

# **DATA ANALYSIS REPORT: ENHANCING CHIP CATEGORY STRATEGY**

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**INSIGHTS AND RECOMMENDATIONS FOR  
FUTURE GROWTH**

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## EXECUTIVE SUMMARY

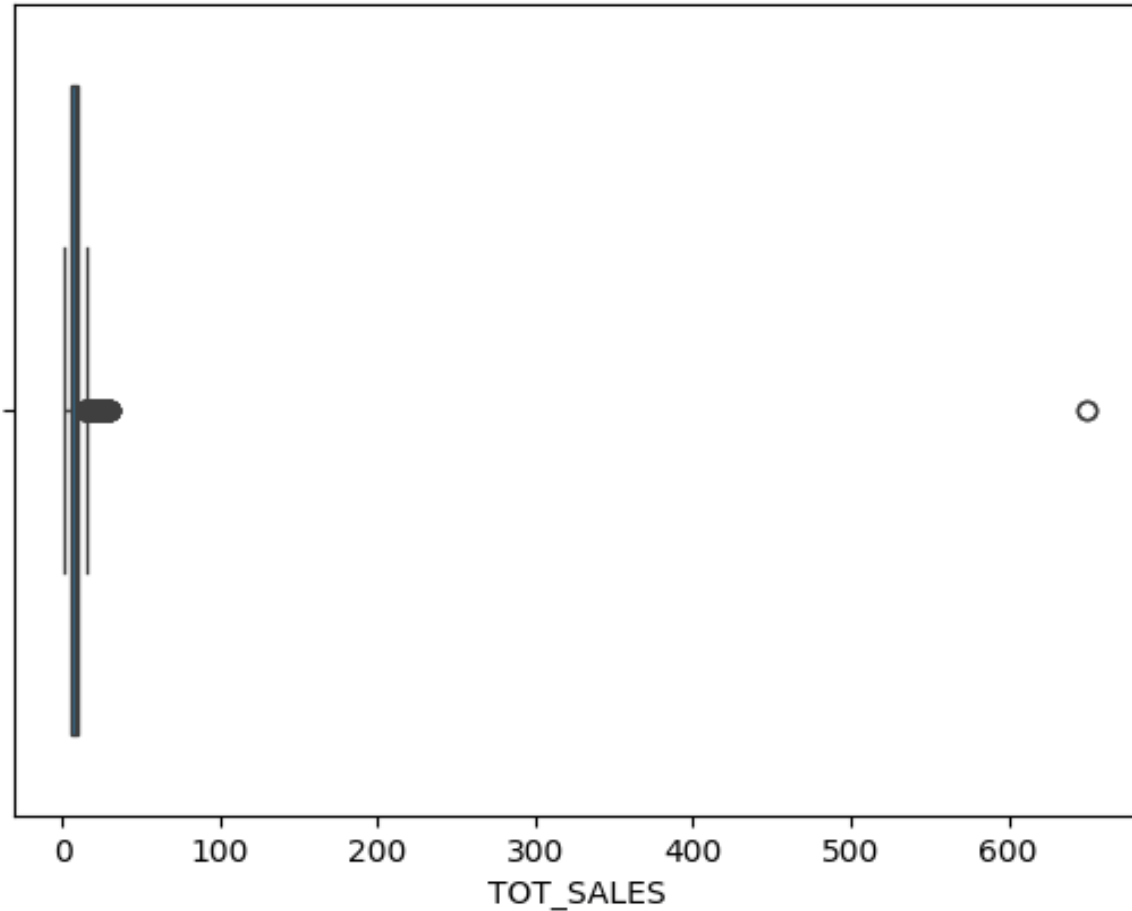
Our analysis of sales data within the chip category unveils critical insights into customer behavior, product performance, pricing strategies, and competitive dynamics. Specific customer segments, such as "Midage (35-54) Singles/Couples" and "Young Singles/Couples," emerge as significant contributors to chip category sales, highlighting the importance of targeted marketing initiatives. We observed promising results during trial periods, indicating the effectiveness of implemented strategies. Understanding customer preferences, optimizing pricing, and developing personalized marketing campaigns are essential for driving sustained growth. Comprehensive analysis across all aspects of the chip category landscape is crucial for maximizing profitability and maintaining a competitive edge in the market. By leveraging these insights, retailers can strategically position themselves for success in the dynamic retail environment.

## PROJECT OBJECTIVE

Our project aims to conduct a thorough analysis of chip category sales data to provide actionable insights and strategic recommendations for future growth. By examining transaction and customer data from QVI records, we aim to identify trends, customer segments, and sales drivers. Through data-driven decision-making, we seek to empower the Category Manager with insights into customer segments, product performance, pricing, and competition, fostering sustained growth in the chip category market.

# KEY FINDINGS

Boxplot of Total Sales



## Certain Customer Segments Significantly Contribute to Total Sales:

- Identified key customer segments like "Mid-age (35-54) Singles/Couples" (Mainstream) and "Young Singles/Couples" (Budget) as major contributors. For example, "Mid-age (35-54) Singles/Couples" showed higher chip spending, driving total sales.
- Targeting these segments with tailored marketing can further boost sales.

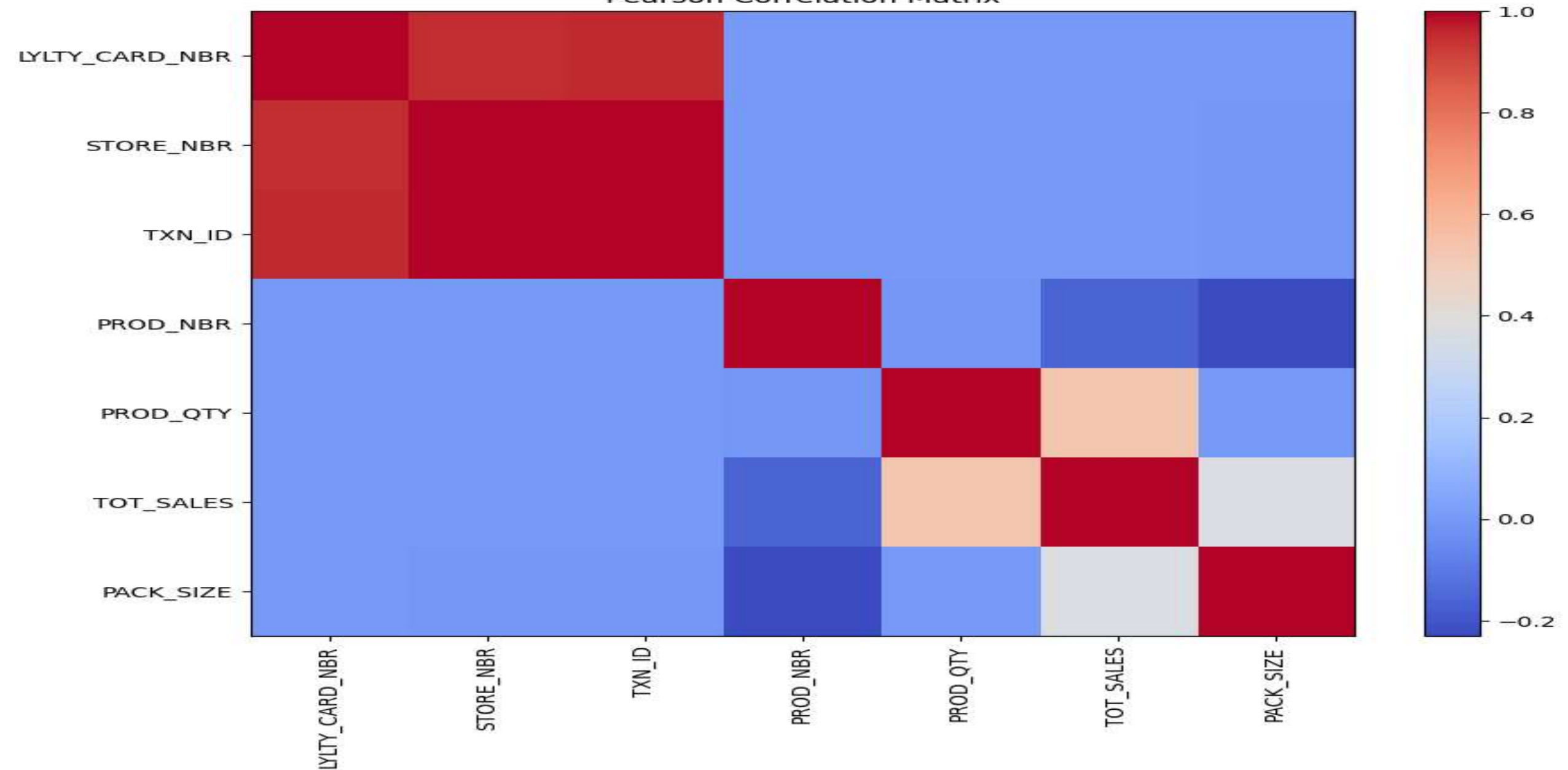


	Trial Store 77	Trial Store 86	Trial Store 88
CONTROL STORE 31	correlation		
CONTROL STORE 159		correlation	correlation

Promising Results of the Trial Period:

- A significantly different total sales observed between trial and control stores. For example: Trial Store 86 saw substantial sales increase versus Control Store 159, validating trial strategies.
- These promising results underscore the importance of targeted initiatives and highlight the potential for continued growth through data-driven decision-making and strategic planning.

Pearson Correlation Matrix



Importance of Understanding Customer Segments, Product Performance, Pricing Sensitivity, and Competitive Landscape:

Emphasized understanding of customer segments, product performance and pricing sensitivity. For example, Product performance analysis identified top-sellers and opportunities for new flavours.

Pricing sensitivity assessment optimized pricing strategies while staying competitive.

Competitive analysis provided insights for differentiation, guiding future growth strategies.

In summary, leveraging data insights to understand customer behaviour, optimize products, and develop targeted strategies is crucial for driving sustained sales growth and enhancing the chip category's overall performance.





## OVERVIEW, SIGNIFICANT AND CONTEXT OF THE REPORT

- Focuses on analysing sales data within the chip category.
- Aims to provide actionable insights and recommendations for future growth.
- Scope includes examining transaction data, customer behaviour, and trial period impact.
- Objectives: Identify key sales drivers, understand customer preferences, and develop strategic plans.

### Significance of Data-Driven Decision-Making:

- Crucial for developing effective strategic plans in today's competitive retail landscape.
- Enables deeper understanding of customer preferences, market trends, and competition.
- Helps make informed decisions, allocate resources efficiently, and maximize returns on investment.
- Access to comprehensive sales data and advanced analytics tools facilitates identifying growth opportunities and mitigating risks.

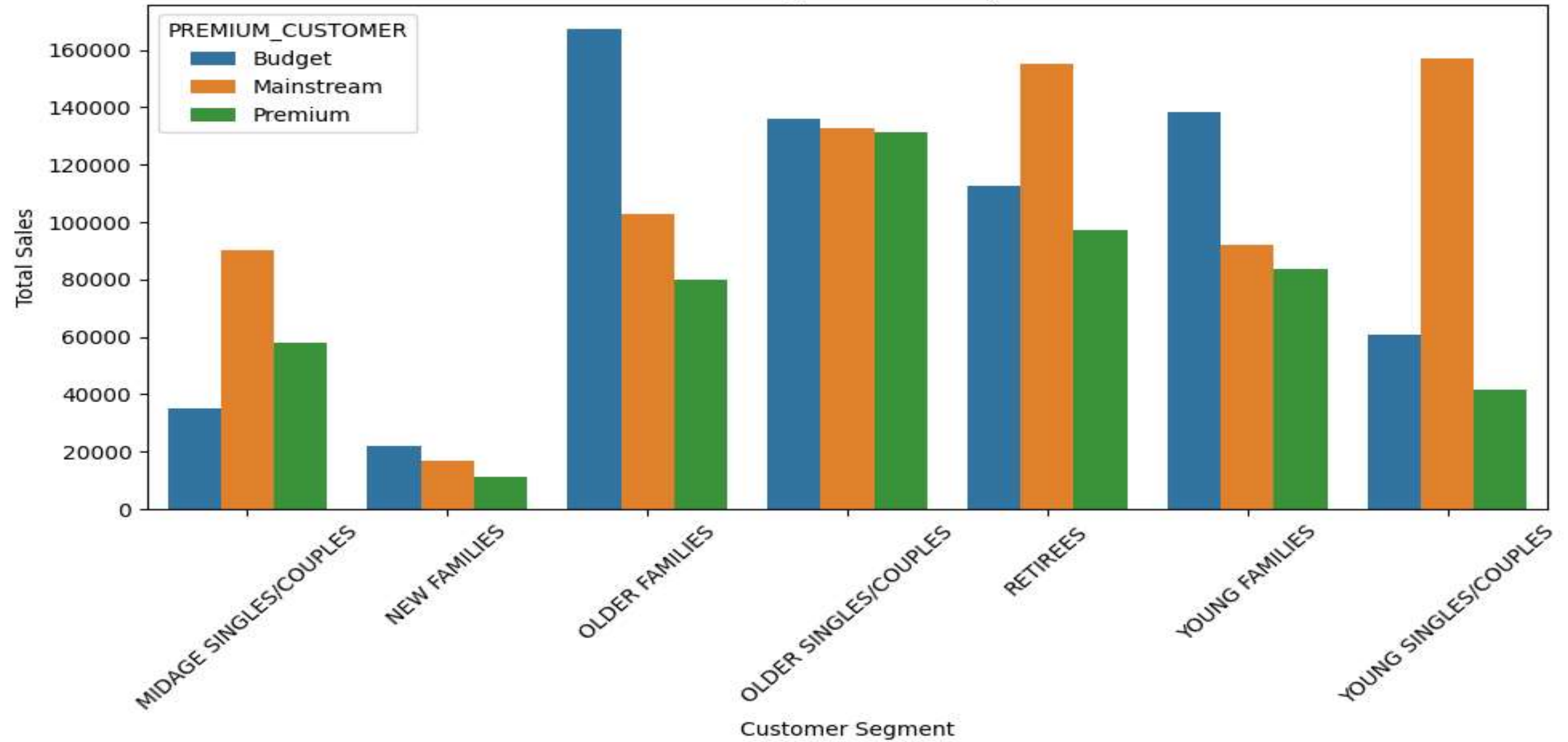


## Context:

- Retail industry undergoing rapid transformation due to changing consumer preferences and technological advancements.
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- Challenges include adapting to shifting consumer demands, rising competition, and disruptive market forces.
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- Data analytics empowers retailers to gain actionable insights, optimize processes, and drive innovation.
- Project aims to equip retailers with tools and knowledge to thrive in a data-driven and competitive landscape, driving growth and profitability in the chip category.



Total Sales by Customer Segment



## Representation of Different Aspects:

### Customer Segments:

"Mid-age (35-54) Singles/Couples" in the "Mainstream" premium category and "Young Singles/Couples" in the "Budget" segment significantly contribute to chip category sales. For example: "Mid-age (35-54) Singles/Couples" in the "Mainstream" segment showed consistent purchasing patterns, indicating a high propensity to spend on chips.

### Product Performance:

Certain segments, like "Young Families" in the "Budget" category, purchase larger chip quantities, possibly due to household size or consumption preferences.

Pack Size and Brand Preferences: "Budget" customers often favor larger pack sizes, indicating a preference for value for money.



## **Pricing Sensitivity:**

"Mainstream" customers are more responsive to promotional pricing, suggesting opportunities for targeted discounts or promotions. For example: Discounts on popular chip brands among "Mainstream" customers could lead to increased sales volume.

## **Summary / Next Steps**

### **Key Findings Summary:**

- Certain customer segments, such as "Mid-age (35-54) Singles/Couples" and "Young Singles/Couples" in the "Budget" segment, significantly contribute to chip category sales.
- Promising results from the trial period indicate noticeable differences in total sales compared to control stores, emphasizing the effectiveness of targeted strategies.
- Understanding customer segments, product performance, pricing sensitivity, and the competitive landscape is crucial for developing a successful chip category strategy.





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### **Marketing Strategies:**

Personalized campaigns tailored to specific customer segments are needed. For example: Launching a promotion targeting "Young Singles/Couples" in the "Budget" category with messaging emphasizing affordability.

### **Competitive Analysis:**

Supermarket's chip offerings are competitive, but differentiation opportunities exist. For example: Introducing unique flavours or packaging designs to appeal to specific customer segments.

### **Importance of Comprehensive Analysis:**



Developing a strategic plan requires considering multiple dimensions of the chip category landscape. Neglecting any aspect of the analysis may result in missed opportunities or inadequate responses to market dynamics.

## Summary

### Key Findings Summary:

- Certain customer segments, such as "Mid-age (35-54) Singles/Couples" and "Young Singles/Couples" in the "Budget" segment, significantly contribute to chip category sales.
- Promising results from the trial period indicate noticeable differences in total sales compared to control stores, emphasizing the effectiveness of targeted strategies.
- Understanding customer segments, product performance, pricing sensitivity, and the competitive landscape is crucial for developing a successful chip category strategy.



## Recommendations Recap:

- Target high-potential customer segments identified in the analysis, such as "Midage (35-54) Singles/Couples," with personalized promotions and marketing campaigns.
- Optimize product assortment and pricing strategies based on customer preferences and competitive positioning.
- Enhance the overall customer experience through improved product placement, availability, and marketing strategies tailored to specific segments.
- Continuously monitor sales performance and customer feedback to adapt and refine the chip category strategy over time.



### **Next Steps:**

- Implement targeted marketing campaigns and promotional activities based on the identified customer segments and their preferences.
- Fine-tune product assortment and pricing strategies to align with customer preferences and competitive dynamics.
- Enhance the customer experience through store layout improvements and personalized marketing initiatives.
- Establish monitoring mechanisms to track the impact of implemented recommendations and make necessary adjustments to the strategy.

### **Conclusion:**

By leveraging the insights gained from the analysis and implementing the recommended strategies, retailers can optimize the performance of the chip category, drive sales growth, and enhance customer satisfaction.



## CONTACT INFORMATION

Produced by Victor Balogun  
email: [victoryinall@gmail.com](mailto:victoryinall@gmail.com)