September 2023

Category review: Chips

Retail Analytics

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

Privacy

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

Security

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

Ethical use of data

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

We all have a responsibility to use data for good

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

Executive summary

01 **Chip category analytics**

- Chips sales peaked before Christmas
- Budget Older Families, Mainstream Retirees, Mainstream Young Singles/Couples are 3 group with the most sales
- Kettle is the favorite among customers. Doritos, Smiths and Pringles also generated good sales
- Package sizes of 110g to 175g take up a large proportion of sales but this maybe due to the size of favorite brand offered

02 **Trial store performance**

- 3 trial stores and 3 corresponding control stores were selected for experimenting the effect of new layout
- Their performance were compared. The trial stores experienced significant uplift from the new store layout

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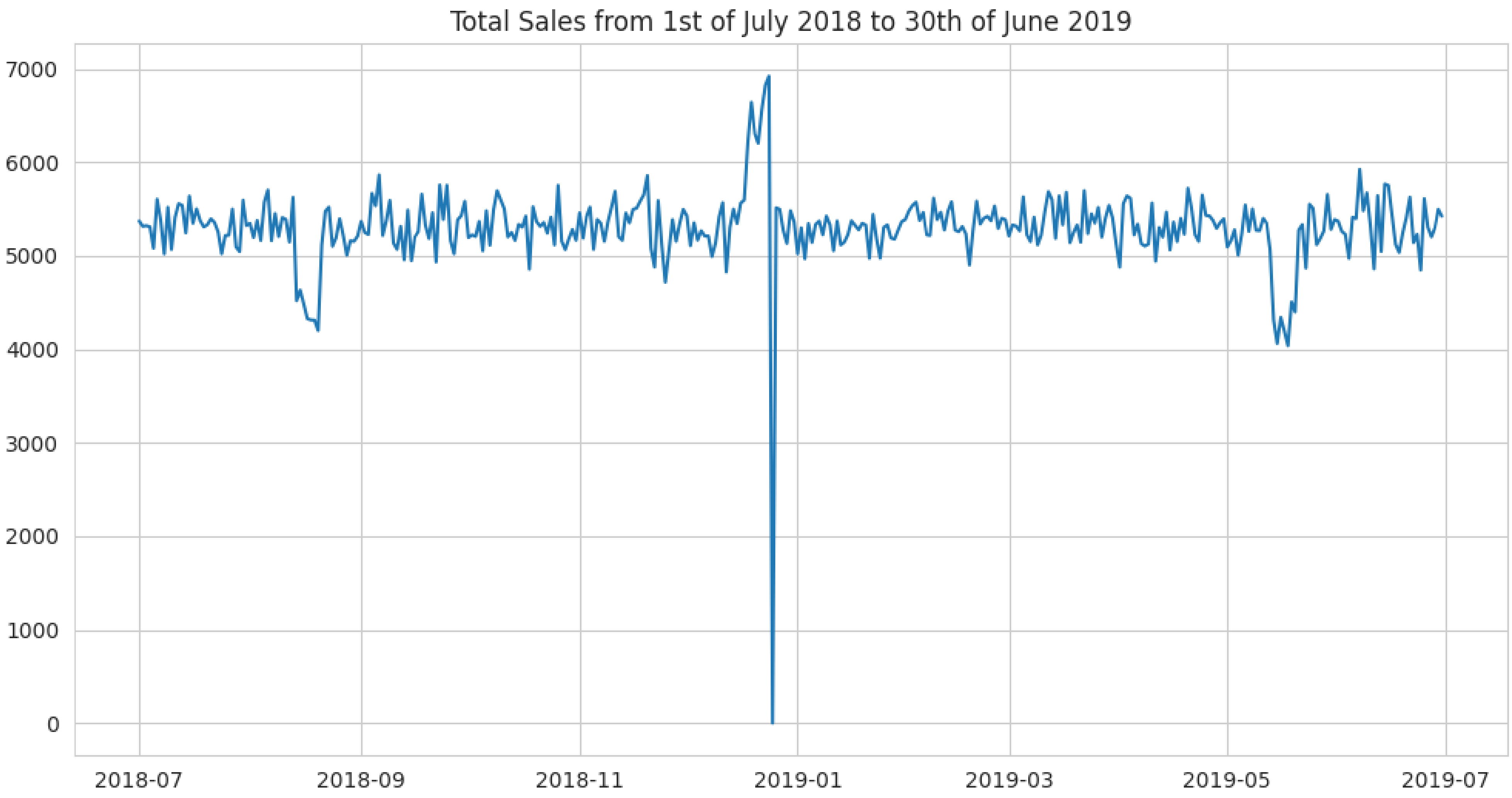
01

Chip Category Analytics



- Sales plummeted in mid-August 2018 and mid-June 2019
- Sales peaked for a short period before Christmas and there was no sale on Christmas day. This maybe because the shops were closed on Christmas day.

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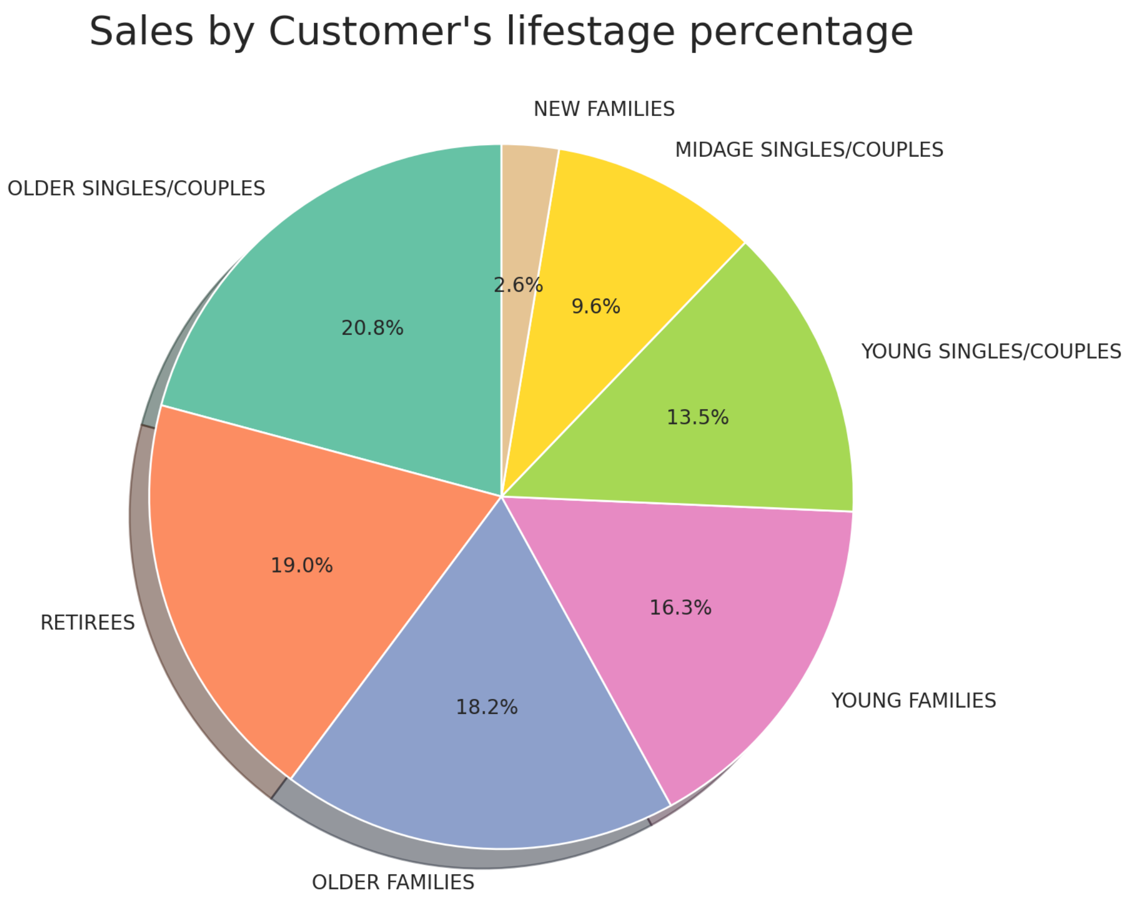
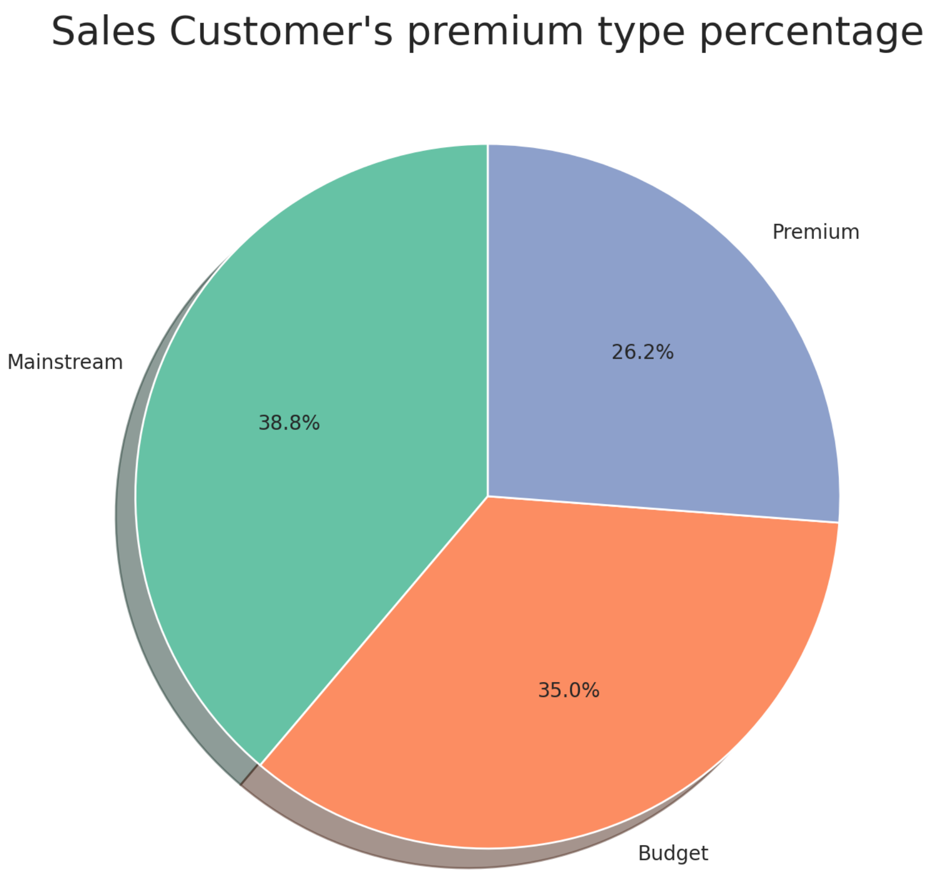
- Older customers spend more on chips with roughly 60% of sales
- Mainstream type take up the largest proportion with nearly 40% of overall sales





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- For the Young Singles/Couples, Midage Singles/Couples and Retirees: Mainstream type is the majority.
- Young Families amd Older Families seemed to prefer to be on budget. OLDER SINGLES/COUPLES have pretty the same sales regardless of member type.
- Budget Older Families, Mainstream Retirees, Mainstream Young Singles/Couples are 3 group with the most sales

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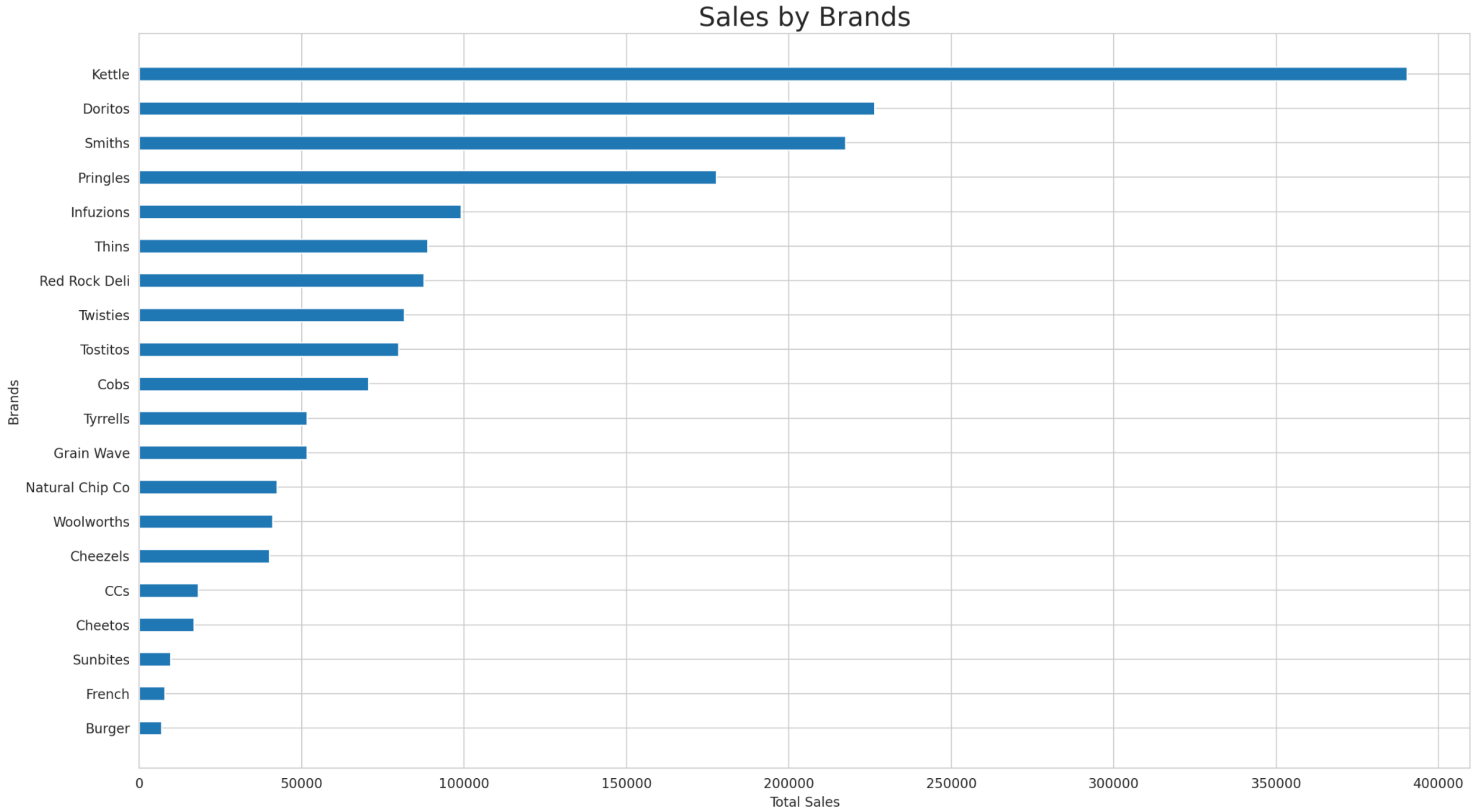
- Kettle wins by a big margin as customer's favorites chips. Doritos, Smiths and Pringles also had good sales
- The company maybe should concentrate more on these product and drop other low-sale one such as Burger, French, Sunbites, Cheetos and CCs.



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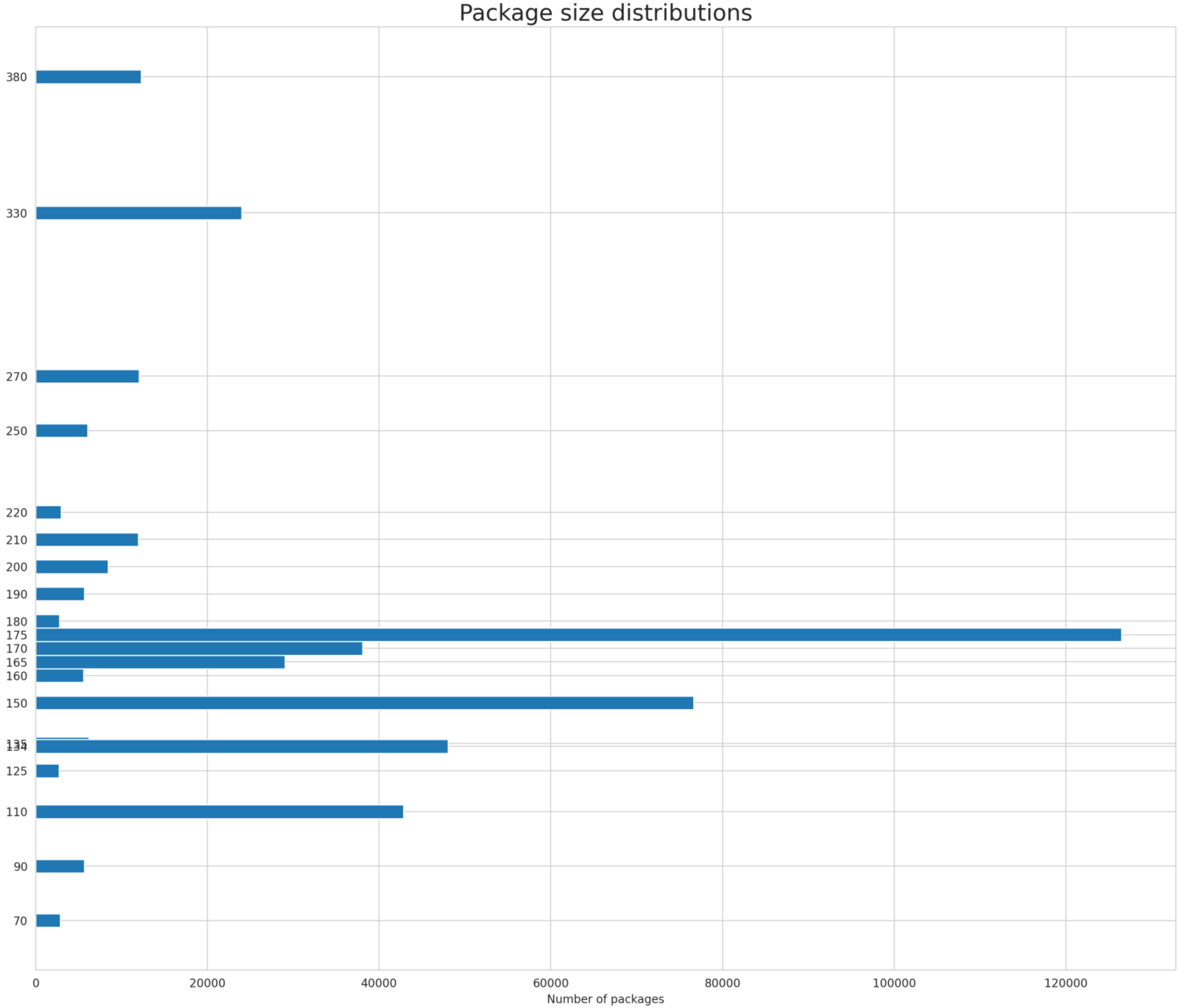
The customers seemed to prefer smaller package size from 110g to 175g which is also the size of the favorite Kettle brand. Package size maybe isn't a big of an influence as brand.



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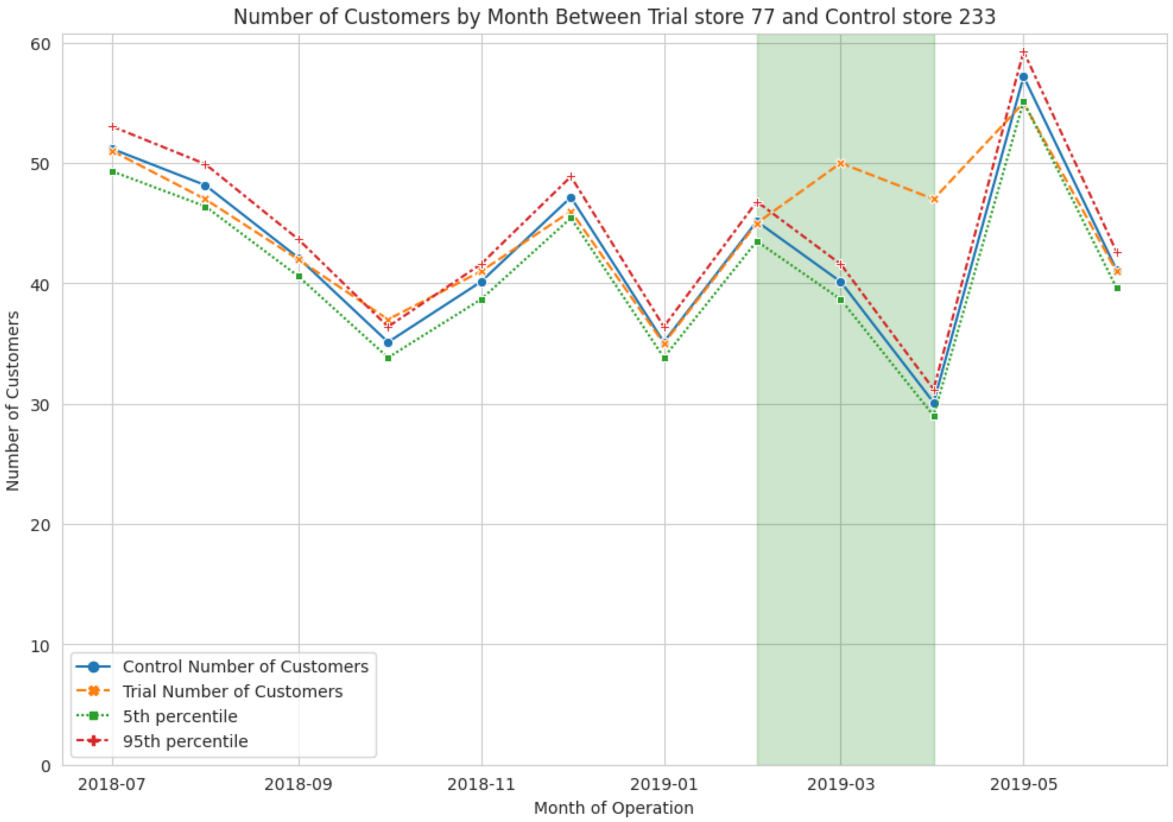
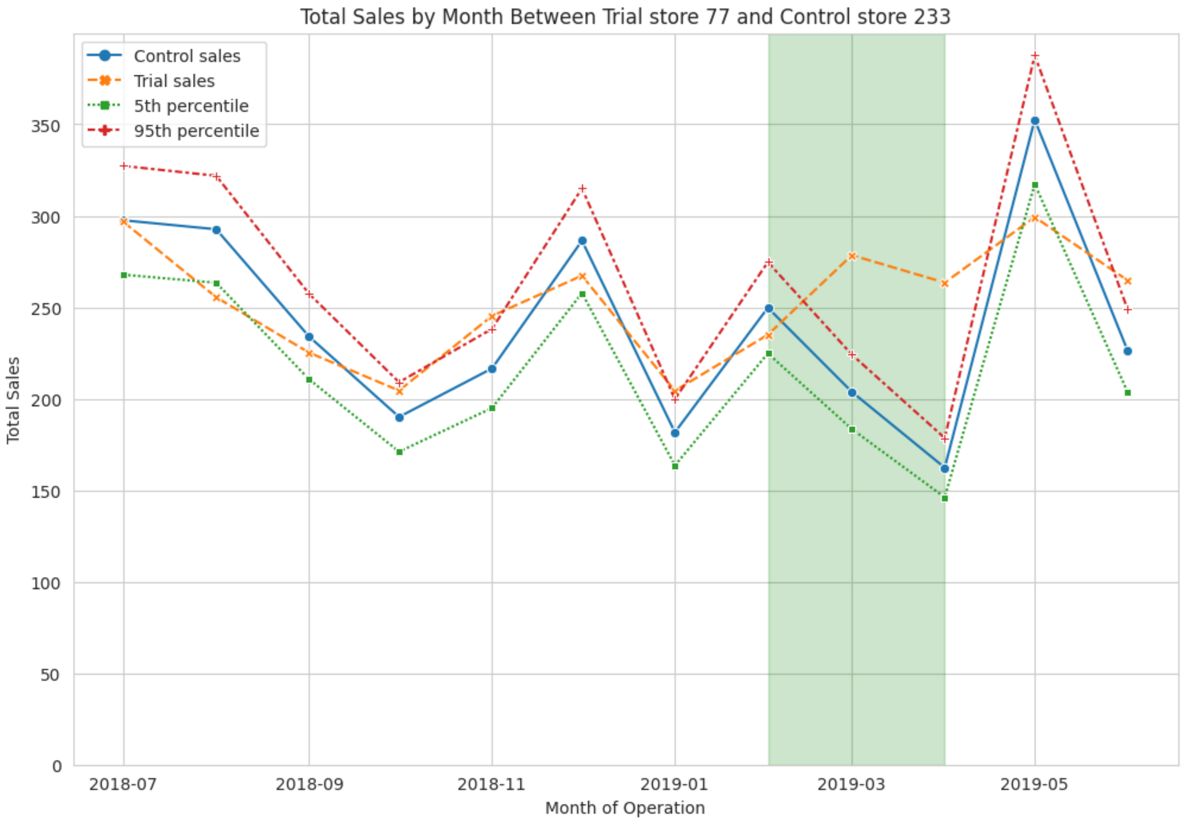
Trial store performance

How to choose control stores?

- Control store is seleted by:
  - Comparing Monthly Sales and Monthly Customer
  - From 2018-07-01 to 2019-06-30 (before the trial period)
  - Based on Pearson’s correlation and Magnitude difference.
- Control stores for:
  - Trial stores 77 is store 233
  - Trial stores 86 is store 155
  - Trial stores 88 is store 237

Trial store 77 performance





- Trial store 77 saw a statistically significant increase in Total Sales and Number of Customers visit in 2/3 months of trial period (March and April).
- After the trial the Sales and Number of Customers is not statistically different from the control store.

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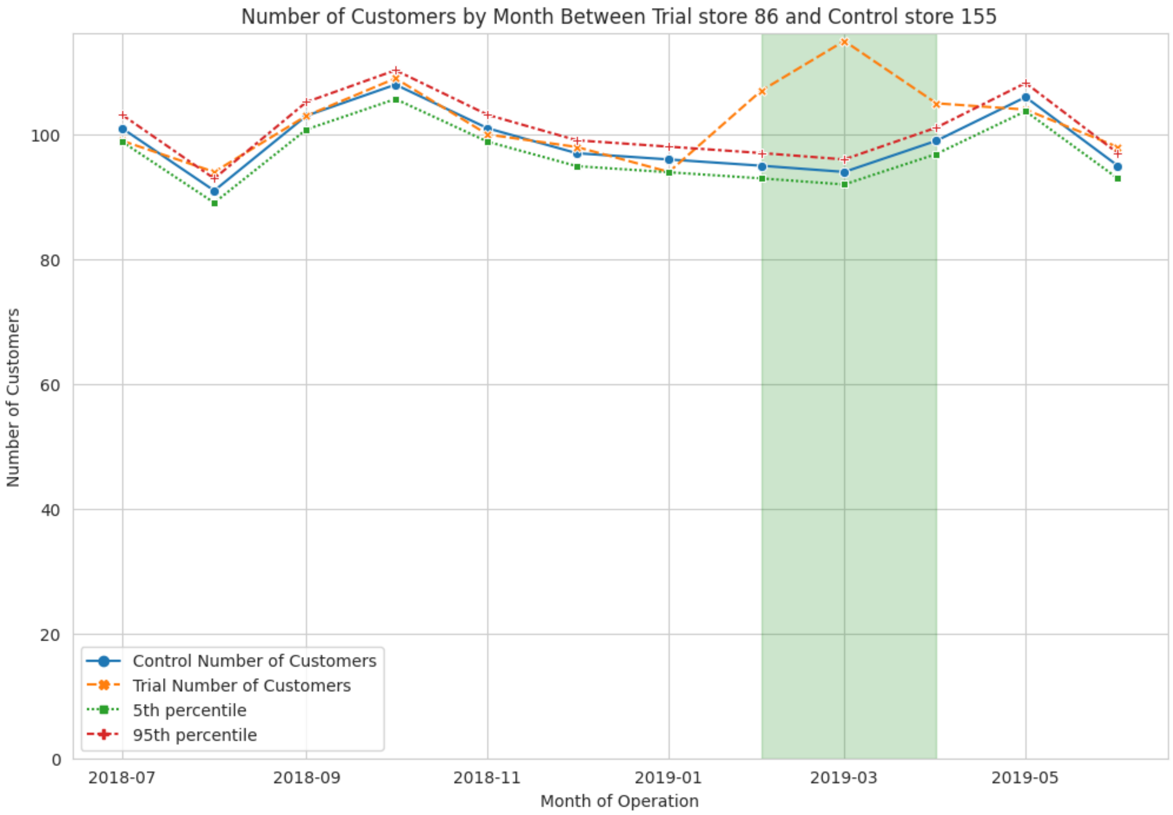
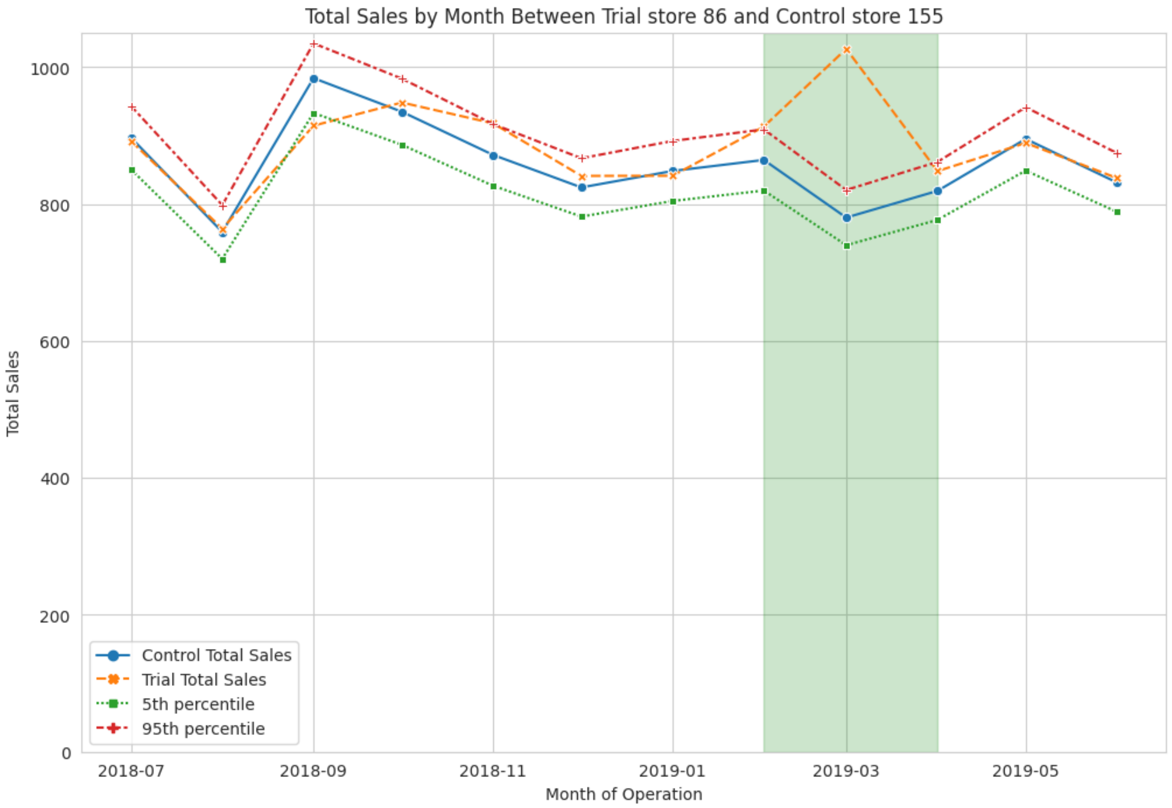
Trial store 86 performance





- Trial store 86 saw a statistically significant increase in Number of Customers visit in all 3 months of trial period. Total Sales, however, only experienced a slight increase in February and a surge in March.
- After the trial the Sales and Number of Customers is not statistically different from the control store.

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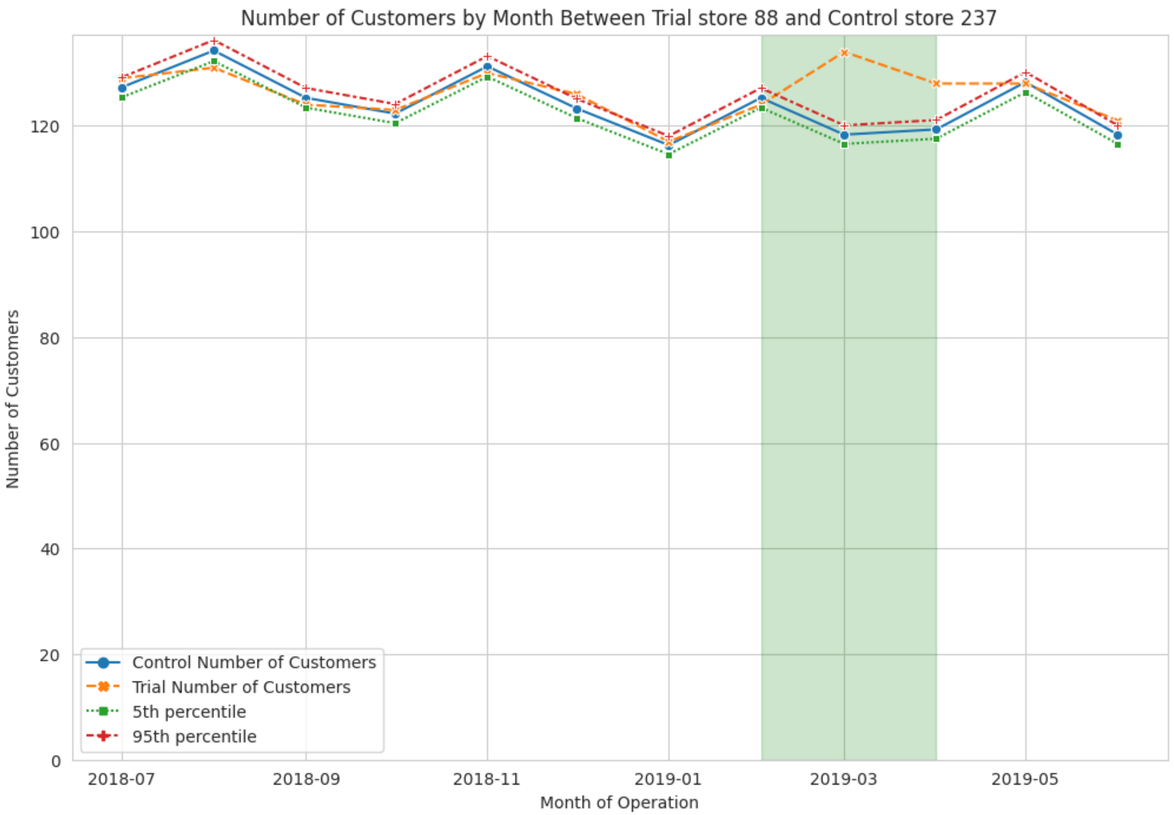
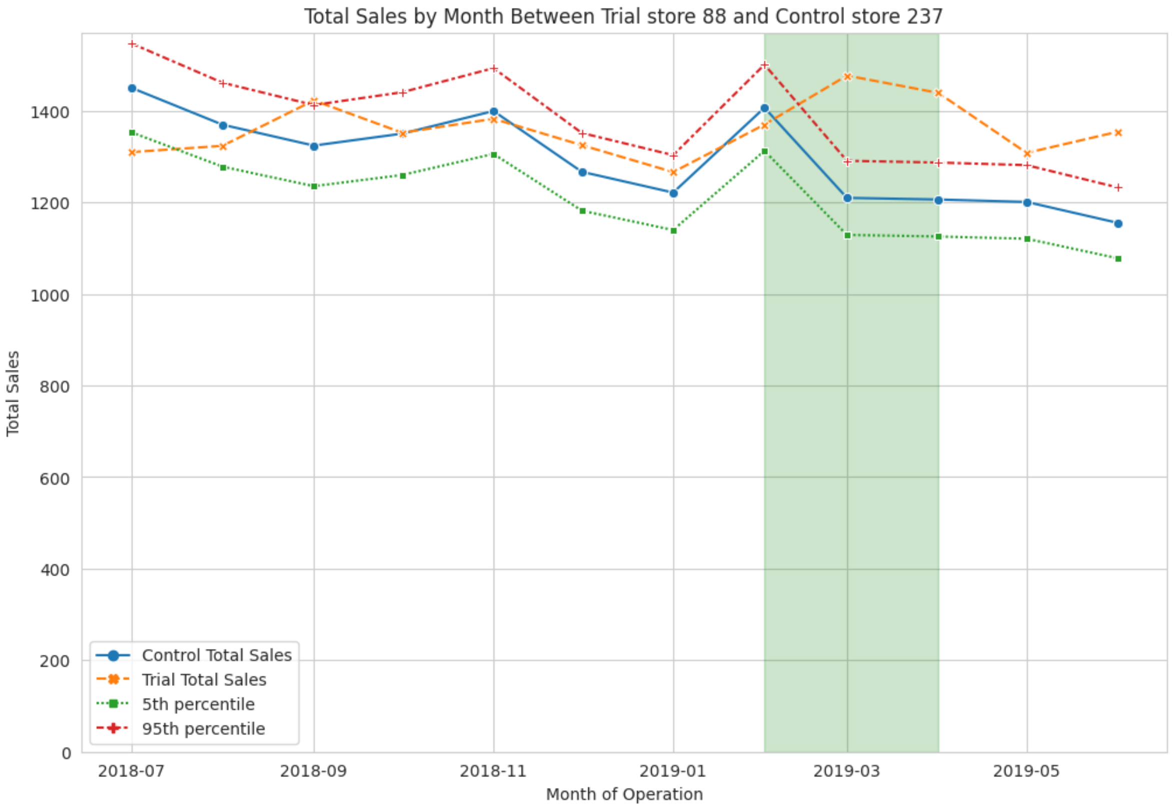
Trial store 88 performance





- Trial store 88 saw a statistically significant increase in Sales and Total Sales and Number of Customers visit in 2/3 months of trial period (March and April).
- After the trial the Sales and Number of Customers is not statistically different from the control store.

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Summary and Recommendations

- Sales before Christmas peaked at 7000 bags of chips. Company need adequate supply and may implement promotions at this period
- Budget Older Families, Mainstream Retirees, Mainstream Young Singles/Couples are the main buyers. Focus on their preferences and generate more sales
- Kettle drives the most sales. Have enough stock of Kettle and consider replace/ drop low sales brands
- All 3 trail stores experienced increase in sales and number of customers for at least one month of the trial period for new store layout
- After the trial, all trial stores' sales and number of customers are not statistically different from control stores. Further information on other changes during the trial period is needed to dive deeper.

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