June 2020

Category review: Chips

Retail Analytics

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Executive summary

01 Customer Analysis

The customer segment that contributes the most to both sales and number of customer is young single/couple with mainstream budget that can considered the target customer. They are 23% more likely to purchase Tyrrells compared to the rest of the population. The popular pack-sizes are between 100-200g.

02 Trial Store Performance

We have trial stores number 77, 86, and 88, and we allocate a control store with similar sales figures and the number of customer for each of the trial store to assess the trial performance. The results for trial stores 77 and 88 during the trial period show a significant difference in at least two of the three trial months but this is not the case for trial store 86.
We can check with the client if the implementation of the trial was different in trial store 86 but overall, the trial shows a significant increase in sales.

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01

Customer Analysis

Customer Analysis Overview

- Determining target customer segments
- Target segments brand affinity
- Target segments preferred pack-size

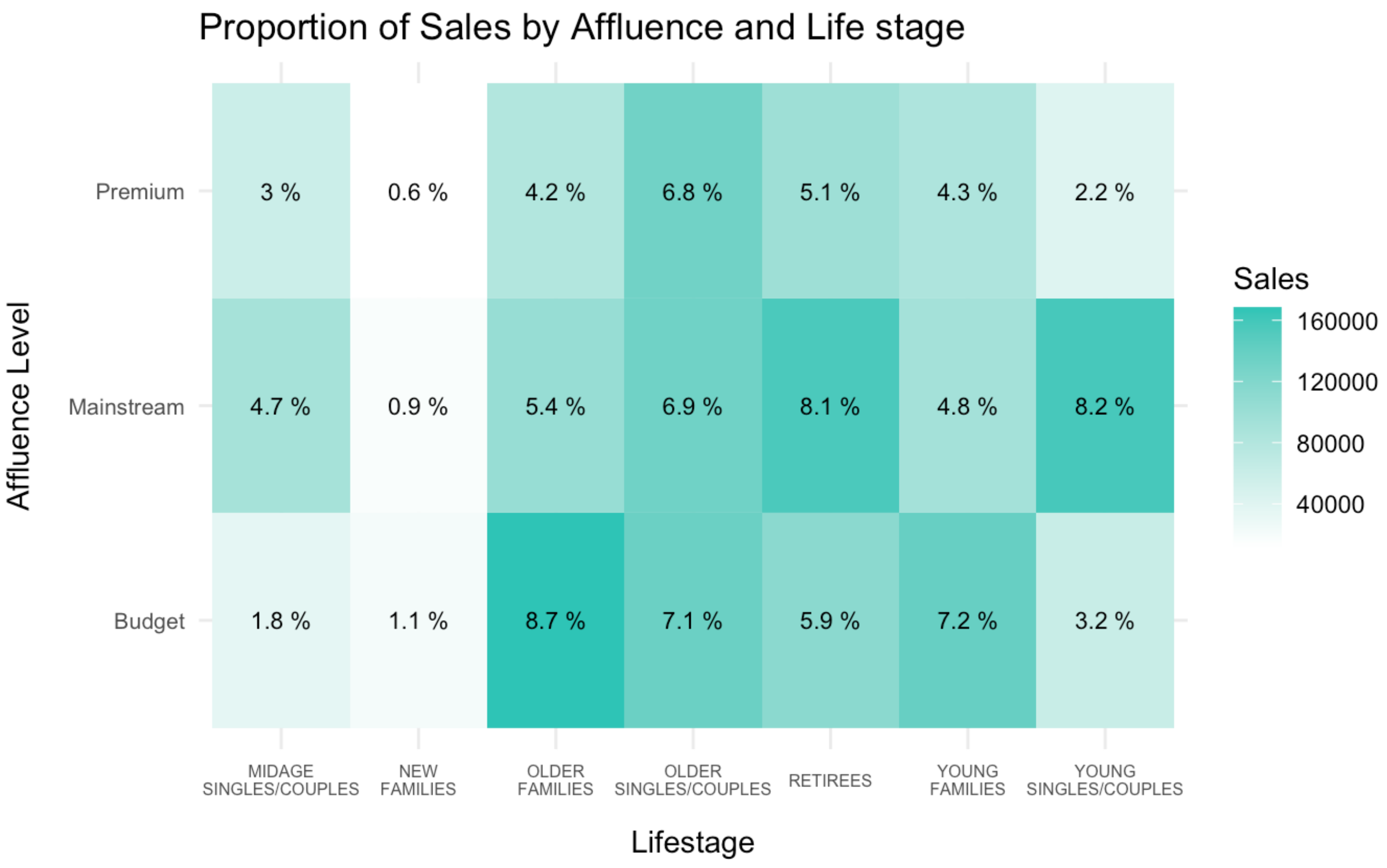
Proportion of Sales by Segments

The top 3 segments are:

- Budget older families (8.7%)
- Mainstream young singles/couples (8.2%)
- Mainstream retirees (8.1%)

These 3 alone account for 25% of total sales, although there are 21 segments in total.

Whereas the sales of mainstream young singles/couples are more outstanding, their budget and premium counterparts are drastically lower.



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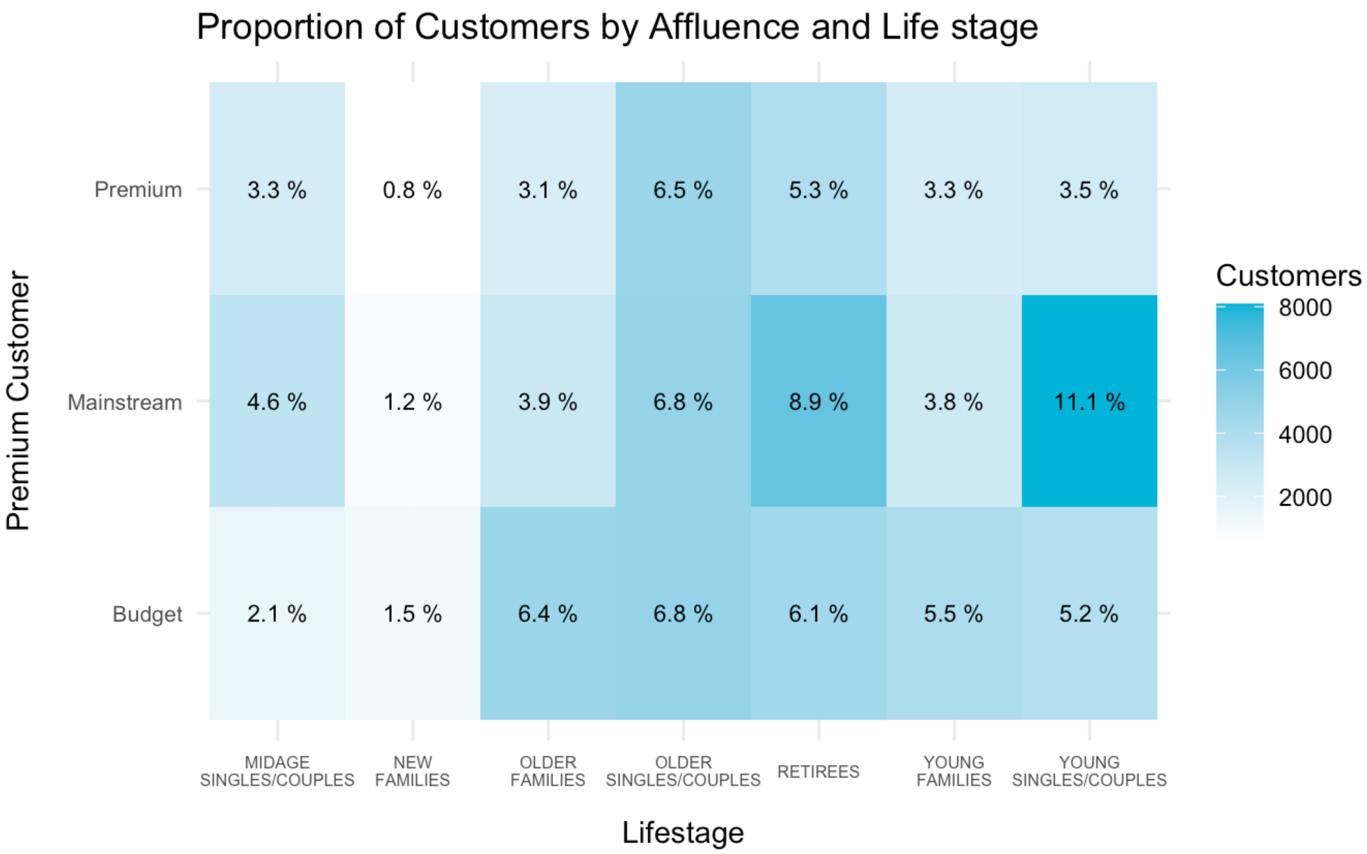
Proportion of Customers by Segments

The top 3 segments are:

- Mainstream young singles/couples (11.1%)
- Mainstream retirees (8.9%)
- Mainstream and budget older single/couple (6.8%)

Unlike the sales figure, Budget older families' proportion here is not as big, meaning that each older family is likely to buy more packets, possibly to prepare for family gatherings.

The target segment will be mainstream young singles/couples.



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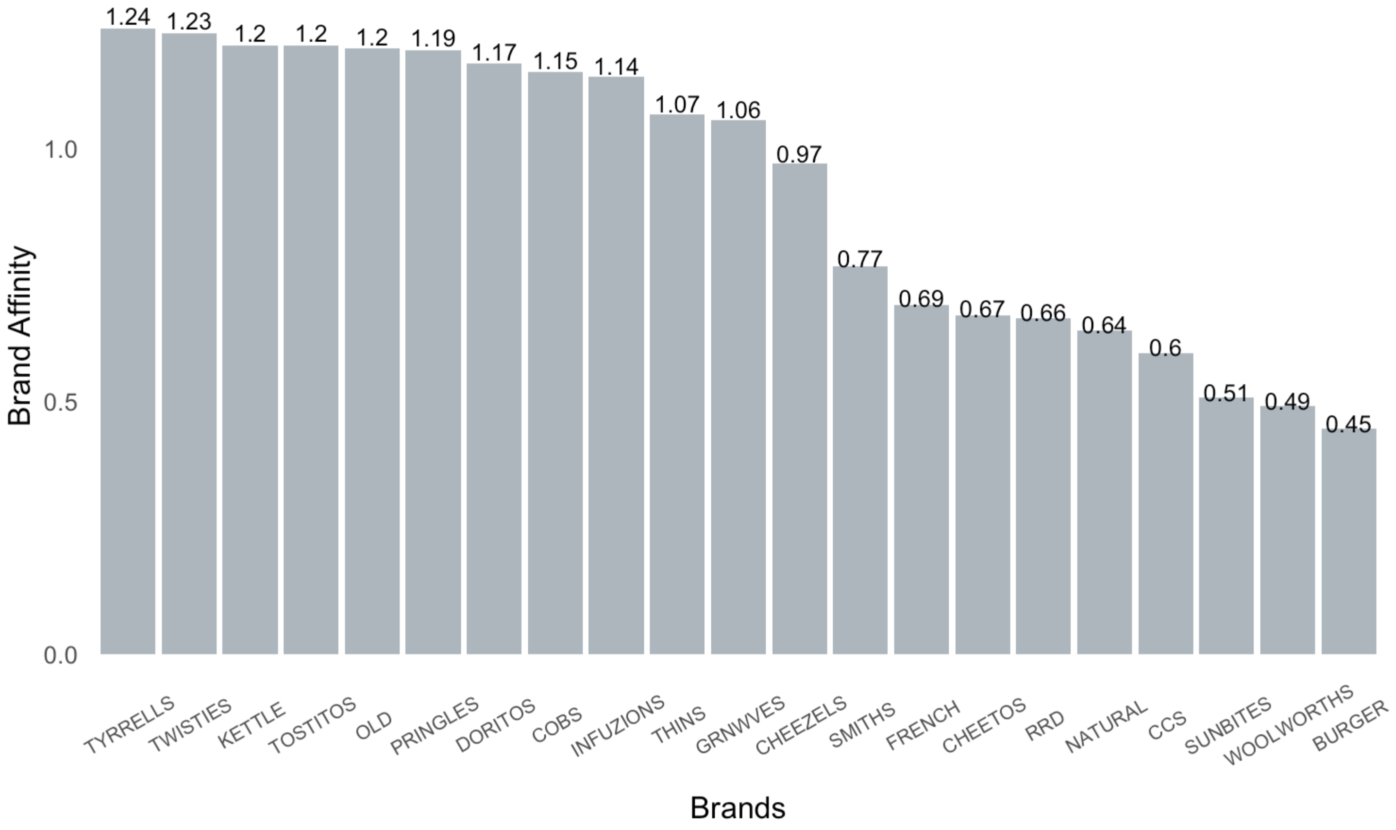
Target Segment Brand Affinity

Mainstream young singles/couples are 24% more likely to purchase Tyrrells chips compared to the rest of the population.

They are 55% less likely to purchase Burger Rings compared to the rest of the population



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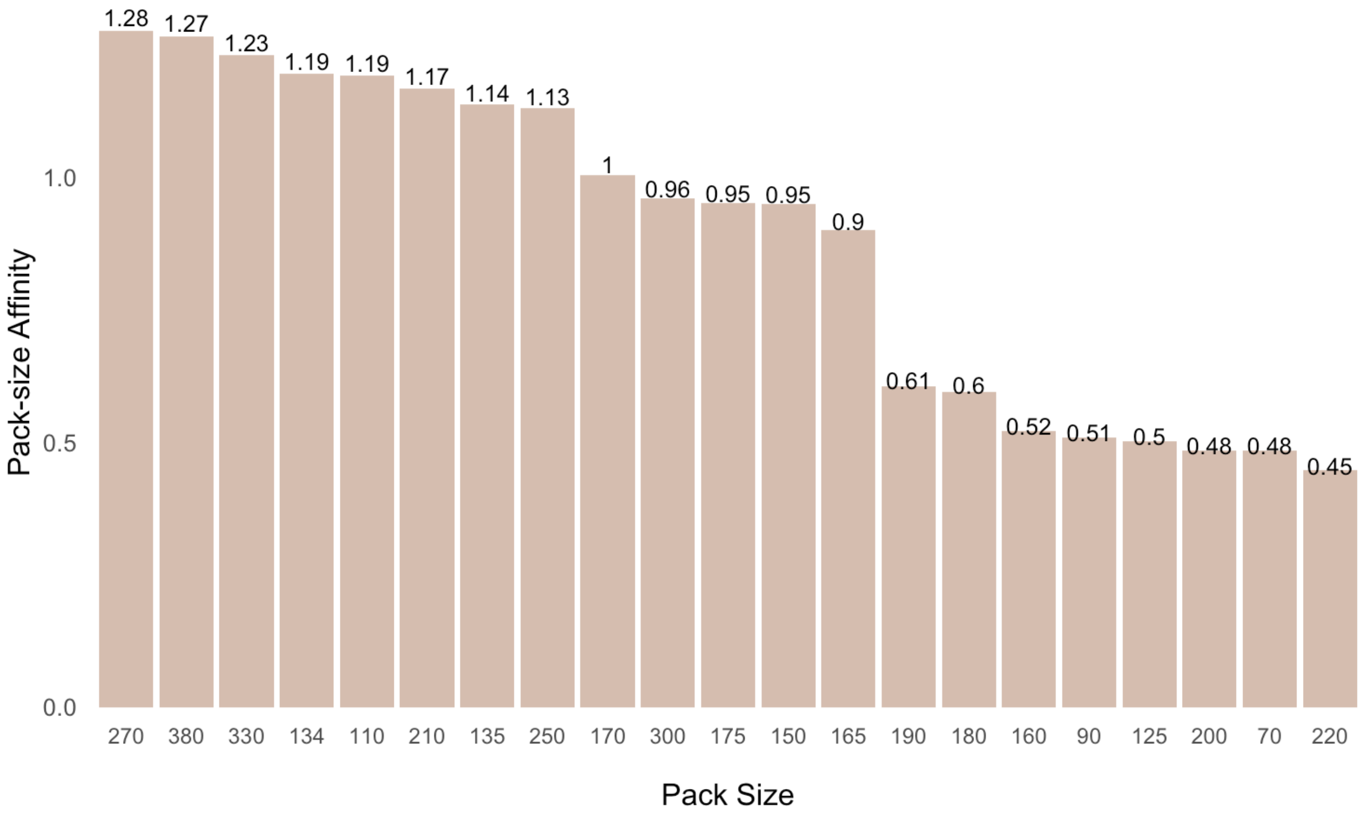
Target Segment Preferred Pack-Size

The target segment is 28% more likely to purchase a 270g pack of chips compared to the rest of the population

Twisties are the only brand offering 270g packs and so this may instead be reflecting a higher likelihood of purchasing Twisties.

Suggestion for the controlled test:
Off-locating some Tyrrells and smaller packs of chips in discretionary space near segments where young singles and couples frequent more often to increase visibility and impulse behaviour.



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Trial Store Performance

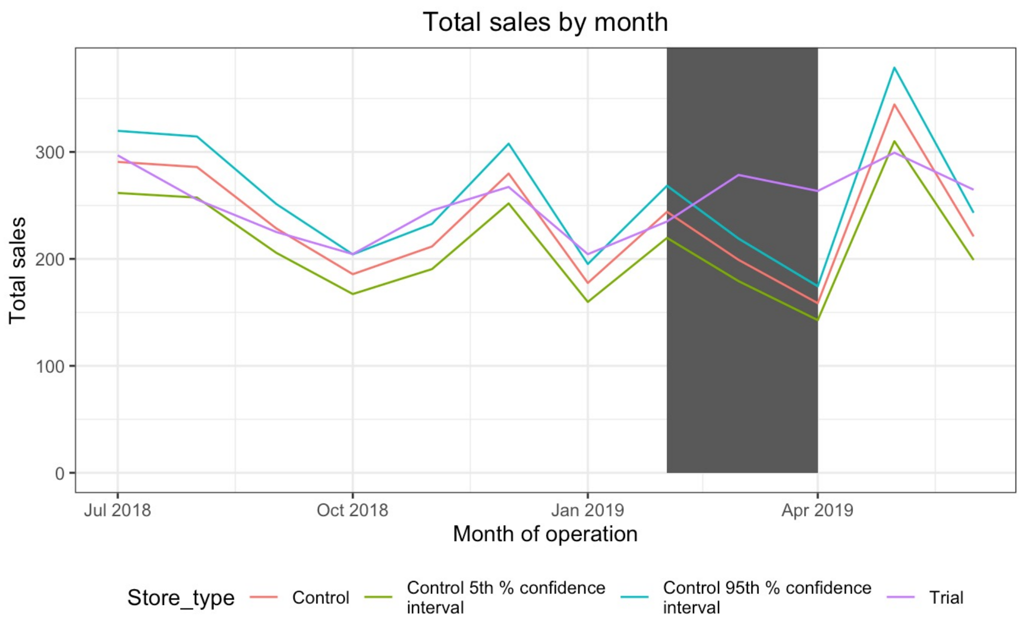
Trial Store Performance Overview

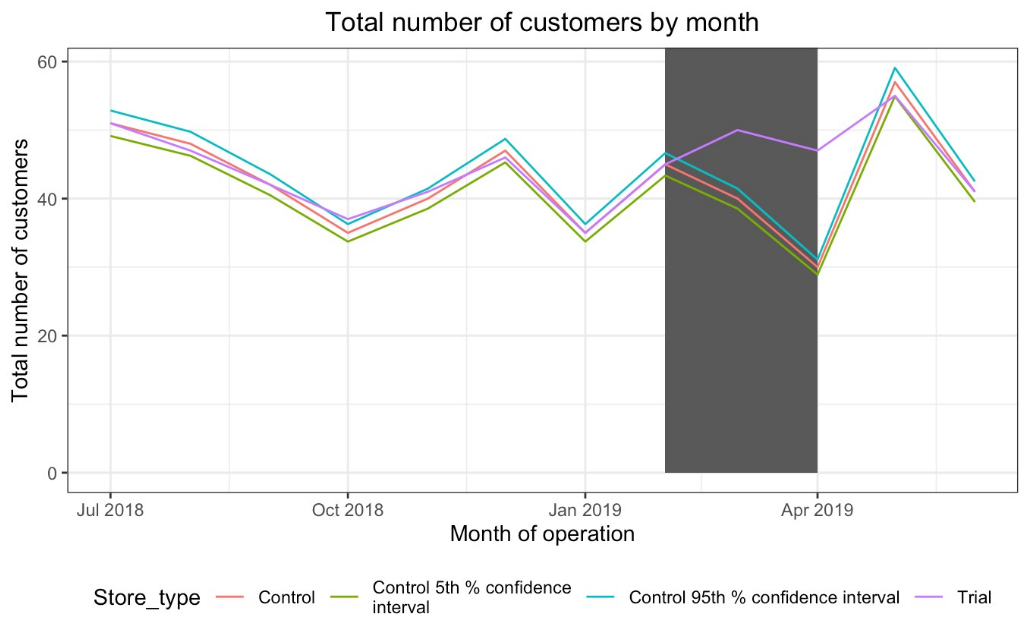
- Determining control stores
- Trial store performance comparison
- Deep dive into trial store 86

Explanation of the control store vs other stores 77 and 233

We use 5th % and 95th % confidence interval lines as a framework for understanding how the trial store is performing relative to the control store. E.g., if the trial store line goes outside the range in the trial period, it's outperforming the control store, which is a positive trial result.

The increase in sales in the trial store in March and April is statistically greater than in the control store. The number of customer increases along with the sales figures.





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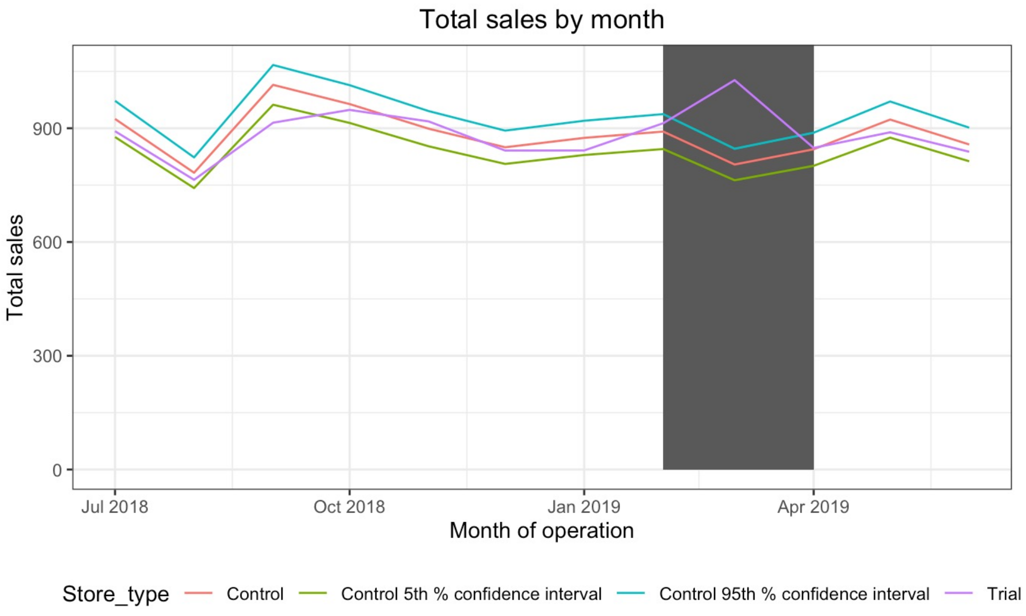
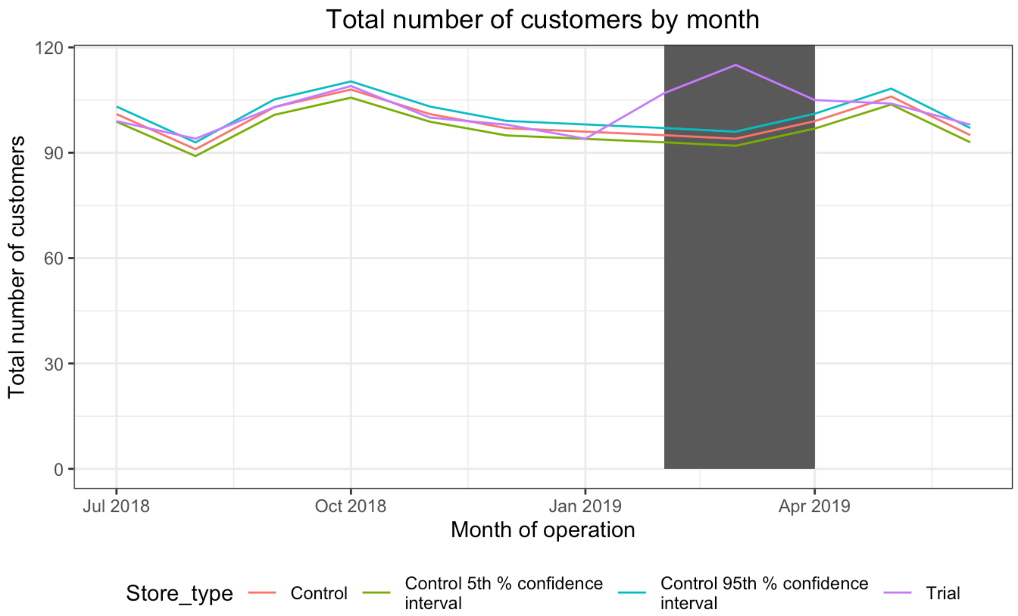
Explanation of the control store vs other stores 86 and 155

The results show that the trial in store 86 is not significantly different to its control store in the trial period as the trial store performance lies inside the 5% to 95% confidence interval of the control store in two of the three trial months.

Although in April the total number of customers is higher, the total sales go below the control store. This might be due to the different implementation of the trial layout in store 86, which we need a further investigation for.





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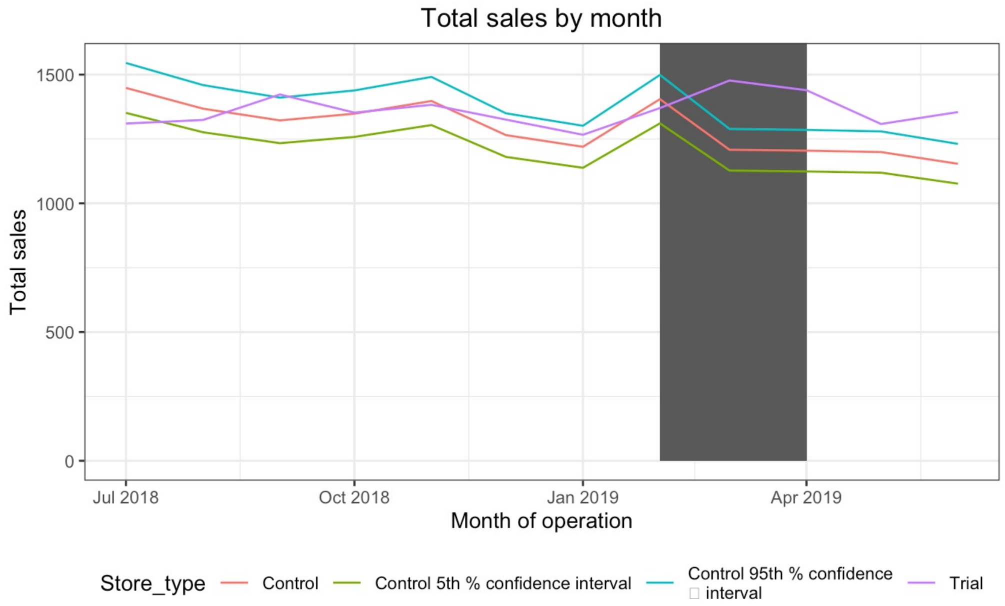
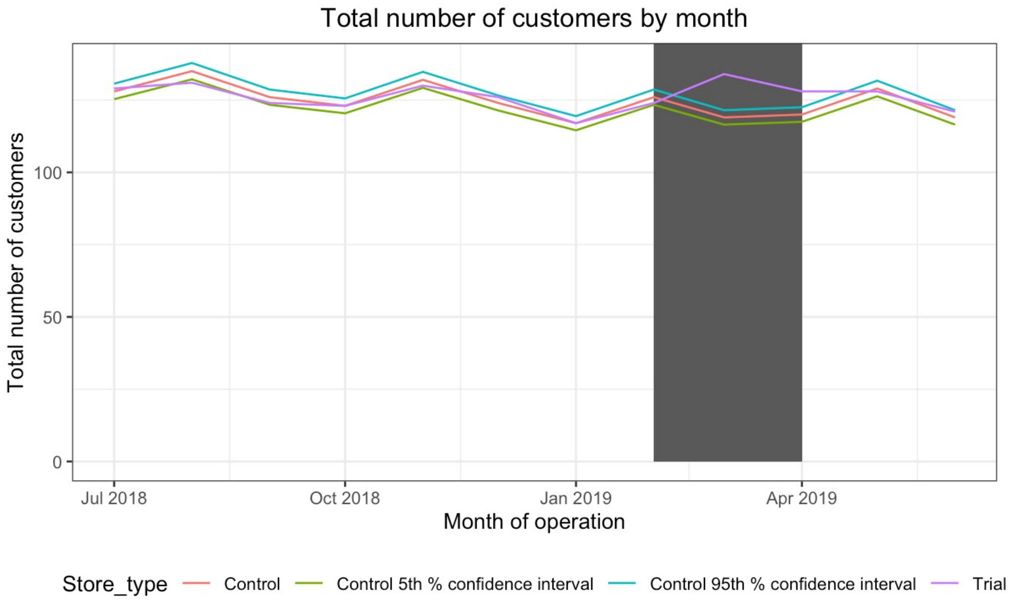
Explanation of the control store vs other stores 88 and 237

One of the characteristics of store 86 is that the overall sales outperformance during and after trial period, even though the number of customers didn't increase as much as the sales. This is thought to be due to the raise of average price spend per customer





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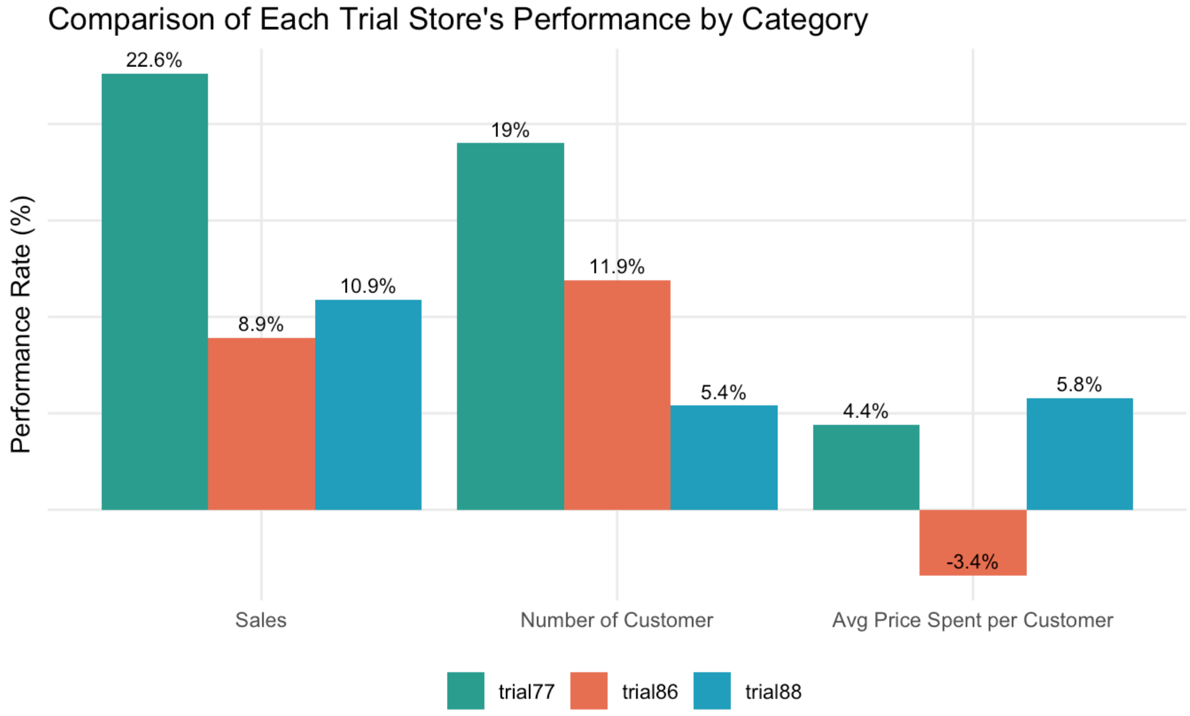
Trial Store Performance Comparison



All three stores performed well against the control store in terms of sales.

Store 88 did not increase the number of customers as much as the other two stores, but the increase in average spend per customer contributed to the increase in sales.

On the other hand, Store 86 does not show an increase in sales proportional to the increase in customers. This is due to a 3.4% decrease in the average spend per customer.

Store 86's performance in the trial period will be closely examined.

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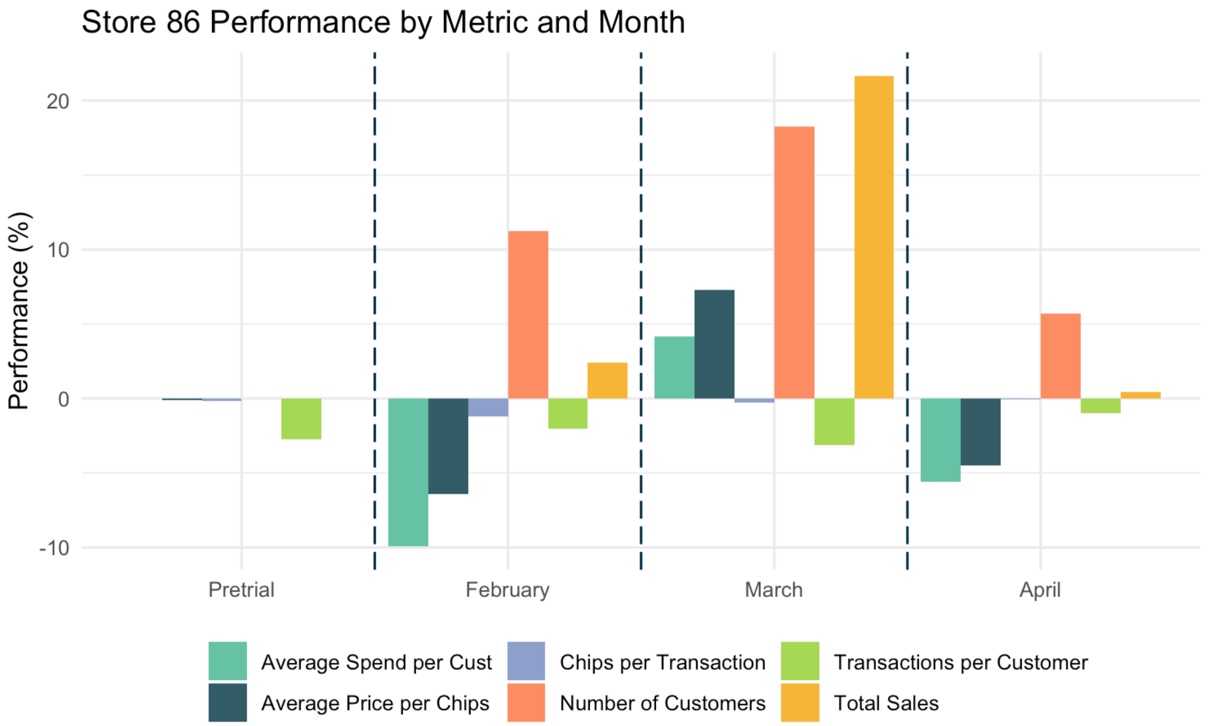
Deep dive into the Trial Store 86 Performance



Store 86 has lower transactions per customer compared to store 155, which is an existing difference.

There is a sharp drop in average spend per customer and average price per chips in February and April.

We can say the lower average spend per customer is caused by the trial layout, related to average price per chips.

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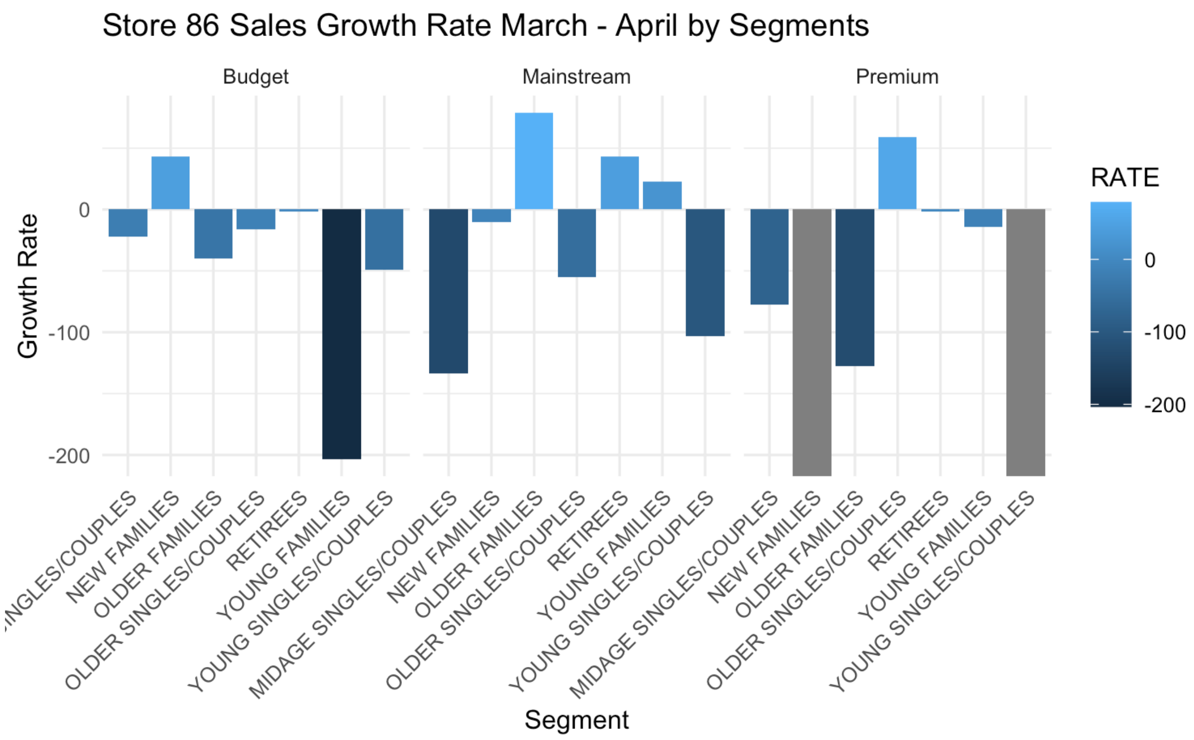
Transition of Sales by Segments during the Trial Period (March – April)



Segments that showed a sharp drop in sales are:

- Budget young families
- Mainstream midage single/couples
- Mainstream young single/couples
- Premium new families
- Premium older families
- Premium young single/couple

Notably, the sales of young single couples dropped sharply across all affluence levels.

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Conclusion and Suggestion

Conclusion:

- Mainstream young singles/couples contribute significantly to sales and the number of customers.
- They prefer Tyrrells and smaller packs of chips.
- Trial store 86 is the only store that experienced a sharp drop in sales during the trial period and has the issue with the average spent per customer.

Suggestion:

Investigate the store 86 in terms of:

- The entire store layout with other stores
- External factors that influenced the demographics around the store in relation to young singles /couples' sales drop in April
    - Competitive Factors
    - Seasonal trends

A customer feedback survey may be an effective way to reach out to customers who visit 86 often.

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Appendix

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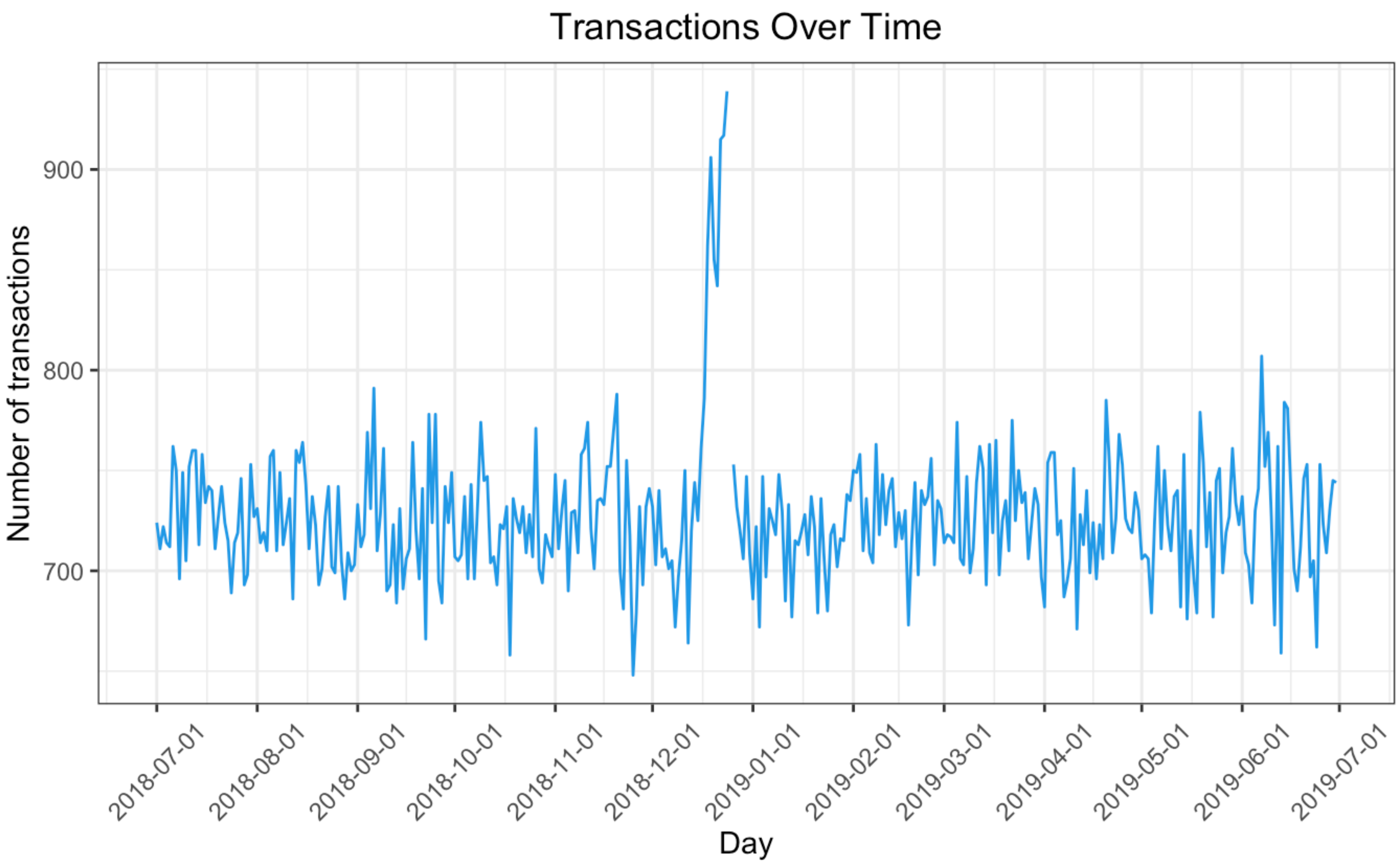
Distribution of sales overtime



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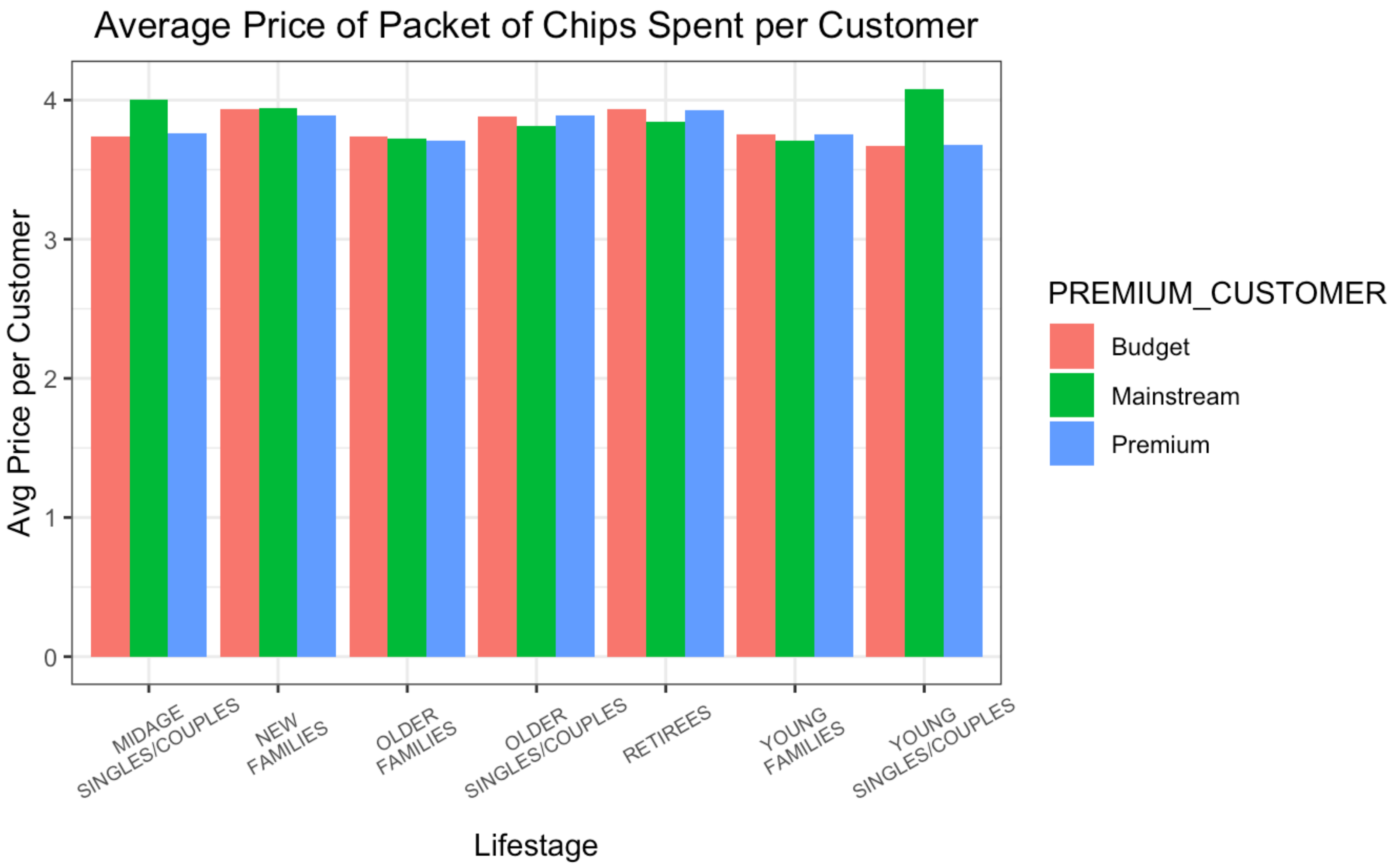
Price of Chips Spent per Customer



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