Task 1: Customer Trends & Target Segment, Jul 2018 - Jun 2019

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At the request of the Chips Category Manager, I am exploring and analyzing 1 year of transaction and customer data related to chips sales in an Australian retail chain. I am looking out for purchasing trends, target demographics, and insights for commercial recommendation to help the client develop their marketing strategy for the following year.

set options for R markdown knitting

```
knitr::opts_chunk$set(warning = FALSE, message = FALSE)
```

LOAD REQUIRED LIBRARIES

```
library(data.table)
library(ggplot2)
library(ggmosaic)
library(tidyverse)
library(ggpubr)
```

IMPORT SOURCE CSV FILES INTO R

transactionData <- read.csv("C:/Users/garci/OneDrive/Desktop/Data Analysis Education/Forage Virtual IntcustomerData <- read.csv("C:/Users/garci/OneDrive/Desktop/Data Analysis Education/Forage Virtual Intern

EXPLORATORY DATA ANALYSIS

Now that the data files are loaded, inspect them to gain a broad understanding of their size, structure, and content.

This will inform the exploratory data analysis.

str(transactionData)

```
## 'data.frame':
                    264836 obs. of 8 variables:
                          43390 43599 43605 43329 43330 43604 43601 43601 43332 43330 ...
  $ DATE
                          1 1 1 2 2 4 4 4 5 7 ...
   $ STORE_NBR
                    : int
   $ LYLTY_CARD_NBR: int
                          1000 1307 1343 2373 2426 4074 4149 4196 5026 7150 ...
                          1 348 383 974 1038 2982 3333 3539 4525 6900 ...
   $ TXN_ID
##
                    : int
   $ PROD_NBR
                          5 66 61 69 108 57 16 24 42 52 ...
                    : int
                                                Compny SeaSalt175g" "CCs Nacho Cheese
   $ PROD_NAME
                           "Natural Chip
                                                                                         175g" "Smiths
                    : chr
   $ PROD_QTY
                          2 3 2 5 3 1 1 1 1 2 ...
                    : int
   $ TOT_SALES
                    : num 6 6.3 2.9 15 13.8 5.1 5.7 3.6 3.9 7.2 ...
```

head(transactionData)

```
##
      DATE STORE_NBR LYLTY_CARD_NBR TXN_ID PROD_NBR
## 1 43390
                    1
                                 1000
                                           1
## 2 43599
                                 1307
                                                    66
                    1
                                         348
## 3 43605
                    1
                                 1343
                                         383
                                                    61
## 4 43329
                    2
                                 2373
                                         974
                                                    69
                    2
## 5 43330
                                 2426
                                        1038
                                                   108
## 6 43604
                    4
                                 4074
                                        2982
                                                    57
##
                                      PROD NAME PROD QTY TOT SALES
## 1
       Natural Chip
                            Compny SeaSalt175g
                                                        2
## 2
                      CCs Nacho Cheese
                                                        3
                                           175g
                                                                6.3
## 3
       Smiths Crinkle Cut Chips Chicken 170g
                                                        2
                                                                2.9
       Smiths Chip Thinly S/Cream&Onion 175g
                                                        5
                                                               15.0
## 5 Kettle Tortilla ChpsHny&Jlpno Chili 150g
                                                        3
                                                                13.8
## 6 Old El Paso Salsa
                         Dip Tomato Mild 300g
                                                        1
                                                                5.1
```

From first glance, this is how I would summarize the transactionData data frame:

- The date column refers to the date of each chips transaction. Also, the date is in a strange format.
- Store number is a store ID.
- Loyalty Card Number refers to individual customers.
- Transaction IDs are unique ID numbers that refer to individual transactions.
- Product number is a unique code assigned to each Product name.
- Product Quantity refers to the amount of products purchased in each transaction.
- Total sales is the amount of money spent on each transaction.

str(customerData)

```
## 'data.frame': 72637 obs. of 3 variables:
## $ LYLTY_CARD_NBR : int 1000 1002 1003 1004 1005 1007 1009 1010 1011 1012 ...
## $ LIFESTAGE : chr "YOUNG SINGLES/COUPLES" "YOUNG SINGLES/COUPLES" "YOUNG FAMILIES" "OLDER SI
## $ PREMIUM_CUSTOMER: chr "Premium" "Mainstream" "Budget" "Mainstream" ...
head(customerData)
```

##		LYLTY_CARD_NBR		LIFESTAGE	PREMIUM_CUSTOMER
##	1	1000	YOUNG	SINGLES/COUPLES	Premium
##	2	1002	YOUNG	SINGLES/COUPLES	Mainstream
##	3	1003		YOUNG FAMILIES	Budget
##	4	1004	OLDER	SINGLES/COUPLES	Mainstream
##	5	1005	${\tt MIDAGE}$	SINGLES/COUPLES	Mainstream
##	6	1007	YOUNG	SINGLES/COUPLES	Budget

From first glance, this is how I would summarize the customerData data frame:

- Loyalty Card Number refers to individual customers. This will be used to relate the transaction and customer data frames to each other.
- Lifestage refers to the customer demographic according to general age and family size.
- Premium Customer refers to the affluence level of the customer in regards to their general purchasing behavior Budget they buy the cheapest brands, Mainstream they buy standard-priced brands, Premium they buy expensive brands. This category was predetermined by the client, and it is not exclusive to chips.

I will clean and explore the transaction data first.

CLEAN TRANSACTION DATA

Convert DATE column to a date format

After further exploration, the dates are listed in an Excel Date serial number format. The dates must be converted using this code:

```
transactionData$DATE <- as.Date(transactionData$DATE, origin = "1899-12-30")
head(transactionData)</pre>
```

```
DATE STORE_NBR LYLTY_CARD_NBR TXN_ID PROD_NBR
##
## 1 2018-10-17
                                      1000
                                                1
## 2 2019-05-14
                         1
                                      1307
                                              348
                                                        66
## 3 2019-05-20
                                      1343
                                              383
                                                        61
                         1
                         2
## 4 2018-08-17
                                      2373
                                              974
                                                        69
## 5 2018-08-18
                         2
                                      2426
                                             1038
                                                       108
## 6 2019-05-19
                                     4074
                                             2982
                                                        57
##
                                     PROD NAME PROD QTY TOT SALES
## 1
       Natural Chip
                            Compny SeaSalt175g
                                                       2
## 2
                                                       3
                      CCs Nacho Cheese
                                                                6.3
                                           175g
## 3
       Smiths Crinkle Cut Chips Chicken 170g
                                                       2
                                                                2.9
       Smiths Chip Thinly S/Cream&Onion 175g
                                                       5
                                                               15.0
## 5 Kettle Tortilla ChpsHny&Jlpno Chili 150g
                                                       3
                                                               13.8
## 6 Old El Paso Salsa
                         Dip Tomato Mild 300g
                                                                5.1
```

The dates are now in a readable format.

Examine PROD_NAME

How many different distinct product names are there?

```
n_distinct(transactionData$PROD_NAME)
```

```
## [1] 114
```

There are 114 distinct product names. Is this correct? I noticed in the head code I ran earlier that there is an product named "Old El Paso Salsa Dip Tomato Mild 300g". This does not sound like a chip name. I want to determine what keywords appear the most in the PROD_NAMES column. To do that, first I must split the strings in this column.

This splits the PROD NAME strings into a separate data frame, using space as a delimiter:

```
productWords <- data.table(unlist(strsplit(unique(transactionData$PROD_NAME), split = " ")))</pre>
```

This provides a count of each word:

```
text_wordcounts <- productWords %>%
  count(productWords$V1, sort = TRUE)
text_wordcounts
```

```
##
         productWords$V1
                              n
##
     1:
                            234
                             26
##
     2:
                      175g
##
                     Chips
                             21
     3:
##
     4:
                      150g
                            19
##
     5:
                         &
                             17
```

```
## 217: Veg 1
## 218: Vinegr 1
## 219: Vingar 1
## 220: Whlegrn 1
## 221: Whlgrn 1
```

The word "Salsa" appears 9 times, "Dip" appears 3 times, and "OnionDip" appears 1 time. Is it possible that these are not chips categories?

Further explore the unique product names armed with this information:

```
uniqueProducts <- data.frame(unique(transactionData$PROD_NAME))</pre>
```

Use the filter in the View pane of UniqueProducts dataframe to search for the words "Salsa" and "Dip".

In the View pane of RStudio, filter and examine "Salsa":

After a Google search, I discovered that some of the products that contain the word "Salsa" are chips, and some are not chips:

Old El Paso Salsa Dip Tomato Mild = not chips Red Rock Deli SR Salsa & Mzzrlla 150g = chips Smiths Crinkle Cut Tomato Salsa 150g = chips Doritos Salsa Medium 300g = not chips Old El Paso Salsa Dip Chnky Tom Ht300g = not chips Woolworths Mild Salsa 300g = not chips Old El Paso Salsa Dip Tomato Med 300g = not chips Woolworths Medium Salsa 300g = not chips Doritos Salsa Mild 300g = not chips

I CANNOT REMOVE ALL PRODUCTS WITH THE WORD "SALSA" OR I WILL BE REMOVING SEVERAL TRANSACTIONS FROM THE DATASET THAT ARE CHIPS PRODUCTS.

The Chips Category Manager will not be happy if I provide insights on inaccurate data.

Filter (using View pane) and examine "Dip":

After a Google search, I discovered that all of the products that contain the word "Dip" are not chips.

Most of them were already included in the "Salsa" examination (and were found to be not chips).

There is one non-salsa dip:

Smiths Crinkle Cut French OnionDip 150g = not chips

I can safely remove all products with the word "Dip". These are not chips products.

Remove irrelevant data

Remove all dip products:

```
transactionData <- transactionData[!grepl("Dip", transactionData$PROD_NAME),]</pre>
```

Remove the actual salsa products:

Re-examine PROD_NAME:

n_distinct(transactionData\$PROD_NAME)

```
## [1] 106
```

There are now only 106 distinct product names. The 8 salsa/dip products have been removed.

REMOVE NULLS AND OUTLIERS FROM TRANSACTION DATA

Summarize the data to check for nulls and possible outliers

summary(transactionData)

```
##
         DATE
                             STORE_NBR
                                          LYLTY_CARD_NBR
                                                                  TXN_ID
##
    Min.
            :2018-07-01
                                                      1000
                                                                            1
                           Min.
                                  : 1
                                          \mathtt{Min}.
                                                             Min.
    1st Qu.:2018-09-30
                                                             1st Qu.:
##
                           1st Qu.: 70
                                          1st Qu.:
                                                    70015
                                                                       67565
##
    Median :2018-12-30
                           Median:130
                                          Median: 130360
                                                             Median: 135151
##
    Mean
            :2018-12-30
                           Mean
                                  :135
                                          Mean
                                                 : 135524
                                                             Mean
                                                                     : 135126
                           3rd Qu.:203
                                          3rd Qu.: 203082
                                                             3rd Qu.: 202645
##
    3rd Qu.:2019-03-31
##
    Max.
            :2019-06-30
                           Max.
                                  :272
                                          Max.
                                                 :2373711
                                                             Max.
                                                                     :2415841
##
       PROD NBR
                    PROD_NAME
                                           PROD_QTY
                                                             TOT_SALES
                   Length: 248232
                                                                   :
##
   Min.
           : 1
                                               :
                                                  1.000
                                                                      1.700
                                        Min.
                                                           Min.
                                                  2.000
                                                           1st Qu.:
##
    1st Qu.: 27
                   Class : character
                                        1st Qu.:
                                                                      5.800
                                                           Median :
##
    Median: 52
                   Mode
                         :character
                                        Median :
                                                  2.000
                                                                      7.400
##
    Mean
            : 56
                                        Mean
                                               : 1.908
                                                           Mean
                                                                      7.308
##
    3rd Qu.: 86
                                        3rd Qu.:
                                                  2.000
                                                           3rd Qu.:
                                                                      8.800
##
    Max.
            :114
                                        Max.
                                               :200.000
                                                                   :650.000
                                                           Max.
```

After examining the data summary, here is what I've noticed:

- There is 1 year of data: 2018-07-01 to 2019-06-30 ... Great!
- There are no nulls ... Great!
- There are outliers in PROD_QTY and TOT_SALES: the max value of PROD_QTY is 200 but the median is 2 and mean is 1.908. Similar issue in TOT_SALES. Are these outliers related to each other? ... Investigate further!

Print the rows with the Max PROD QTY:

subset(transactionData, PROD_QTY == max(PROD_QTY))

```
##
               DATE STORE_NBR LYLTY_CARD_NBR TXN_ID PROD_NBR
## 69763 2018-08-19
                           226
                                        226000 226201
                                                              4
## 69764 2019-05-20
                           226
                                        226000 226210
                                                              4
                                 PROD NAME PROD QTY TOT SALES
## 69763 Dorito Corn Chp
                              Supreme 380g
                                                 200
                                                            650
## 69764 Dorito Corn Chp
                              Supreme 380g
                                                 200
                                                            650
```

This revealed that this large purchase was repeated twice by the same customer. ...Perhaps for a corporate event or other large gathering? Also, I can see that the PROD_QTY outlier (200) is related to the TOT_SALES outlier (650).

Print all transactions from this particular customer:

subset(transactionData, LYLTY_CARD_NBR == 226000)

```
## DATE STORE_NBR LYLTY_CARD_NBR TXN_ID PROD_NBR ## 69763 2018-08-19 226 226000 226201 4 ## 69764 2019-05-20 226 226000 226210 4 ## PROD_NAME PROD_QTY TOT_SALES
```

```
## 69763 Dorito Corn Chp Supreme 380g 200 650
## 69764 Dorito Corn Chp Supreme 380g 200 650
```

Aha! The 2 outlier transactions were the only transactions from this customer. Due to this,

I will remove these 2 outlier transactions from the dataset to prevent unnecessary skewness in my further analysis.

Remove outlier transactions and recall the summary for this dataset:

```
transactionData <- transactionData %>%
  filter(transactionData$LYLTY_CARD_NBR != 226000)
summary(transactionData)
```

```
TXN_ID
##
         DATE
                            STORE NBR
                                         LYLTY_CARD_NBR
##
    Min.
           :2018-07-01
                                  : 1
                                         Min.
                                                     1000
                                                            Min.
    1st Qu.:2018-09-30
                          1st Qu.: 70
                                         1st Qu.:
                                                   70015
                                                            1st Qu.: 67564
##
    Median :2018-12-30
                          Median:130
                                         Median: 130360
                                                            Median: 135150
##
           :2018-12-30
                                  :135
                                                                    : 135126
##
    Mean
                          Mean
                                         Mean
                                                 : 135524
                                                            Mean
    3rd Qu.:2019-03-31
                          3rd Qu.:203
                                         3rd Qu.: 203081
                                                            3rd Qu.: 202644
##
    Max.
           :2019-06-30
                          Max.
                                  :272
                                                 :2373711
                                                            Max.
                                                                    :2415841
                                         Max.
##
       PROD_NBR
                    PROD_NAME
                                          PROD_QTY
                                                          TOT_SALES
##
                   Length: 248230
                                              :1.000
    Min.
           : 1
                                       Min.
                                                        Min.
                                                               : 1.700
   1st Qu.: 27
                   Class : character
                                       1st Qu.:2.000
                                                        1st Qu.: 5.800
##
  Median: 52
                   Mode
                         :character
                                       Median :2.000
                                                        Median: 7.400
##
  Mean
           : 56
                                              :1.906
                                                               : 7.303
                                       Mean
                                                        Mean
##
    3rd Qu.: 86
                                       3rd Qu.:2.000
                                                        3rd Qu.: 8.800
##
    Max.
           :114
                                       Max.
                                              :5.000
                                                        Max.
                                                               :29.500
```

The max values for PROD+QTY and TOT_SALES now make much more sense, and are in line with the expected results.

CHECK FOR MISSING DATES

Count the number of transactions by date:

```
dateTrans <- transactionData %>%
  count(transactionData$DATE, sort = TRUE)
tibble(dateTrans)
```

```
## # A tibble: 364 x 2
##
      'transactionData$DATE
                                   n
##
      <date>
                               <int>
   1 2018-12-24
                                 874
##
    2 2018-12-23
                                 856
    3 2018-12-22
##
                                 854
##
   4 2018-12-19
                                 844
##
    5 2018-12-20
                                 811
##
    6 2018-12-18
                                 806
##
    7 2018-12-21
                                 789
##
   8 2019-06-07
                                 761
  9 2018-09-06
                                 748
## 10 2019-06-14
                                 748
## # ... with 354 more rows
```

There are only 364 rows, but there should be 365 in order to represent a full year. Which one is missing?

At the top of my tibble, I notice that the days with the most transactions are in late December, with December 24 as the top date. My Christmas spirit is first telling me to check if December 25 is missing:

There were no transactions on Christmas.

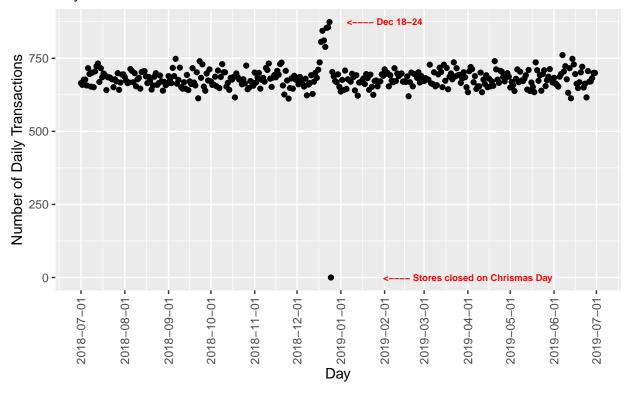
Add the missing date to dateTrans data frame and assign reader-friendly column names

```
dateTrans <- rbind(dateTrans, c("2018-12-25", 0))
colnames(dateTrans) <- c("Date", "NumberOfTransactions")
dateTrans$NumberOfTransactions <- as.numeric(dateTrans$NumberOfTransactions)
head(dateTrans)</pre>
```

The chips transactions data frame is now free of nulls, outliers, and missing dates.

At this time, I would also like to visualize the transactions over time:

Daily Transactions over Time July 2018 to June 2019



The graph confirms that chips sales are fairly stable throughout the year, but the week leading up to Christmas there was a sharp spike in sales. There were no sales on Christmas day because the retail stores were closed for the holiday.

Find mean of daily transactions:

mean(dateTrans\$NumberOfTransactions)

[1] 680.0822

The average daily transactions for the year is 680.

Find the mean of daily of transactions during the Christmas sales peak:

```
xmasDateTrans <- dateTrans %>%
  filter(Date > "2018-12-17" & Date < "2018-12-25")
mean(xmasDateTrans$NumberOfTransactions)</pre>
```

[1] 833.4286

Find out how much did sales increase during the Christmas sales peak:

mean(xmasDateTrans\$NumberOfTransactions) / mean(dateTrans\$NumberOfTransactions)

[1] 1.225482

Sales increased by 22% during the Christmas sales peak.

EXTRACT RELEVANT TRANSACTION DATA

Now I can extract relevant data from this data frame.

Create a Pack Size column by extracting the digits that are in the PROD_NAME column strings:

```
transactionData$PACK_SIZE <- parse_number(transactionData$PROD_NAME)
head(transactionData)</pre>
```

```
DATE STORE_NBR LYLTY_CARD_NBR TXN_ID PROD_NBR
##
                                     1000
## 1 2018-10-17
                                               1
                         1
## 2 2019-05-14
                         1
                                     1307
                                             348
                                                        66
## 3 2019-05-20
                                             383
                                                        61
                        1
                                     1343
## 4 2018-08-17
                        2
                                     2373
                                             974
                                                        69
## 5 2018-08-18
                        2
                                     2426
                                            1038
                                                       108
## 6 2019-05-16
                                     4149
                         4
                                            3333
                                                        16
##
                                     PROD_NAME PROD_QTY TOT_SALES PACK_SIZE
## 1
       Natural Chip
                            Compny SeaSalt175g
                                                       2
                                                               6.0
## 2
                     CCs Nacho Cheese
                                                       3
                                                               6.3
                                                                         175
                                          175g
## 3
       Smiths Crinkle Cut Chips Chicken 170g
                                                       2
                                                               2.9
                                                                         170
       Smiths Chip Thinly S/Cream&Onion 175g
                                                       5
                                                                         175
                                                              15.0
## 5 Kettle Tortilla ChpsHny&Jlpno Chili 150g
                                                       3
                                                              13.8
                                                                         150
## 6 Smiths Crinkle Chips Salt & Vinegar 330g
                                                       1
                                                               5.7
                                                                         330
```

Obtain a summary of the new PACK_SIZE column:

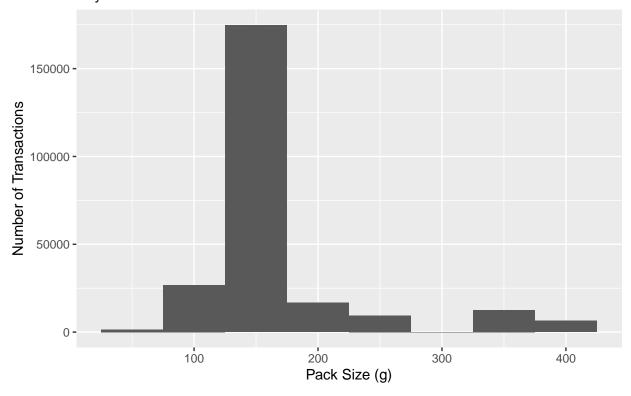
summary(transactionData\$PACK_SIZE)

```
## Min. 1st Qu. Median Mean 3rd Qu. Max.
## 70.0 150.0 170.0 175.4 175.0 380.0
```

The minimum chip pack size is 70g, and the maximum chip pack size is 380g.

Plot a histogram of PACK SIZE:

Transactions by Pack Size July 2018 to June 2019



From the histogram, I can see that the majority of chips transactions involved pack sizes between 150-200g, which is consistent with the mean (175.4g) and median (170g).

Create a Brands column by extracting it from the product name:

transactionData\$BRANDS <- sub(" .*", "", transactionData\$PROD_NAME)
head(transactionData)</pre>

##		DATE	STORE_NBR	LYLTY_CARD_	NBR '	TXN_ID	PROD_NB	R		
##	1	2018-10-17	1	10	000	1	L	5		
##	2	2019-05-14	1	13	307	348	3 6	6		
##	3	2019-05-20	1	13	343	383	3 6	1		
##	4	2018-08-17	2	2	373	974	1 6	9		
##	5	2018-08-18	2	2	426	1038	3 10	8		
##	6	2019-05-16	4	4	149	3333	3 1	6		
##				Pl	ROD_	NAME F	PROD_QTY	TOT_SALES	PACK_SIZE	BRANDS
##	1	Natural C	Chip	Compny Sea	Salt	175g	2	6.0	175	Natural
##	2		CCs N	Tacho Cheese		175g	3	6.3	175	CCs
##	3	Smiths Cr	rinkle Cut	Chips Chic	ken	170g	2	2.9	170	Smiths
##	4	Smiths Ch	ip Thinly	S/Cream&On	ion	175g	5	15.0	175	Smiths
##	5	Kettle Tort	illa ChpsH	Iny&Jlpno Ch	ili	150g	3	13.8	150	Kettle
##	6	Smiths Crin	kle Chips	Salt & Vine	gar :	330g	1	5.7	330	Smiths

How many distinct chips brands are there?

n_distinct(transactionData\$BRANDS)

[1] 28

There are 28 distinct brands. Is this right? There may be duplicates or misspellings...

```
uniqueBrands <- data.frame(unique(transactionData$BRANDS))
tibble(uniqueBrands)</pre>
```

```
## # A tibble: 28 x 1
##
      unique.transactionData.BRANDS.
##
      <chr>>
##
   1 Natural
   2 CCs
##
##
  3 Smiths
##
   4 Kettle
##
  5 Grain
   6 Doritos
##
  7 Twisties
##
##
   8 WW
## 9 Thins
## 10 Burger
## # ... with 18 more rows
```

Inspect the tibble above for potential duplicates.

Use the filter in the View pane of UniqueBrands dataframe to search for any potential duplicates

There are several duplicates:

- Dorito and Doritos
- GrnWves and Grain (Waves) (see note below)
- Infzns and Infuzions
- NCC and Natural (Chip Company)
- Red (Rock Deli) and RRD
- Smith and Smiths ... (actually spelled as "Smith's")
- Snbts and Sunbites
- WW and Woolworths

(Grain Waves are actually made by Sunbites, but I have chosen to consider Grain Waves a separate "brand" since they are a distinctly different chip than Sunbites chips.)

Combine duplicate PROD_NAME brands under a unifying BRANDS value:

```
transactionData["BRANDS"][transactionData["BRANDS"] == "Dorito"] <- "Doritos"
transactionData["BRANDS"][transactionData["BRANDS"] == "GrnWves"] <- "Grain Waves"
transactionData["BRANDS"][transactionData["BRANDS"] == "Infzns"] <- "Infuzions"
transactionData["BRANDS"][transactionData["BRANDS"] == "NCC"] <- "Natural Chip Company"
transactionData["BRANDS"][transactionData["BRANDS"] == "Natural"] <- "Natural Chip Company"
transactionData["BRANDS"][transactionData["BRANDS"] == "Red"] <- "Red Rock Deli"
transactionData["BRANDS"][transactionData["BRANDS"] == "RRD"] <- "Red Rock Deli"
transactionData["BRANDS"][transactionData["BRANDS"] == "Smith"] <- "Smith's"
transactionData["BRANDS"][transactionData["BRANDS"] == "Snbts"] <- "Smith's"
transactionData["BRANDS"][transactionData["BRANDS"] == "Snbts"] <- "Sunbites"
transactionData["BRANDS"][transactionData["BRANDS"] == "WW"] <- "Woolworths"
tibble(unique(transactionData$BRANDS))</pre>
```

```
## # A tibble: 20 x 1
##
      'unique(transactionData$BRANDS)'
##
##
   1 Natural Chip Company
##
   2 CCs
## 3 Smith's
## 4 Kettle
## 5 Grain Waves
## 6 Doritos
## 7 Twisties
## 8 Woolworths
## 9 Thins
## 10 Burger
## 11 Cheezels
## 12 Infuzions
## 13 Red Rock Deli
## 14 Pringles
## 15 Tyrrells
## 16 Cobs
## 17 French
## 18 Tostitos
## 19 Cheetos
## 20 Sunbites
```

Now the chips brands names are cleaned and unified.

Find the most products sold by brand:

```
brandSales <- transactionData %>%
  group_by(BRANDS) %>%
  summarise(PROD_QTY = sum(PROD_QTY))
brandSales %>%
  arrange(desc(PROD_QTY))
```

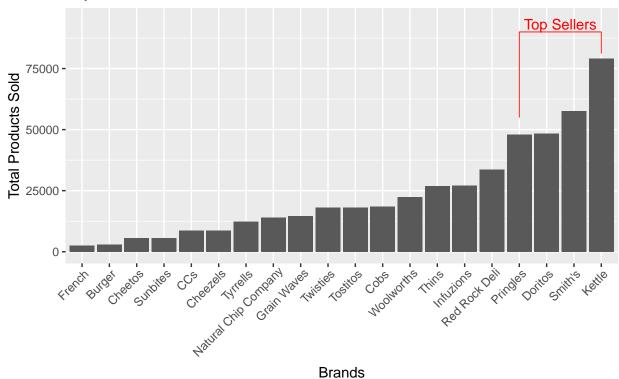
```
## # A tibble: 20 x 2
                           PROD_QTY
##
      BRANDS
##
      <chr>
                               <int>
## 1 Kettle
                               79051
## 2 Smith's
                               57629
## 3 Doritos
                               48331
## 4 Pringles
                               48019
## 5 Red Rock Deli
                               33646
## 6 Infuzions
                               27119
## 7 Thins
                               26929
## 8 Woolworths
                               22333
## 9 Cobs
                               18571
## 10 Tostitos
                               18134
## 11 Twisties
                               18118
## 12 Grain Waves
                               14726
## 13 Natural Chip Company
                               14106
## 14 Tyrrells
                               12298
## 15 Cheezels
                                8747
## 16 CCs
                                8609
## 17 Sunbites
                                5692
## 18 Cheetos
                                5530
## 19 Burger
                                2970
```

```
## 20 French
```

2643

Plot the most products sold by brand:

Total Products Sold by Brand July 2018 to June 2019



Kettle is by far the best selling brand with nearly 80k products sold. Smith's is 2nd best with just under 60k sold. Pringles and Doritos are roughly tied at 3rd with just under 50k products sold.

December 18-24 represent the highest chips sales of the year. Find out which brands sold the best before Christmas:

```
brandSalesXMas <- transactionData %>%
  filter(DATE > "2018-12-17" & DATE < "2018-12-25") %>%
  group_by(BRANDS) %>%
  summarise(XMAS_PROD_QTY = sum(PROD_QTY))
brandSalesXMas %>%
  arrange(desc(XMAS_PROD_QTY))
```

A tibble: 20 x 2

```
##
      BRANDS
                            XMAS_PROD_QTY
##
      <chr>
                                     <int>
##
    1 Kettle
                                      1762
    2 Smith's
                                      1292
##
    3 Doritos
                                      1148
    4 Pringles
##
                                      1096
    5 Red Rock Deli
                                       806
    6 Thins
##
                                       714
##
    7 Infuzions
                                       618
##
    8 Woolworths
                                       530
    9 Twisties
                                       503
## 10 Cobs
                                       449
## 11 Tostitos
                                       409
## 12 Grain Waves
                                       356
## 13 Natural Chip Company
                                       347
## 14 Tyrrells
                                       290
## 15 CCs
                                       248
## 16 Cheezels
                                       219
## 17 Sunbites
                                       174
## 18 Cheetos
                                       113
## 19 Burger
                                        87
## 20 French
                                        57
```

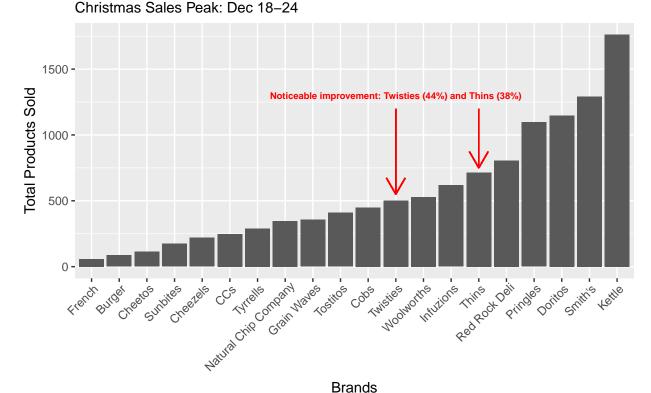
Find out how much Thins sales increased during Christmas sales peak compared to the rest of the year

```
compareBrands <- merge(brandSales, brandSalesXMas, by = "BRANDS")
compareBrands$WEEK_AVG <- round(compareBrands$PROD_QTY / 52)
compareBrands$XMAS_PERC <- compareBrands$XMAS_PROD_QTY / compareBrands$WEEK_AVG
compareBrands %>%
    select(BRANDS, XMAS_PERC) %>%
    arrange(desc(XMAS_PERC))
```

```
##
                    BRANDS XMAS_PERC
## 1
                  Sunbites 1.596330
## 2
                    Burger
                           1.526316
## 3
                       CCs
                           1.493976
## 4
                  Twisties 1.445402
## 5
                     Thins 1.378378
## 6
                  Cheezels 1.303571
## 7
     Natural Chip Company 1.280443
## 8
               Grain Waves 1.257951
## 9
                      Cobs 1.257703
## 10
             Red Rock Deli 1.245750
                   Doritos 1.235737
                Woolworths 1.235431
## 12
## 13
                  Tyrrells 1.228814
## 14
                  Pringles 1.187432
## 15
                 Infuzions 1.183908
                  Tostitos 1.171920
## 16
## 17
                   Smith's 1.166065
## 18
                    Kettle 1.159211
                    French
## 19
                           1.117647
## 20
                   Cheetos 1.066038
```

Plot the most products sold by brand during the sales peak prior to Christmas:

Total Products Sold by Brand



The week leading up to Christmas reflects the general year-long brand trend with Kettle, Smith's, Doritos, and Pringles producing overwhelming sales. Thins and Twisties showed noticeable improvement. Sunbites, Burger, and CCs improved more, but their sales quantity is negligable in comparison to Thins and Twisties.

Find out which pack sizes sold the best before Christmas:

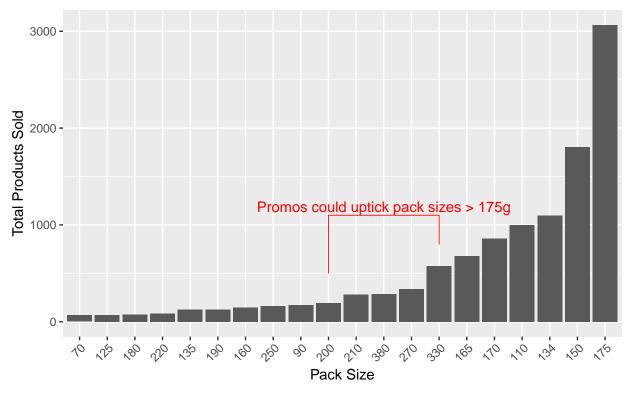
```
packSalesXMas <- transactionData %>%
  filter(DATE > "2018-12-17" & DATE < "2018-12-25") %>%
  group_by(PACK_SIZE) %>%
  summarise(PROD_QTY = sum(PROD_QTY))
packSalesXMas %>%
  arrange(desc(PROD_QTY))
```

```
## # A tibble: 20 x 2
      PACK_SIZE PROD_QTY
##
##
          <dbl>
                    <int>
##
   1
             175
                     3067
    2
             150
##
                     1804
##
   3
             134
                     1096
##
   4
             110
                     1000
             170
                      860
## 5
##
    6
             165
                      679
##
   7
             330
                      577
##
   8
             270
                      338
  9
             380
                      285
##
## 10
             210
                      282
             200
## 11
                      193
## 12
             90
                      174
             250
## 13
                      165
## 14
             160
                      148
## 15
             190
                      128
             135
                      126
## 16
## 17
             220
                       87
## 18
                       74
             180
## 19
             125
                       68
## 20
             70
                       67
```

Plot a histogram of PACK_SIZE:

Total Products Sold by Pack Size

Christmas Sales Peak: Dec 18-24



Pack sizes purchased during the Christmas sales peak also reflect the general year-long trend: customers prefer pack sizes between 150-200g. In this case, customers overwhelmingly purchased 175g pack sizes (over 3000 sold in one week), as well as the slightly smaller 150g pack size (1800 sold in one week). Somewhat surprisingly, customers did not prefer packages of a size larger than 200g. Perhaps customers were more interested in purchasing a variety of chips brands during the holidays (in order to satisfy different people's tastes), and therefore stuck with a more mainstream pack size for each brand.

EXPLORE & MERGE CUSTOMER DATA

summary(customerData)

:2373711

##

Max.

```
LYLTY_CARD_NBR
                       LIFESTAGE
                                           PREMIUM_CUSTOMER
##
               1000
                       Length: 72637
                                           Length: 72637
##
##
    1st Qu.:
              66202
                       Class :character
                                           Class : character
##
    Median: 134040
                       Mode :character
                                           Mode : character
##
    Mean
           : 136186
    3rd Qu.: 203375
##
```

There are no nulls and LYLTY_CARD_NBR is in the same format as in transaction dataframe. This is useful for establishing a relationship between the transaction and customer datasets.

Use a left join to merge transactionData and customerData into one dataframe called "data":

```
data <- merge(transactionData, customerData, all.x = TRUE)</pre>
```

summary(data)

```
LYLTY_CARD_NBR
                                               STORE_NBR
##
                            DATE
                                                                TXN_ID
##
                                                                           1
    Min.
          :
               1000
                       Min.
                              :2018-07-01
                                                            Min.
    1st Qu.: 70015
##
                       1st Qu.:2018-09-30
                                             1st Qu.: 70
                                                            1st Qu.:
                                                                       67564
##
    Median : 130360
                       Median :2018-12-30
                                             Median:130
                                                            Median : 135150
##
    Mean
           : 135524
                       Mean
                              :2018-12-30
                                             Mean
                                                    :135
                                                            Mean
                                                                   : 135126
                       3rd Qu.:2019-03-31
##
    3rd Qu.: 203081
                                             3rd Qu.:203
                                                            3rd Qu.: 202644
                                                     :272
##
    Max.
           :2373711
                       Max.
                              :2019-06-30
                                             Max.
                                                            Max.
                                                                   :2415841
##
       PROD NBR
                    PROD NAME
                                          PROD QTY
                                                          TOT SALES
                                                               : 1.700
##
    Min.
           : 1
                   Length:248230
                                      Min.
                                              :1.000
                                                        Min.
##
    1st Qu.: 27
                   Class : character
                                       1st Qu.:2.000
                                                        1st Qu.: 5.800
    Median: 52
##
                   Mode :character
                                       Median :2.000
                                                        Median : 7.400
##
    Mean
           : 56
                                       Mean
                                              :1.906
                                                        Mean
                                                               : 7.303
##
    3rd Qu.: 86
                                       3rd Qu.:2.000
                                                        3rd Qu.: 8.800
##
    Max.
           :114
                                              :5.000
                                                        Max.
                                                               :29.500
##
      PACK_SIZE
                        BRANDS
                                          LIFESTAGE
                                                             PREMIUM_CUSTOMER
##
           : 70.0
                    Length: 248230
                                         Length:248230
                                                             Length: 248230
    Min.
##
    1st Qu.:150.0
                     Class : character
                                         Class : character
                                                             Class : character
    Median :170.0
##
                     Mode :character
                                         Mode :character
                                                             Mode : character
##
    Mean
           :175.4
##
    3rd Qu.:175.0
##
    Max.
           :380.0
```

There are still no nulls, and there are the same number of rows as in the transactions data frame.

head(data)

##	LYLTY_CARD_NBR	DATE S	TORE_NBR TX	N_ID H	PROD_NBR		
## 1	1000 2	2018-10-17	1	1	5		
## 2	1002 2	2018-09-16	1	2	58		
## 3	1003 2	2019-03-08	1	4	106		
## 4	1003 2	2019-03-07	1	3	52		
## 5	1004 2	2018-11-02	1	5	96		
## 6	1005 2	2018-12-28	1	6	86		
##			PROD_NAME	PROD	_QTY TOT_	SALES	PACK_SIZE
## 1	Natural Chip	Compny	SeaSalt175g		2	6.0	175
	Red Rock Deli C						150
## 3	Natural ChipCo	Hony So	y Chckn175g		1	3.0	175
## 4	Grain Waves Sou						
## 5	WW Origi	nal Stacked	Chips 160g		1	1.9	160
## 6		Cheetos	Puffs 165g		1	2.8	165
##		RANDS			PREMIUM_	•	
## 1	Natural Chip Com	npany YOUNG	SINGLES/CO	UPLES		Premi	um
## 2	Red Rock	Deli YOUNG	SINGLES/CO	UPLES	Ma	instre	am
## 3	Natural Chip Com					Budg	get
## 4	Grain W	laves	YOUNG FAM	ILIES		Budg	get
## 5	Woolwo	orths OLDER	SINGLES/CO	UPLES	Ma	instre	am
## 6	Che	etos MIDAGE	SINGLES/CO	UPLES	Ma	instre	am

It is a successful join. Looks good!

DATA ANALYSIS ON CUSTOMER SEGMENTS

Define some metrics of interest to the client:

- 1. Who spends the most on chips (total sales), describing customers by lifestage and affluence?
- 2. How many customers are in each segment?
- 3. How many chips are bought per customer by segment?
- 4. What's the average chip price by customer segment?

1. Who spends the most on chips (total sales), describing customers by lifestage and affluence?

Total sales by LIFESTAGE:

```
data %>%
  group_by(LIFESTAGE) %>%
  summarise(sum_of_sales = sum(TOT_SALES)) %>%
  arrange(desc(sum_of_sales))
## # A tibble: 7 x 2
##
    LIFESTAGE
                             sum_of_sales
     <chr>
##
                                    <dbl>
## 1 OLDER SINGLES/COUPLES
                                  377381.
## 2 RETIREES
                                  343782.
## 3 OLDER FAMILIES
                                  330180
## 4 YOUNG FAMILIES
                                  296015.
## 5 YOUNG SINGLES/COUPLES
                                  244478.
## 6 MIDAGE SINGLES/COUPLES
                                  173392.
## 7 NEW FAMILIES
                                   47510.
```

There are 7 lifestage categories. Older Singles/Couples have the most sales.

Total sales by premium:

```
data %>%
  group_by(PREMIUM_CUSTOMER) %>%
  summarise(sum_of_sales = sum(TOT_SALES)) %>%
  arrange(desc(sum_of_sales))

## # A tibble: 3 x 2
## PREMIUM CUSTOMER sum of sales
```

There are 3 affluence levels. The Mainstream level has the most sales.

Total sales by customer segment (lifestage + premium as a combined column customer segment):

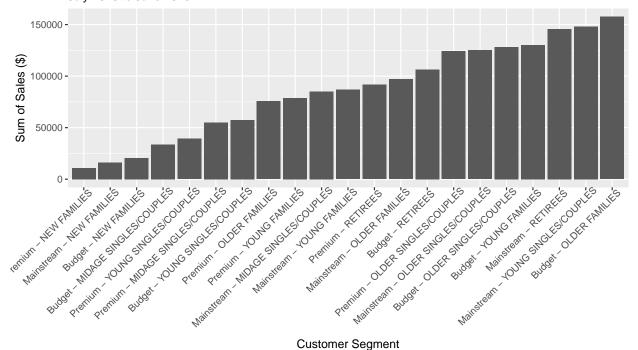
```
data$CUSTOMER_SEGMENT <- paste(data$PREMIUM_CUSTOMER, data$LIFESTAGE, sep=" - ")
salesCustomerSegment <- data %>%
  group_by(CUSTOMER_SEGMENT) %>%
  summarise(SUM_OF_SALES = sum(TOT_SALES))
salesCustomerSegment %>%
  arrange(desc(SUM_OF_SALES))
```

```
## # A tibble: 21 x 2
##
      CUSTOMER_SEGMENT
                                           SUM_OF_SALES
##
                                                  <dbl>
    1 Budget - OLDER FAMILIES
                                                157613.
##
##
    2 Mainstream - YOUNG SINGLES/COUPLES
                                                147999.
    3 Mainstream - RETIREES
##
                                                145837.
    4 Budget - YOUNG FAMILIES
##
                                                130352.
##
    5 Budget - OLDER SINGLES/COUPLES
                                                128130
##
    6 Mainstream - OLDER SINGLES/COUPLES
                                                125178.
##
    7 Premium - OLDER SINGLES/COUPLES
                                                124073.
    8 Budget - RETIREES
                                                106276
    9 Mainstream - OLDER FAMILIES
                                                 96927.
##
## 10 Premium - RETIREES
                                                 91669.
## # ... with 11 more rows
```

Top 3 Customer Segments with highest sales: Budget - Older Families, Mainstream - Young Singles/Couples, Mainstream - Retirees.

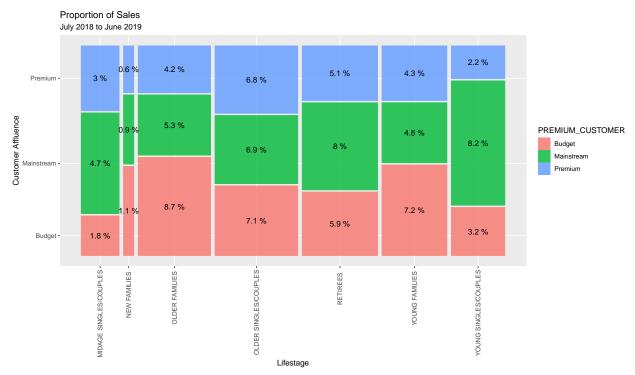
Visualize the above summary:

Total Sales by Customer Segment July 2018 to June 2019



It is easy to see from this column chart that the top 3 customer segments have much higher sales than the other customer segments.

Proportion of sales by customer segment (i.e. lifestage + affluence are separated):



The largest proportion of sales are coming from Budget - Older Families (8.7%), Mainstream - Young Singles/Couples (8.2%), and Mainstream - Retirees (8.1%).

Are the higher sales due to there being more customers in these customer segments?

2. How many customers are in each segment?

Count the number of customers by customer segment

```
countCustomerSegment <- data %>%
  select(c(LYLTY_CARD_NBR, CUSTOMER_SEGMENT))
countCustomerSegment <-
  distinct(countCustomerSegment, LYLTY_CARD_NBR, .keep_all = TRUE) %>%
  group_by(CUSTOMER_SEGMENT) %>%
  tally()
countCustomerSegment %>%
  arrange(desc(n))
```

A tibble: 21 x 2

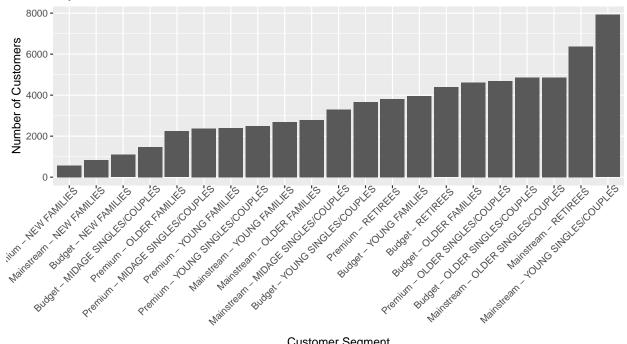
```
##
      CUSTOMER_SEGMENT
                                               n
##
      <chr>
                                           <int>
##
    1 Mainstream - YOUNG SINGLES/COUPLES
                                            7921
    2 Mainstream - RETIREES
                                            6369
##
##
    3 Mainstream - OLDER SINGLES/COUPLES
                                            4866
##
    4 Budget - OLDER SINGLES/COUPLES
                                            4856
    5 Premium - OLDER SINGLES/COUPLES
##
                                            4692
    6 Budget - OLDER FAMILIES
##
                                            4617
##
    7 Budget - RETIREES
                                            4387
##
    8 Budget - YOUNG FAMILIES
                                            3959
    9 Premium - RETIREES
                                            3818
## 10 Budget - YOUNG SINGLES/COUPLES
                                            3660
  # ... with 11 more rows
```

Top 2 Customer Segments with the most customers: Mainstream - Young Singles/Couples and Mainstream - Retirees. But not Budget - Older Families.

Visualize the above summary:

```
ggplot(countCustomerSegment) +
  geom_col(aes(x = reorder(CUSTOMER_SEGMENT, n), y = n)) +
  labs(x = "Customer Segment", y = "Number of Customers",
       title = "Number of Customers by Customer Segment",
       subtitle = "July 2018 to June 2019") +
  theme(axis.text.x = element_text(angle = 45, hjust = 0.95))
```

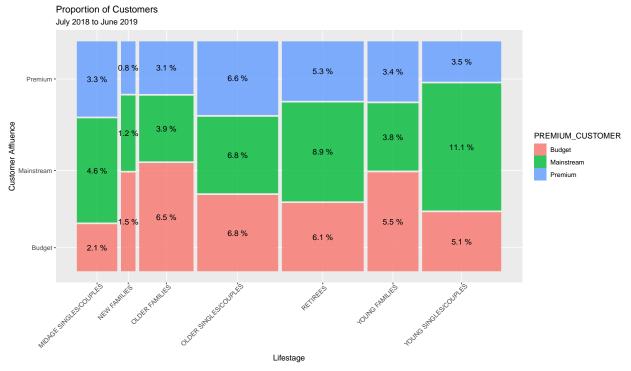
Number of Customers by Customer Segment July 2018 to June 2019



Customer Segment

It is easy to see from this column chart that the top 2 customer segments have much higher number of customers than the other customer segments.

Proportion of customers by customer segment:



The largest proportion of customers are coming from Mainstream - Young Singles/Couples (11.1%) and Mainstream - Retirees (8.9%). Budget - Older Families underwhelm in this category (6.5%).

The large number of customers in the Mainstream - Young Singles/Couples and Mainstream - Retirees segments contributes to their higher chips sales. This is not true for the Budget - Older Families segment, who incidentally have the highest chips sales. Since the Budget - Older Families segment prefers to purchase cheaper chips, one likely explanation is that they simply purchase more quantity of chips for their potentially larger family size. Older families tend to have larger family sizes (more children, and older children who can consume more chips than younger children). Therefore, is the quantity of chips purchased per transaction a major driver for chips sales?

3. How many chips are bought per customer by segment?

Find the average number of units per customer segment:

```
unitsCustomerSegment <- data %>%
  group_by(LYLTY_CARD_NBR, CUSTOMER_SEGMENT) %>%
  summarise(PROD_QTY = sum(PROD_QTY))
mean(unitsCustomerSegment$PROD_QTY)
```

[1] 6.625702

The population avg is 6.6 units (i.e. packages of chips per customer per year).

```
avgUnitsCustomerSegment <- unitsCustomerSegment %>%
  group_by(CUSTOMER_SEGMENT) %>%
  summarise(AVG = mean(PROD_QTY))
avgUnitsCustomerSegment %>%
  arrange(desc(AVG))
```

```
## # A tibble: 21 x 2
##
      CUSTOMER_SEGMENT
                                            AVG
##
      <chr>
                                          <dbl>
## 1 Mainstream - OLDER FAMILIES
                                           9.32
## 2 Budget - OLDER FAMILIES
                                           9.12
## 3 Premium - OLDER FAMILIES
                                           9.11
## 4 Budget - YOUNG FAMILIES
                                           8.77
## 5 Premium - YOUNG FAMILIES
                                           8.74
## 6 Mainstream - YOUNG FAMILIES
                                           8.68
## 7 Premium - OLDER SINGLES/COUPLES
                                           6.80
## 8 Budget - OLDER SINGLES/COUPLES
                                           6.79
## 9 Mainstream - OLDER SINGLES/COUPLES
                                           6.74
## 10 Mainstream - MIDAGE SINGLES/COUPLES
                                           6.46
## # ... with 11 more rows
```

I can see clearly from the tibble above that Older Families dominate the Top 3 in terms of average bags of chips per customer segment, and Young Families round out the Top 6.

Find the average of all Older Families segments:

```
olderFamilies <-
  dplyr::filter(avgUnitsCustomerSegment, grepl("OLDER FAMILIES", CUSTOMER_SEGMENT))
mean(olderFamilies$AVG)</pre>
```

[1] 9.183854

Older Families average 9.18 packages of chips per customer.

Find the average of all Young Families segments:

```
youngFamilies <-
dplyr::filter(avgUnitsCustomerSegment, grepl("YOUNG FAMILIES", CUSTOMER_SEGMENT))
mean(youngFamilies$AVG)</pre>
```

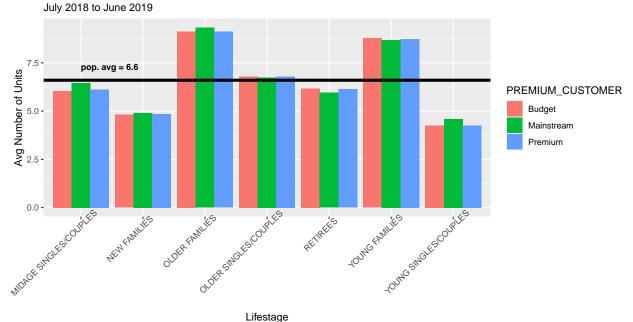
[1] 8.73142

Young Families average 8.73 packages of chips per customer.

```
unitsCustomerCluster <- data %>%
  group_by(LYLTY_CARD_NBR, LIFESTAGE, PREMIUM_CUSTOMER) %>%
  summarise(PROD_QTY = sum(PROD_QTY))
avgUnitsCustomerCluster <- unitsCustomerCluster %>%
  group_by(LIFESTAGE, PREMIUM_CUSTOMER) %>%
  summarise(AVG = mean(PROD_QTY))
ggplot(data = avgUnitsCustomerCluster,
```

```
aes(weight = AVG, x = LIFESTAGE, fill = PREMIUM_CUSTOMER)) +
geom_bar(position = position_dodge()) +
labs(x = "Lifestage", y = "Avg Number of Units",
    title = "Average Number of Units by Customer Segment",
    subtitle = "July 2018 to June 2019") +
theme(axis.text.x = element_text(angle = 45, hjust = 0.85)) +
geom_hline(yintercept = 6.6, color = "black", size = 1.5) +
annotate("text", label = "pop. avg = 6.6", x = "MIDAGE SINGLES/COUPLES", y = 7.3,
    color = "black", size = 3, hjust = "inward", fontface = "bold")
```

Average Number of Units by Customer Segment



Older Families buy the most units per customer (avg 9.18), followed by Young Families (avg 8.73). They are both well above the population average (6.6).

Since families have more people per household, it is logical that they purchase more packages of chips per customer in order to feed more people. Does the price of chips also affect total sales per customer segment?

4. What's the average chip price by customer segment?

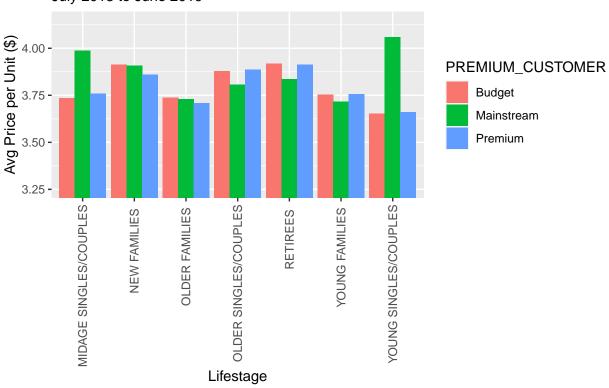
Find the average unit price per customer segment:

```
priceCustomerCluster <- data %>%
  group_by(PREMIUM_CUSTOMER, LIFESTAGE) %>%
  summarise(AVG = mean(TOT_SALES / PROD_QTY))
priceCustomerCluster %>%
  arrange(desc(AVG))
```

##	3	Budget	RETIREES	3.92
##	4	Budget	NEW FAMILIES	3.91
##	5	Premium	RETIREES	3.91
##	6	Mainstream	NEW FAMILIES	3.91
##	7	Premium	OLDER SINGLES/COUPLES	3.89
##	8	Budget	OLDER SINGLES/COUPLES	3.88
##	9	Premium	NEW FAMILIES	3.86
##	10	Mainstream	RETIREES	3.84
##	#	with 11 more	rows	

Top 2 Customer Segments with the highest average unit price: Mainstream - YOUNG SINGLES/COUPLES and Mainstream - MIDAGE SINGLES/COUPLES. How does this compare to their Budget and Premium counterparts?

Price per Unit July 2018 to June 2019



Mainstream - YOUNG SINGLES/COUPLES spent the most amount of money per unit (\$4.06) followed by Mainstream - MIDAGE SINGLES/COUPLES (\$3.99). Both of these segments vastly outperformed their Budget and Premium counterparts. One likely explanation is that premium chips purchasers may be more likely to purchase healthier snacks in general, thus leading them to only purchase snacks for guests and parties (i.e., they may only purchase cheaper chips brands for other people).

However, the difference in the prices on the graph are not large. The range of the graph is less than a dollar. So, are these average prices statistically different?

PERFORM INDEPENDENT T-TEST BASED ON AVERAGE UNIT PRICE BETWEEN:

"Mainstream - YOUNG and MIDAGE SINGLES/COUPLES" (i.e., the Mainstream segment) vs. "Budget and Premium - YOUNG and MIDAGE SINGLES/COUPLES" (i.e., the non-Mainstream segment)

In this t-test, the null hypothesis is that the Mainstream and non-Mainstream segments will have the same average price per unit. The alternative hyptosis is that these segments will not have same average price per unit.

Create a unit price column for the t-test

```
data$UNIT_PRICE = data$TOT_SALES / data$PROD_QTY
head(data)
```

```
DATE STORE NBR TXN ID PROD NBR
     LYLTY CARD NBR
##
## 1
               1000 2018-10-17
                                         1
                                                1
                                                         5
## 2
               1002 2018-09-16
                                                2
                                                        58
                                                4
                                                       106
## 3
               1003 2019-03-08
                                         1
                                                3
                                                        52
## 4
               1003 2019-03-07
                                         1
## 5
                                         1
                                                5
                                                        96
               1004 2018-11-02
               1005 2018-12-28
## 6
                                                6
                                                        86
##
                                   PROD NAME PROD QTY TOT SALES PACK SIZE
## 1 Natural Chip
                          Compny SeaSalt175g
                                                     2
                                                              6.0
                                                                        175
## 2 Red Rock Deli Chikn&Garlic Aioli 150g
                                                              2.7
                                                     1
                                                                        150
## 3 Natural ChipCo
                          Hony Soy Chckn175g
                                                     1
                                                              3.0
                                                                        175
                           Cream&Chives 210G
                                                     1
## 4
     Grain Waves Sour
                                                              3.6
                                                                        210
## 5
             WW Original Stacked Chips 160g
                                                     1
                                                              1.9
                                                                        160
## 6
                          Cheetos Puffs 165g
                                                     1
                                                              2.8
                                                                        165
##
                    BRANDS
                                         LIFESTAGE PREMIUM_CUSTOMER
                            YOUNG SINGLES/COUPLES
## 1 Natural Chip Company
                                                             Premium
            Red Rock Deli
                            YOUNG SINGLES/COUPLES
## 2
                                                         Mainstream
## 3 Natural Chip Company
                                   YOUNG FAMILIES
                                                              Budget
              Grain Waves
                                   YOUNG FAMILIES
                                                              Budget
## 4
## 5
               Woolworths
                           OLDER SINGLES/COUPLES
                                                         Mainstream
## 6
                  Cheetos MIDAGE SINGLES/COUPLES
                                                         Mainstream
                         CUSTOMER SEGMENT UNIT PRICE
##
         Premium - YOUNG SINGLES/COUPLES
## 1
                                                  3.0
## 2
      Mainstream - YOUNG SINGLES/COUPLES
                                                  2.7
## 3
                 Budget - YOUNG FAMILIES
                                                  3.0
## 4
                 Budget - YOUNG FAMILIES
                                                  3.6
      Mainstream - OLDER SINGLES/COUPLES
## 5
                                                  1.9
## 6 Mainstream - MIDAGE SINGLES/COUPLES
                                                  2.8
```

Create values that represent the Mainstream and non-Mainstream segments:

```
target1 <- c("Mainstream - YOUNG SINGLES/COUPLES", "Mainstream - MIDAGE SINGLES/COUPLES")
target2 <- c("Budget - YOUNG SINGLES/COUPLES", "Budget - MIDAGE SINGLES/COUPLES",</pre>
```

```
"Premium - YOUNG SINGLES/COUPLES", "Premium - MIDAGE SINGLES/COUPLES")

tMainstreamYMASC <- data %>%
    select(c(CUSTOMER_SEGMENT, UNIT_PRICE)) %>%
    filter(CUSTOMER_SEGMENT %in% target1)
mean(tMainstreamYMASC$UNIT_PRICE)

## [1] 4.033359
```

The average unit price for the Mainstream segment is \$4.03.

```
tBudgetPremiumYMASC <- data %>%
select(c(CUSTOMER_SEGMENT, UNIT_PRICE)) %>%
filter(CUSTOMER_SEGMENT %in% target2)
mean(tBudgetPremiumYMASC$UNIT_PRICE)
```

```
## [1] 3.699402
```

The average unit price for the non-Mainstream segment is \$3.70

The Mainstream segment has a higher average unit price than the non-Mainstream segment.

Conduct the t-test:

Since the p-value is less than 0.05, I reject the null hypothesis.

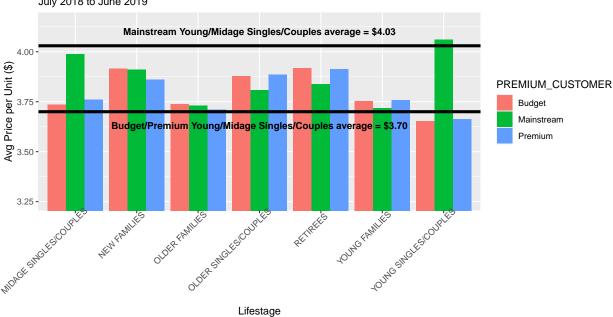
In other words, the mean values of the Mainstream segment's average unit prices and the non-Mainstream segment's average unit prices are significantly different.

In conclusion, the Mainstream segment's average unit prices (\$4.03) are statistically and significantly higher than the non-Mainstream segment's average unit prices (\$3.70).

Recall the previous plot to visualize this conclusion:

```
ggplot(data = priceCustomerCluster,
    aes(weight = AVG, x = LIFESTAGE, fill = PREMIUM_CUSTOMER)) +
geom_bar(position = position_dodge()) +
labs(x = "Lifestage", y = "Avg Price per Unit ($)", title = "Price per Unit",
    subtitle = "July 2018 to June 2019") +
theme(axis.text.x = element_text(angle = 45, hjust = 0.9)) +
coord_cartesian(ylim = c(3.25, 4.15)) +
geom_hline(yintercept = 4.03, color = "black", size = 1.5) +
```

Price per Unit July 2018 to June 2019



AFFINITY ANALYSIS ON TARGET CUSTOMER SEGMENT

The Mainstream - YOUNG SINGLES/COUPLES customer segment is a significant customer segment as it is near the top of many of my analyses thus far, including the t-test conclusion. I will dive deeper into this customer segment through brand and pack size affinity analysis (i.e., brand preference and pack size preference).

Do Mainstream - YOUNG SINGLES/COUPLES prefer certain brands more than others?

For this analysis, the Mainstream - YOUNG SINGLES/COUPLES is the "Target Segment", and all other customer segments are the "Other Segments".

Create values that represent that Mainstream - YOUNG SINGLES/COUPLES segment:

```
target3 <- c("Mainstream - YOUNG SINGLES/COUPLES")
```

Find the product quantity by brand purchased by the Target Segment:

```
brandsMainstreamYSC <- data %>%
  filter(CUSTOMER_SEGMENT %in% target3) %>%
  group_by(BRANDS) %>%
  summarise(PROD_QTY = sum(PROD_QTY))
tibble(brandsMainstreamYSC) %>%
  arrange(desc(PROD_QTY))
```

```
## # A tibble: 20 x 2
##
      BRANDS
                           PROD_QTY
      <chr>
##
                               <int>
  1 Kettle
##
                                7172
##
    2 Doritos
                                4447
##
  3 Pringles
                                4326
  4 Smith's
                                3479
## 5 Infuzions
                                2343
##
   6 Thins
                                2187
## 7 Red Rock Deli
                                1753
## 8 Twisties
                                1673
## 9 Tostitos
                                1645
## 10 Cobs
                                1617
## 11 Grain Waves
                                1185
## 12 Tyrrells
                                1143
## 13 Woolworths
                                 873
## 14 Natural Chip Company
                                 710
## 15 Cheezels
                                 651
## 16 CCs
                                 405
## 17 Cheetos
                                 291
## 18 Sunbites
                                 230
## 19 French
                                 143
                                 106
## 20 Burger
```

Find the product quantity by brand purchased by the Other Segments:

```
brandsOtherSegments <- data %>%
  filter(!(CUSTOMER_SEGMENT %in% target3)) %>%
  group_by(BRANDS) %>%
  summarise(PROD_QTY = sum(PROD_QTY))
tibble(brandsOtherSegments) %>%
  arrange(desc(PROD_QTY))
```

```
## # A tibble: 20 x 2
##
      BRANDS
                            PROD_QTY
##
      <chr>
                               <int>
##
  1 Kettle
                               71879
##
   2 Smith's
                               54150
## 3 Doritos
                               43884
## 4 Pringles
                               43693
## 5 Red Rock Deli
                               31893
## 6 Infuzions
                               24776
## 7 Thins
                               24742
## 8 Woolworths
                               21460
                               16954
## 9 Cobs
## 10 Tostitos
                               16489
## 11 Twisties
                               16445
## 12 Grain Waves
                               13541
## 13 Natural Chip Company
                               13396
## 14 Tyrrells
                               11155
## 15 CCs
                                8204
## 16 Cheezels
                                8096
## 17 Sunbites
                                5462
## 18 Cheetos
                                5239
## 19 Burger
                                2864
```

20 French 2500

For the Target Segment, calculate the proportion of each brand purchased against all other brands purchased:

```
quantity_brandsMainstreamYSC <- brandsMainstreamYSC %>%
  summarise(BRANDS, TARGET_SEGMENT = PROD_QTY / sum(PROD_QTY))
tibble(quantity_brandsMainstreamYSC) %>%
  arrange(desc(TARGET_SEGMENT))
```

```
## # A tibble: 20 x 2
##
      BRANDS
                           TARGET SEGMENT
##
      <chr>
                                     <dbl>
##
  1 Kettle
                                   0.197
                                   0.122
## 2 Doritos
## 3 Pringles
                                   0.119
## 4 Smith's
                                   0.0956
## 5 Infuzions
                                   0.0644
##
  6 Thins
                                   0.0601
   7 Red Rock Deli
##
                                   0.0482
##
  8 Twisties
                                   0.0460
## 9 Tostitos
                                   0.0452
## 10 Cobs
                                   0.0444
## 11 Grain Waves
                                   0.0326
## 12 Tyrrells
                                   0.0314
## 13 Woolworths
                                   0.0240
## 14 Natural Chip Company
                                   0.0195
## 15 Cheezels
                                   0.0179
## 16 CCs
                                   0.0111
## 17 Cheetos
                                   0.00800
## 18 Sunbites
                                   0.00632
## 19 French
                                   0.00393
## 20 Burger
                                   0.00291
```

For the Other Segments, calculate the proportion of each brand purchased against all other brands purchased:

```
quantity_brandsOtherSegments <- brandsOtherSegments %>%
summarise(BRANDS, OTHER_SEGMENTS = PROD_QTY / sum(PROD_QTY))
tibble(quantity_brandsOtherSegments) %>%
arrange(desc(OTHER_SEGMENTS))
```

```
## # A tibble: 20 x 2
##
      BRANDS
                           OTHER_SEGMENTS
##
      <chr>
                                     <dbl>
##
   1 Kettle
                                   0.165
##
    2 Smith's
                                   0.124
## 3 Doritos
                                   0.100
  4 Pringles
                                   0.100
## 5 Red Rock Deli
                                   0.0730
    6 Infuzions
                                   0.0567
  7 Thins
##
                                   0.0566
  8 Woolworths
                                   0.0491
## 9 Cobs
                                   0.0388
## 10 Tostitos
                                   0.0377
## 11 Twisties
                                   0.0376
## 12 Grain Waves
                                   0.0310
## 13 Natural Chip Company
                                   0.0307
```

```
## 14 Tyrrells 0.0255
## 15 CCs 0.0188
## 16 Cheezels 0.0125
## 17 Sunbites 0.0125
## 18 Cheetos 0.0120
## 19 Burger 0.00656
## 20 French 0.00572
```

Merge these proportions into one data frame and calculate the brand affinity:

##		BRANDS	TARGET_SEGMENT	OTHER_SEGMENTS	AFFINITY_TO_BRAND
##	1	Tyrrells	0.031419225	0.025536717	1.2303549
##	2	Twisties	0.045988070	0.037646913	1.2215628
##	3	Doritos	0.122240853	0.100461973	1.2167873
##	4	Kettle	0.197146706	0.164549862	1.1980971
##	5	Tostitos	0.045218395	0.037747641	1.1979131
##	6	Pringles	0.118914759	0.100024724	1.1888537
##	7	Cobs	0.044448720	0.038812148	1.1452270
##	8	Infuzions	0.064405289	0.056718755	1.1355201
##	9	Thins	0.060117101	0.056640920	1.0613722
##	10	Grain Waves	0.032573738	0.030998897	1.0508031
##	11	Cheezels	0.017894939	0.018533865	0.9655266
##	12	Smith's	0.095632095	0.123963537	0.7714534
##	13	French	0.003930839	0.005723155	0.6868308
##	14	Cheetos	0.007999120	0.011993444	0.6669578
##	15	Red Rock Deli	0.048187141	0.073011433	0.6599945
##	16	Natural Chip Company	0.019516754	0.030666954	0.6364099
##	17	CCs	0.011132796	0.018781105	0.5927658
##	18	Sunbites	0.006322329	0.012503949	0.5056266
##	19	Woolworths	0.023997361	0.049127562	0.4884704
##	20	Burger	0.002913769	0.006556446	0.4444128

Mainstream - YOUNG SINGLES/COUPLES are 23% more likely to purchase Tyrrells chips compared to the rest of the population

Mainstream - YOUNG SINGLES/COUPLES are 56% less likely to purchase Burger Rings compared to the rest of the population

Do Mainstream - YOUNG SINGLES/COUPLES prefer certain pack sizes more than others?

I will perform similar steps here as the previous brand affinity analysis, and use the same Target Segment and Other Segments.

Find the product quantity by pack size purchased by the Target Segment:

```
packMainstreamYSC <- data %>%
  filter(CUSTOMER_SEGMENT %in% target3) %>%
  group_by(PACK_SIZE) %>%
  summarise(PROD_QTY = sum(PROD_QTY))
tibble(packMainstreamYSC) %>%
  arrange(desc(PROD_QTY))
```

```
## # A tibble: 20 x 2
##
      PACK_SIZE PROD_QTY
                     <int>
##
           <dbl>
##
             175
                      9237
    1
##
    2
             150
                      5863
##
    3
             134
                      4326
##
    4
             110
                      3850
    5
             170
                      2926
##
##
    6
             330
                      2220
##
    7
             165
                      2016
##
    8
             380
                      1165
             270
##
    9
                      1153
## 10
                      1055
             210
## 11
             135
                       535
## 12
             250
                       520
## 13
             200
                       325
## 14
             190
                       271
## 15
             160
                       232
## 16
              90
                       230
## 17
             180
                       130
## 18
              70
                       110
## 19
             125
                       109
## 20
             220
                       106
```

Find the product quantity by pack size purchased by the Other Segments:

```
packOtherSegments <- data %>%
  filter(!(CUSTOMER_SEGMENT %in% target3)) %>%
  group_by(PACK_SIZE) %>%
  summarise(PROD_QTY = sum(PROD_QTY))
tibble(packOtherSegments) %>%
  arrange(desc(PROD_QTY))
```

```
## # A tibble: 20 x 2
##
      PACK_SIZE PROD_QTY
                     <int>
##
           <dbl>
##
    1
             175
                    117230
    2
             150
##
                     73601
##
    3
             134
                     43693
    4
                     38985
##
             110
##
    5
             170
                     35162
##
    6
             165
                     27035
##
    7
             330
                     21779
##
    8
             380
                     11108
##
    9
             210
                     10907
## 10
             270
                     10896
## 11
             200
                      8100
## 12
             135
                      5677
## 13
             250
                      5549
## 14
              90
                      5462
## 15
             190
                      5402
## 16
             160
                      5372
## 17
             220
                      2864
## 18
              70
                      2745
## 19
             180
                      2634
```

```
## 20 125 2621
```

For the Target Segment, calculate the proportion of each pack size purchased against all other pack sizes purchased:

```
quantity_packMainstreamYSC <- packMainstreamYSC %>%
  summarise(PACK_SIZE, TARGET_SEGMENT = PROD_QTY / sum(PROD_QTY))
tibble(quantity_packMainstreamYSC) %>%
  arrange(desc(TARGET_SEGMENT))
```

```
## # A tibble: 20 x 2
##
      PACK_SIZE TARGET_SEGMENT
##
           <dbl>
                            <dbl>
                          0.254
##
    1
             175
    2
             150
                          0.161
##
##
    3
             134
                          0.119
##
    4
                          0.106
             110
##
    5
             170
                          0.0804
##
    6
             330
                         0.0610
##
    7
             165
                          0.0554
##
    8
             380
                          0.0320
             270
##
    9
                          0.0317
## 10
             210
                          0.0290
## 11
             135
                          0.0147
## 12
             250
                          0.0143
             200
## 13
                          0.00893
## 14
             190
                          0.00745
             160
                          0.00638
## 15
## 16
              90
                          0.00632
## 17
             180
                          0.00357
## 18
              70
                          0.00302
## 19
             125
                          0.00300
## 20
             220
                          0.00291
```

For the Other Segments, calculate the proportion of each pack size purchased against all other pack sizes purchased:

```
quantity_packOtherSegments <- packOtherSegments %>%
  summarise(PACK_SIZE, OTHER_SEGMENTS = PROD_QTY / sum(PROD_QTY))
tibble(quantity_packOtherSegments) %>%
  arrange(desc(OTHER_SEGMENTS))
```

```
## # A tibble: 20 x 2
##
      PACK_SIZE OTHER_SEGMENTS
##
           <dbl>
                            <dbl>
##
    1
             175
                         0.268
##
    2
             150
                         0.168
##
    3
             134
                         0.100
##
    4
             110
                         0.0892
    5
##
             170
                         0.0805
##
    6
             165
                         0.0619
##
    7
             330
                         0.0499
##
    8
             380
                         0.0254
##
    9
             210
                         0.0250
## 10
             270
                         0.0249
             200
## 11
                         0.0185
```

```
## 12
             135
                         0.0130
## 13
             250
                         0.0127
                         0.0125
## 14
              90
## 15
             190
                         0.0124
## 16
             160
                         0.0123
## 17
             220
                         0.00656
## 18
              70
                         0.00628
                         0.00603
## 19
             180
## 20
             125
                         0.00600
```

Merge these proportions into one data frame and calculate the pack size affinity:

##		PACK_SIZE	TARGET_SEGMENT	OTHER_SEGMENTS	AFFINITY_TO_PACK_SIZE
##	1	270	0.031694109	0.024943799	1.2706208
##	2	380	0.032023970	0.025429122	1.2593423
##	3	330	0.061024217	0.049857837	1.2239644
##	4	134	0.118914759	0.100024724	1.1888537
##	5	110	0.105830287	0.089246879	1.1858150
##	6	210	0.029000247	0.024968981	1.1614510
##	7	135	0.014706287	0.012996140	1.1315888
##	8	250	0.014293961	0.012703115	1.1252328
##	9	170	0.080431018	0.080495030	0.9992048
##	10	150	0.161164408	0.168491972	0.9565109
##	11	175	0.253910223	0.268370183	0.9461194
##	12	165	0.055416586	0.061890198	0.8954017
##	13	190	0.007449353	0.012366593	0.6023771
##	14	180	0.003573490	0.006029916	0.5926269
##	15	160	0.006377306	0.012297915	0.5185680
##	16	90	0.006322329	0.012503949	0.5056266
##	17	125	0.002996234	0.006000156	0.4993594
##	18	200	0.008933726	0.018543022	0.4817837
##	19	70	0.003023722	0.006284024	0.4811761
##	20	220	0.002913769	0.006556446	0.4444128

Mainstream - YOUNG SINGLES/COUPLES are 27% more likely to purchase a 270g pack of chips compared to the rest of the population

WHAT BRANDS SELL THIS PACK SIZE?

Find out if there is correlation between brand affinity and pack size affinity:

```
data %>%
  group_by(PROD_NAME) %>%
  distinct(PACK_SIZE) %>%
  filter(PACK_SIZE == 270)
```

```
## # A tibble: 2 x 2
## # Groups: PROD_NAME [2]
```

PROD_NAME PACK_SIZE

 Twisties are the only brand offering 270g packs and so this may instead be reflecting a higher likelihood of purchasing Twisties. Mainstream - YOUNG SINGLES/COUPLES are 22% more likely to purchase Twisties, so this may explain a correlation between brand affinity and pack size affinity.

EXPORT MERGED DATA AS CSV FOR TASK 2 AND 3

write.csv(data, "C:/Users/garci/OneDrive/Desktop/Data Analysis Education/Forage Virtual Internships/Quan

INSIGHTS:

- Sales increased by 22% during the Christmas sales peak.
- The majority of chips transactions involved pack sizes between 150-200g.
- Kettle is by far the best selling brand with nearly 80k products sold. Smith's is 2nd best with just under 60k sold. Pringles and Doritos are roughly tied at 3rd with just under 50k products sold.
- The week leading up to Christmas reflects the general year-long brand trend with Kettle, Smith's, Doritos, and Pringles producing overwhelming sales. Thins and Twisties showed the most improvement.
- Pack sizes purchased during the Christmas sales peak also reflect the general year-long trend: customers prefer pack sizes between 150-200g. In this case, customers overwhelmingly purchased 175g pack sizes (over 3000 sold in one week), as well as the slightly smaller 150g pack size (1800 sold in one week). Somewhat surprisingly, customers did not prefer packages of a size larger than 200g. Perhaps customers were more interested in purchasing a variety of chips brands during the holidays (in order to satisfy different people's tastes), and therefore stuck with a more mainstream pack size for each brand.
- The largest proportion of sales are coming from Budget Older Families (8.7%), Mainstream Young Singles/Couples (8.2%), and Mainstream Retirees (8.1%).
- The large number of customers in the Mainstream Young Singles/Couples and Mainstream Retirees segments contributes to their higher chips sales. This is not true for the Budget Older Families segment, who incidentally have the highest chips sales. Since the Budget Older Families segment prefers to purchase cheaper chips, one likely explanation is that they simply purchase more quantity of chips for their potentially larger family size. Older families tend to have larger family sizes (more children, and older children who can consume more chips than younger children).
- Older Families buy the most units per customer (avg 9.18), followed by Young Families (avg 8.73). They are both well above the population average (6.6). Since families have more people per household, it is logical that they purchase more packages of chips per customer in order to feed more people.
- Mainstream YOUNG SINGLES/COUPLES spent the most amount of money per unit (\$4.06) followed by Mainstream MIDAGE SINGLES/COUPLES (\$3.99). Both of these segments vastly outperformed their Budget and Premium counterparts. One likely explanation is that premium chips purchasers may be more likely to purchase healthier snacks in general, thus leading them to only purchase snacks for guests and parties (i.e., they may only purchase cheaper chips brands for other people).
- The Mainstream segment's average unit prices (\$4.03) are statistically and significantly higher than the non-Mainstream segment's average unit prices (\$3.70).
- Target customer segment: Mainstream YOUNG SINGLES/COUPLES (they are near the top of majority of analyses).
- Mainstream YOUNG SINGLES/COUPLES are 23% more likely to purchase Tyrrells chips compared to the rest of the population.

- Mainstream YOUNG SINGLES/COUPLES are 56% less likely to purchase Burger Rings compared to the rest of the population.
- Mainstream YOUNG SINGLES/COUPLES are 27% 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. Mainstream YOUNG SINGLES/COUPLES are 22% more likely to purchase Twisties, so this may explain a correlation between brand affinity and pack size affinity.

COMMERCIAL RECOMMENDATIONS:

- Kettles, Smith's, Pringles, and Doritos are by far the best selling brands. These should be kept well in stock year-round.
- Thins and Twisties show a slight sales improvement prior to Christmas. This could be useful for promoting them during the holiday season.
- Since customers continue to purchase the standard 150-200g pack sizes during the Christmas sales peak, there could be more promotional offers on pack sizes of 200g+.
- Twisties could also be off-located in other parts of the store that mainstream young singles/couples are likely to be shopping.
- Similarly, other top brands with large pack size like Doritos can be offlocated in same location as Twisties to increase sales.
- It's possible that large pack size brands like Smiths and Cheezels could see an uptick if also offlocated to similar parts of the store.