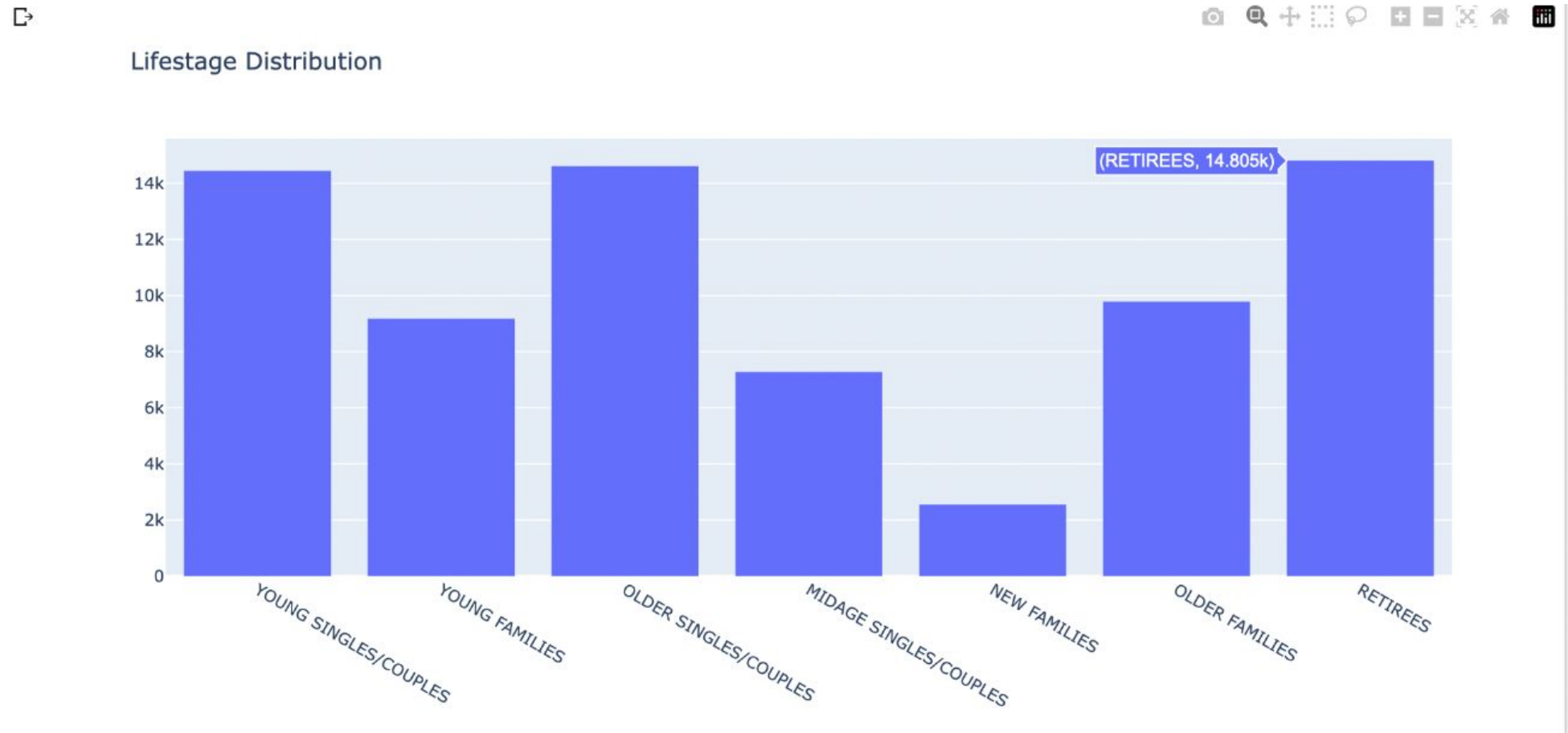
Visualising the proportion of customers by affluence and life stage on this slide



It's evident that retirees, followed by young singles/couples, are the most frequent customer segments.



Distribution of life stage of customers

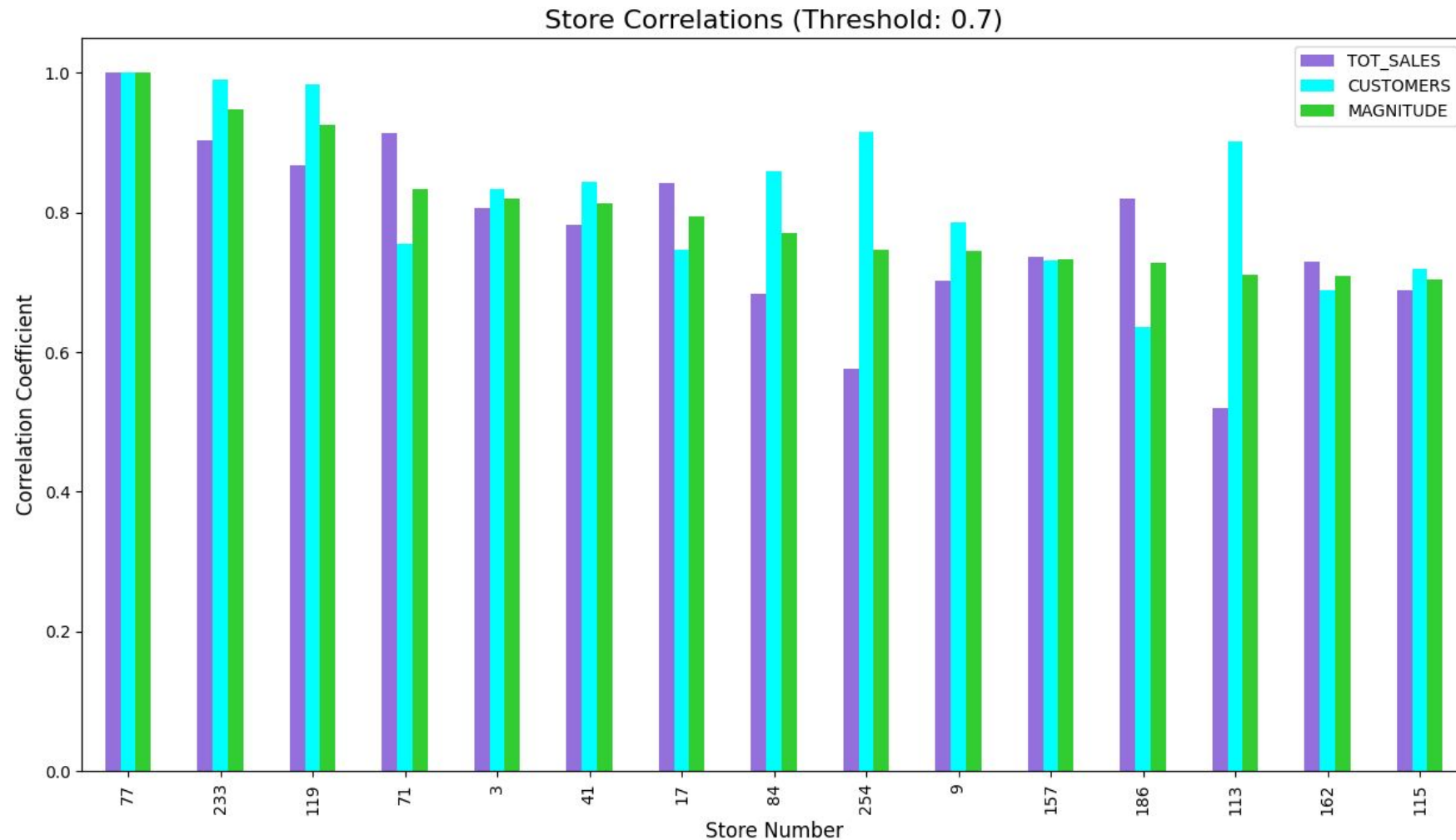


Retirees and young singles/couples represent the most common customers.

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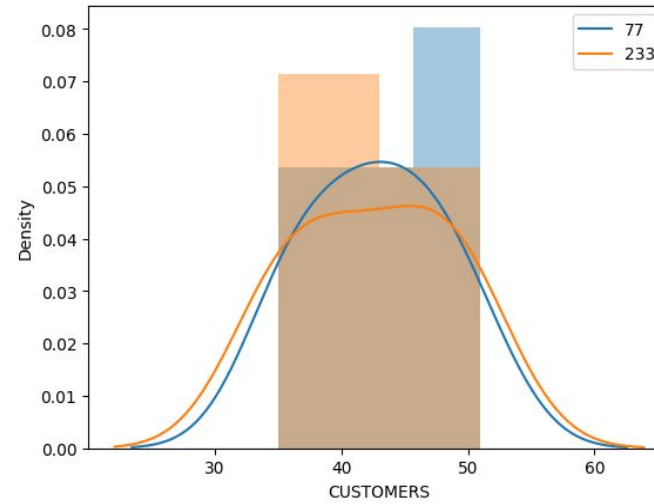
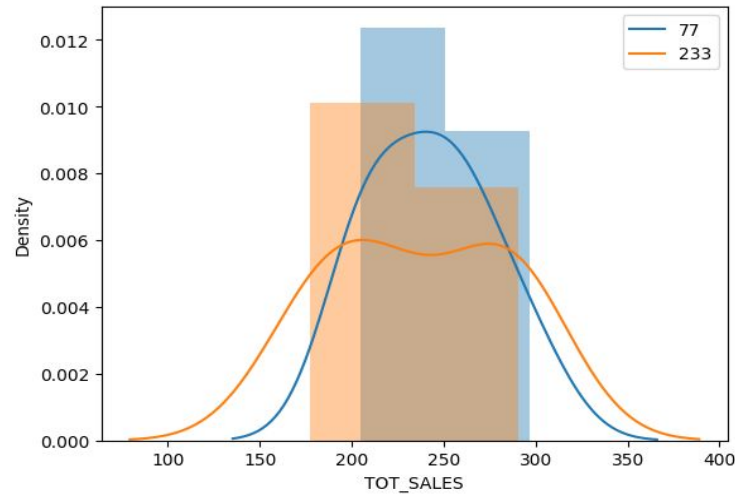
Store Trial Performance

Correlation of the control store 77 vs other stores



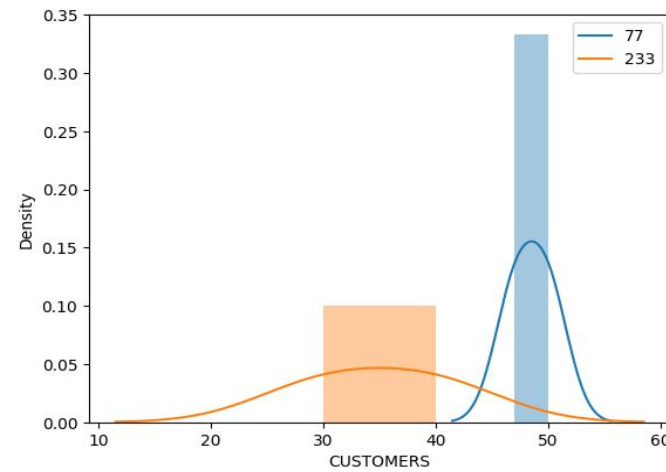
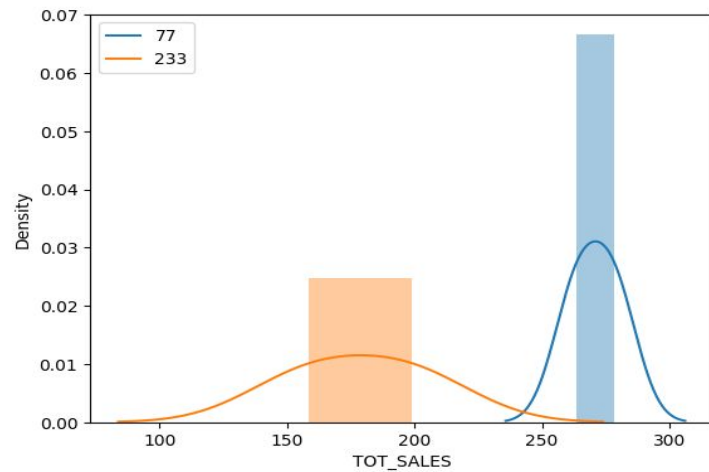
The stores that exhibit the greatest similarity also demonstrate the highest correlation. Consequently, stores 233, 119, and 79 exhibit the strongest correlation.

Trial store 77 vs Store 233



Distributions of total sales and customers in controlled period

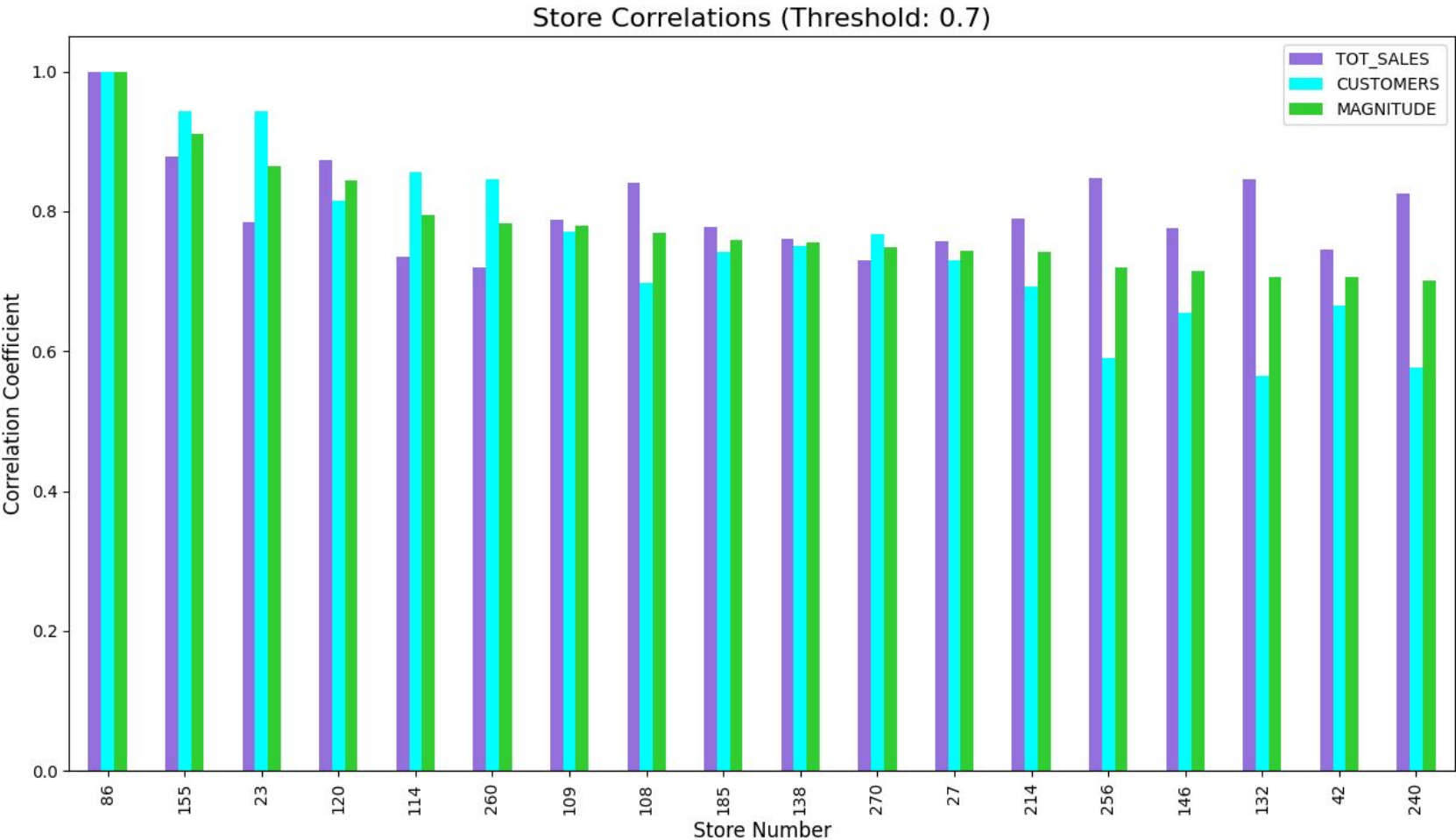
- Means don't vary and there is no significant difference.



Distributions of total sales and customers in trial period

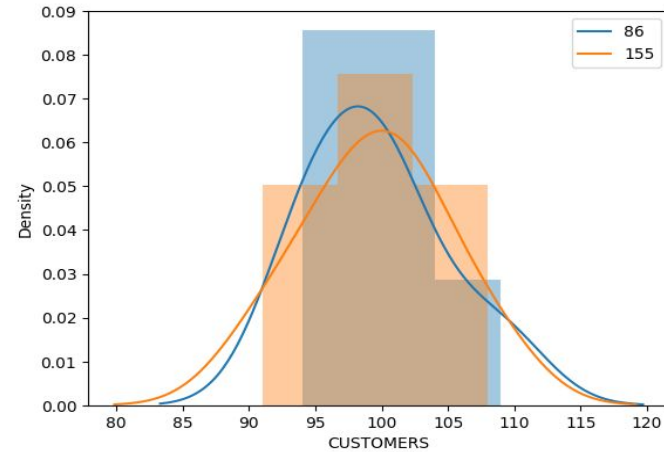
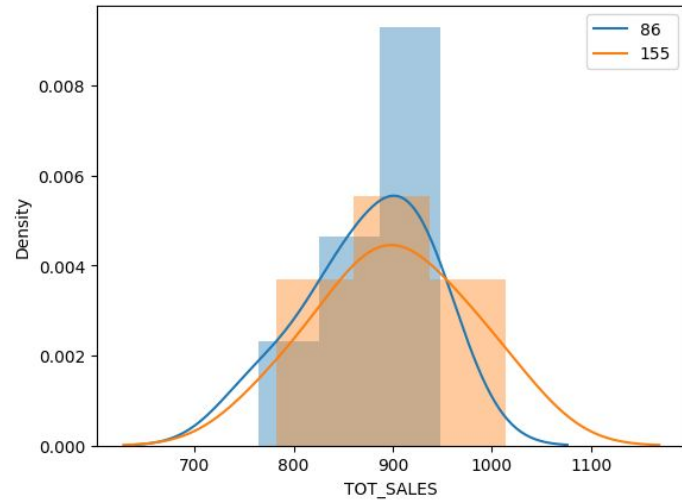
- Means vary and there is a significant difference.

Correlation of the control store 86 vs other stores



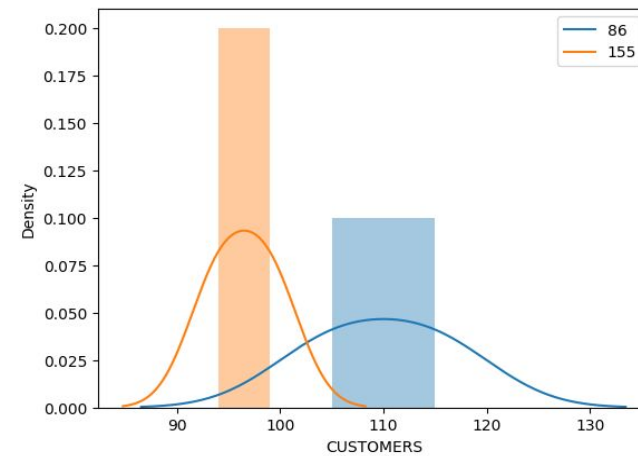
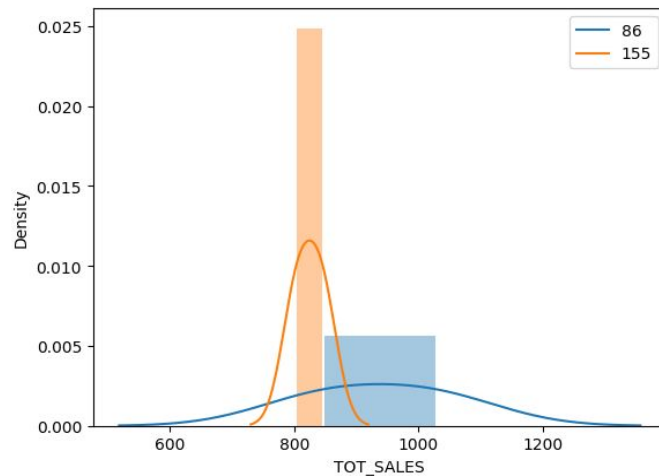
The stores 155, 23, and 120 exhibit the strongest correlation with store number 86

Trial store 86 vs Store 155



Distributions of total sales and customers in controlled period

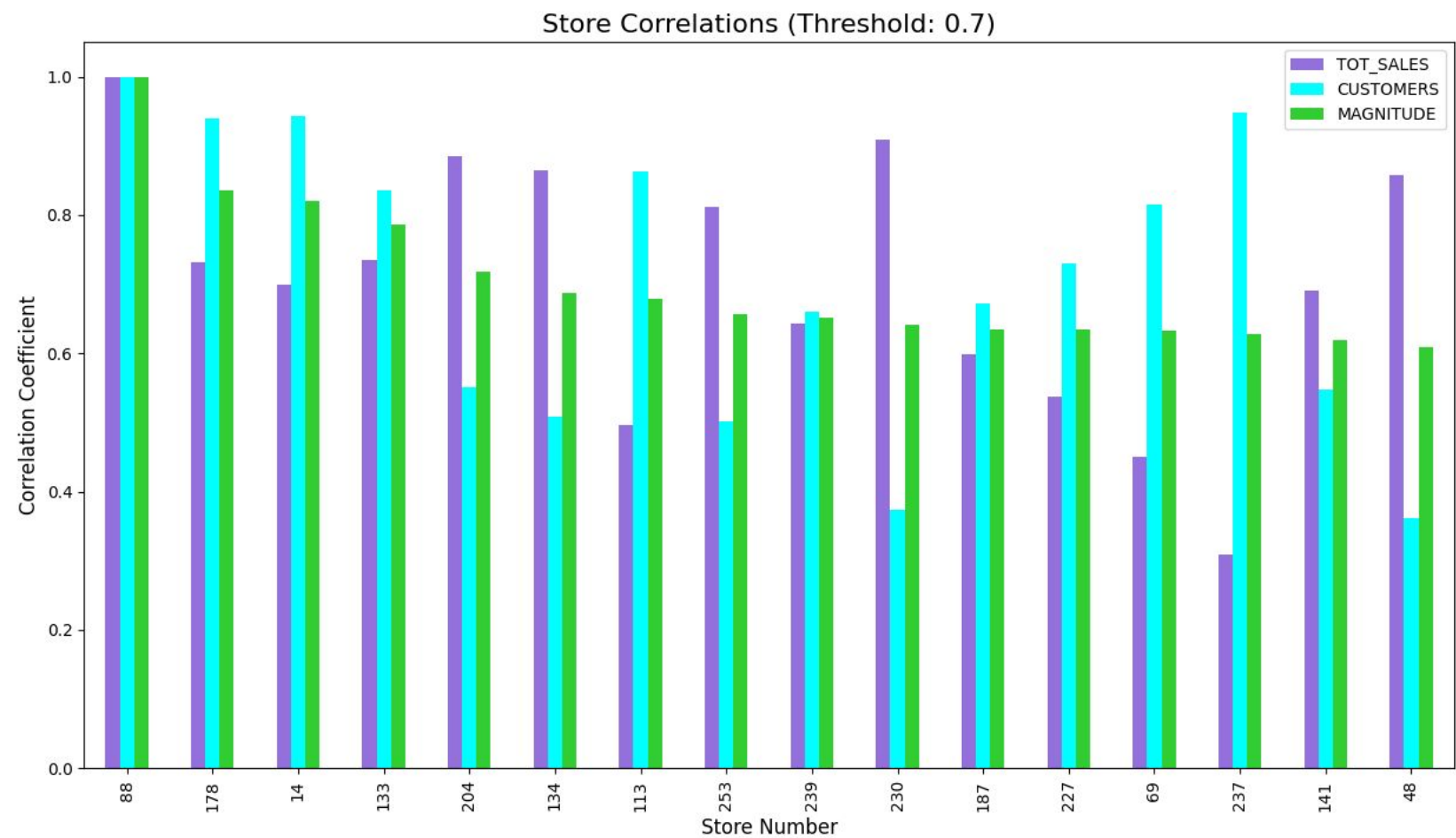
- Means don't vary and there is no significant difference.



Distributions of total sales and customers in trial period

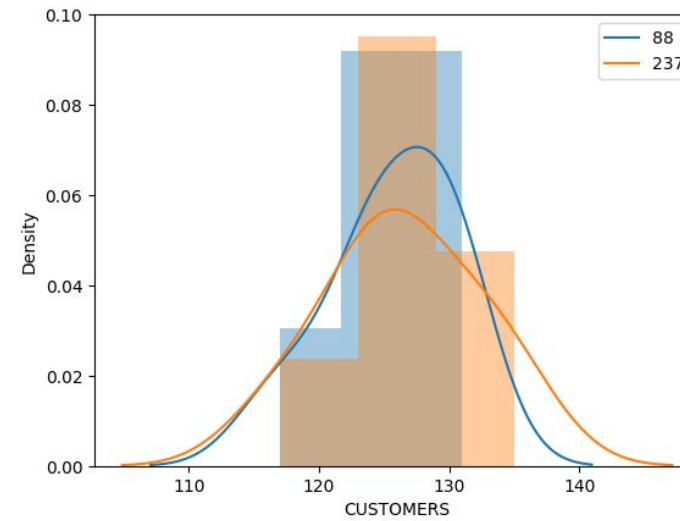
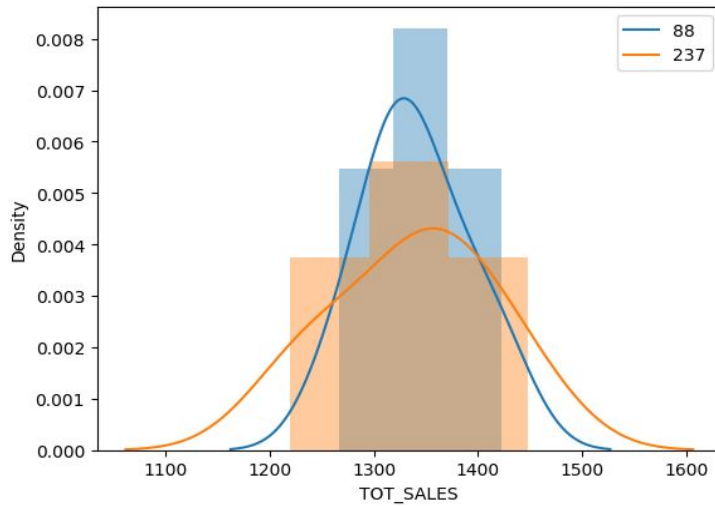
- Means vary and there is a significant difference.

Correlation of the control store 88 vs other stores



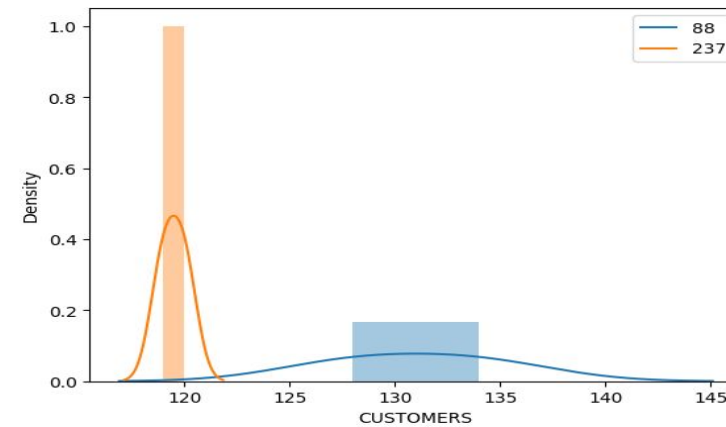
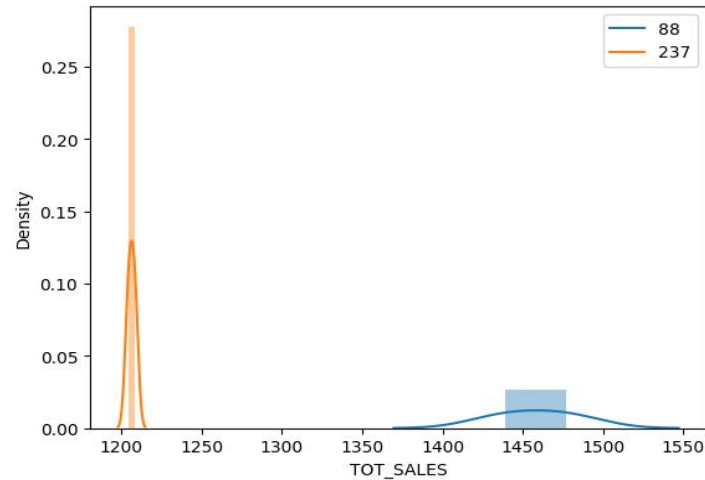
The stores 237, 178, and 14 exhibit the strongest correlation with store number 88

Trial store 88 vs Store 237



Distributions of total sales and customers in controlled period

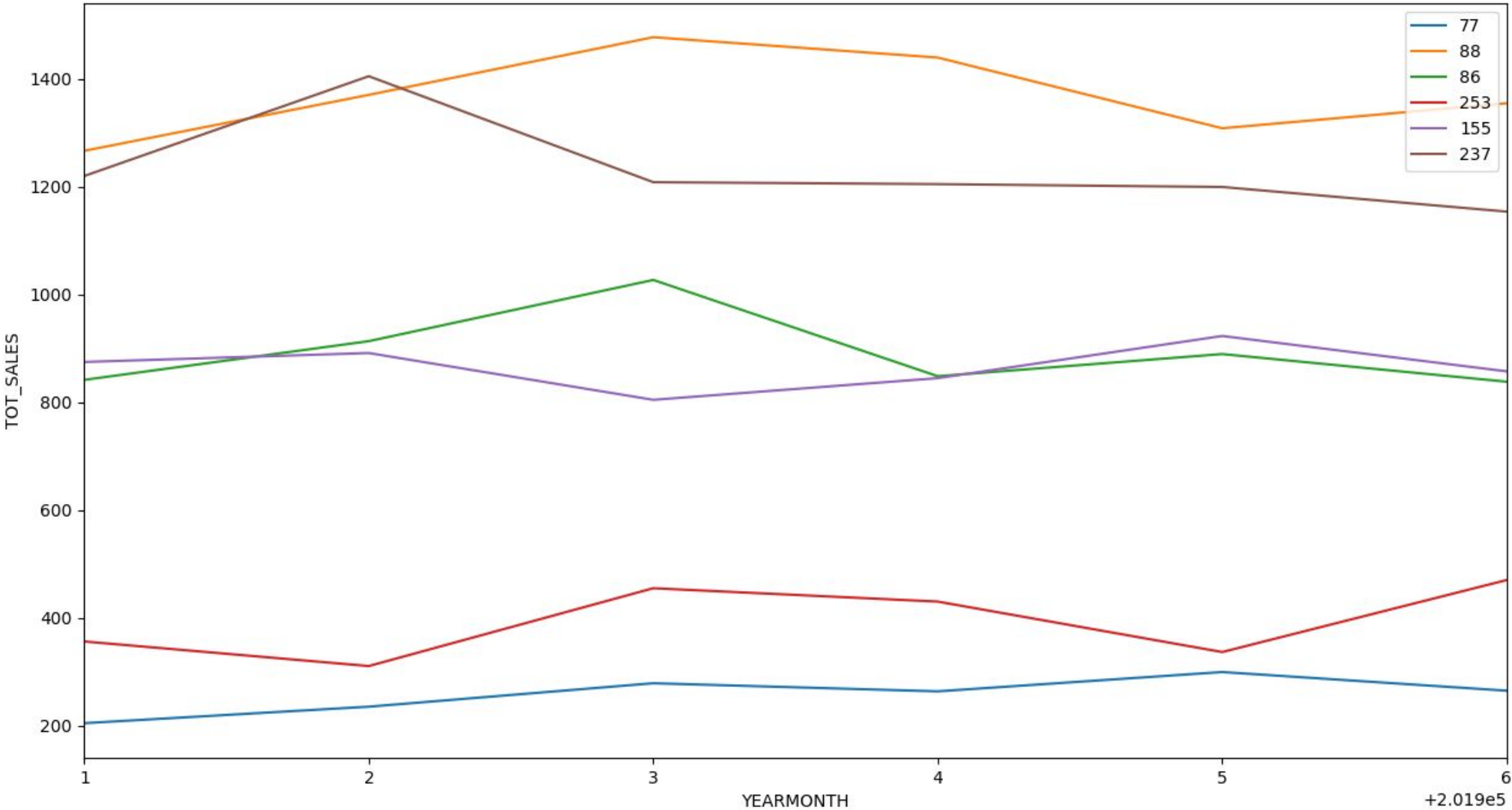
- Means don't vary and there is no significant difference.



Distributions of total sales and customers in trial period

- Means vary and there is a significant difference.

The control stores were established to assess sales performance and determine whether the trial store outperforms them during the trial period.



❑ **Conclusion:**

1. Control stores 233, 155, and 237 were selected to match with trial stores 77, 86, and 88, respectively.
2. During the trial period: Trial stores 77 and 88 exhibited a significant difference in sales performance for at least two of the three trial months. However, trial store 86 did not show a similar significant difference in sales during the trial.
3. It might be beneficial to inquire with the client about potential differences in the trial's implementation specific to trial store 86.
4. Overall, the trial led to a notable increase in sales.

❑ **Suggestions on Chips Category**

1. Stock levels should be boosted in December ahead of the Christmas season.
2. December inventory levels should be increased in anticipation of Christmas.
3. It's advisable to maintain a well-stocked supply of Kettle, Smiths, Doritos, and Pringles, as these are the top-selling chip brands.
4. Paying special attention to Mainstream young singles/couples and retirees is essential, as they collectively account for a significant portion of chip sales.
5. The largest sales contribution comes from Budget older families.
6. Opting for control stores 233, 155, and 237 as counterparts for trial stores 77, 86, and 88, respectively, would be a wise choice.



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