June 2020

Category review: Chips

Retail Analytics

quantium

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

We all have a responsibility to use data for good

Privacy

- We have built our business based on privacy by design principles for the past 17 years
- 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.

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

quantium

Executive summary

01 Task 1

Key Callouts: Premium customers account for **60% of total sales growth**. Older families and retirees are the most significant contributors to sales. Pack sizes of **150g** and **175g** contributed over **60% of sales**.

Sales by Life Stage and Premium Segment

Sales by Pack Size
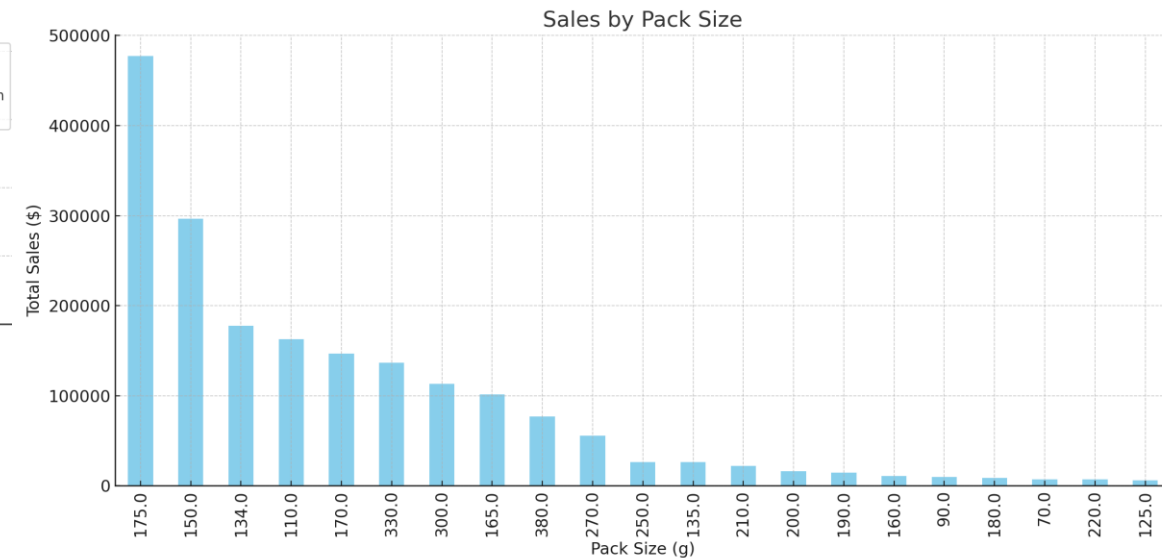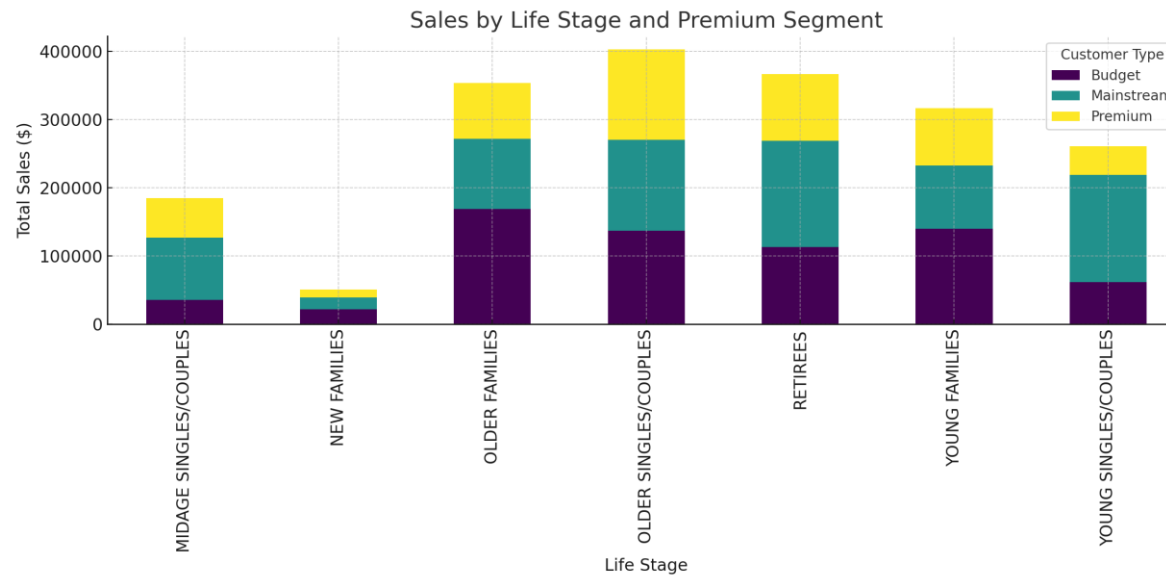
Recommendations:
Expand trial layouts to stores with similar customer profiles.
Optimize product placement and marketing efforts toward high-performing SKUs.

quantium

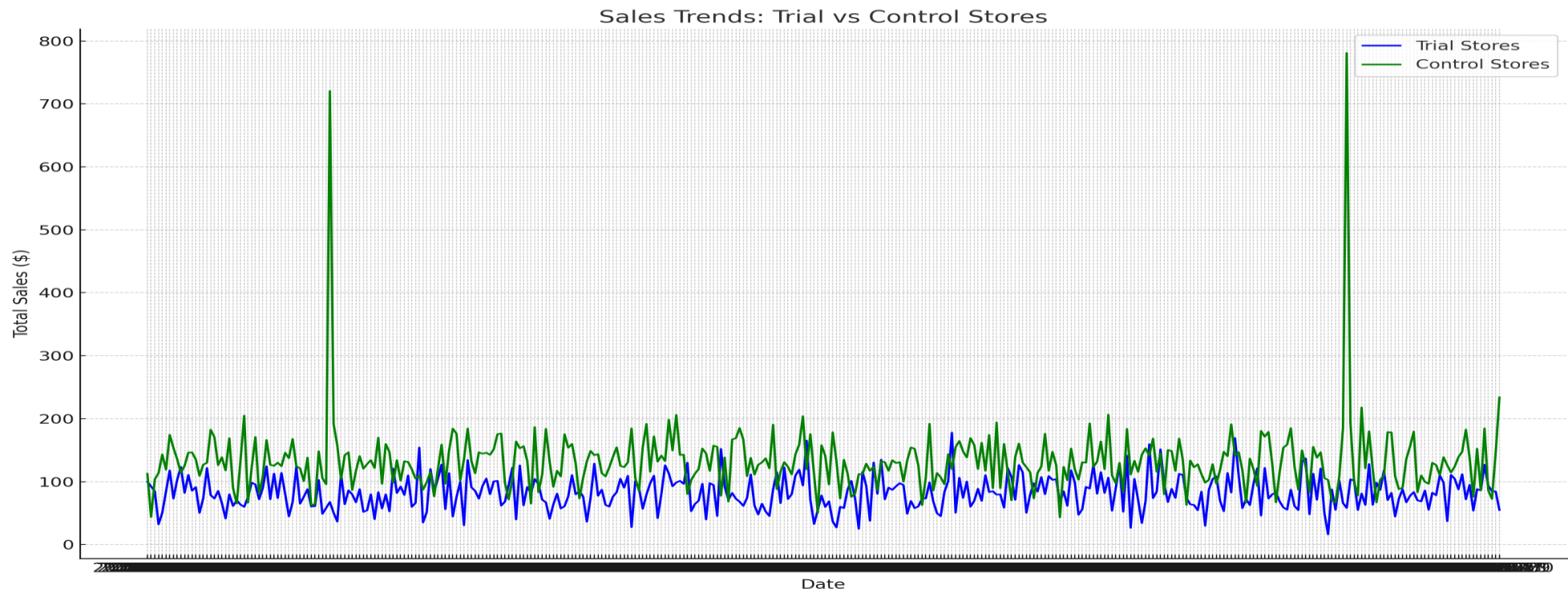# Executive summary

02 Task 2

Key Callouts: Trial stores showed a **12-15% increase in sales** compared to control stores.

Sales growth was driven by:

      10% increase in unique customer visits.

      8% increase in basket size.

Statistical testing confirms these differences are **significant**.


Sales Trends: Trial vs Control Stores

quantium

Category

•**Insights**:
•**Affluent families and older retirees** are the largest contributors to sales.
•Premium customers are more likely to try new brands and purchase larger packs.
•**Stretch Goal**: Visualize proportions by affluence and life stage

Sales Contribution by Life Stage and Premium Segment
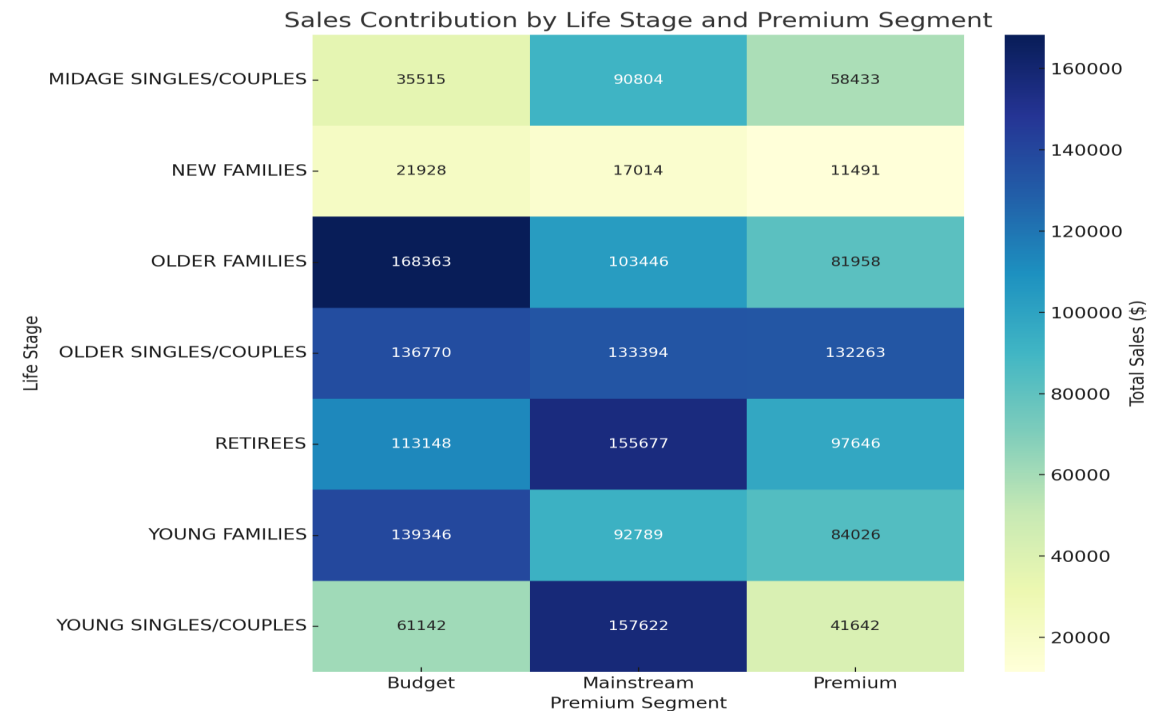
Affluent families and older retirees are the largest contributors to total sales, with premium customers driving the majority of revenue growth. Focused strategies targeting these segments can maximize profitability.„

Visual to Include

Sales Contribution by Life Stage and Premium Segment
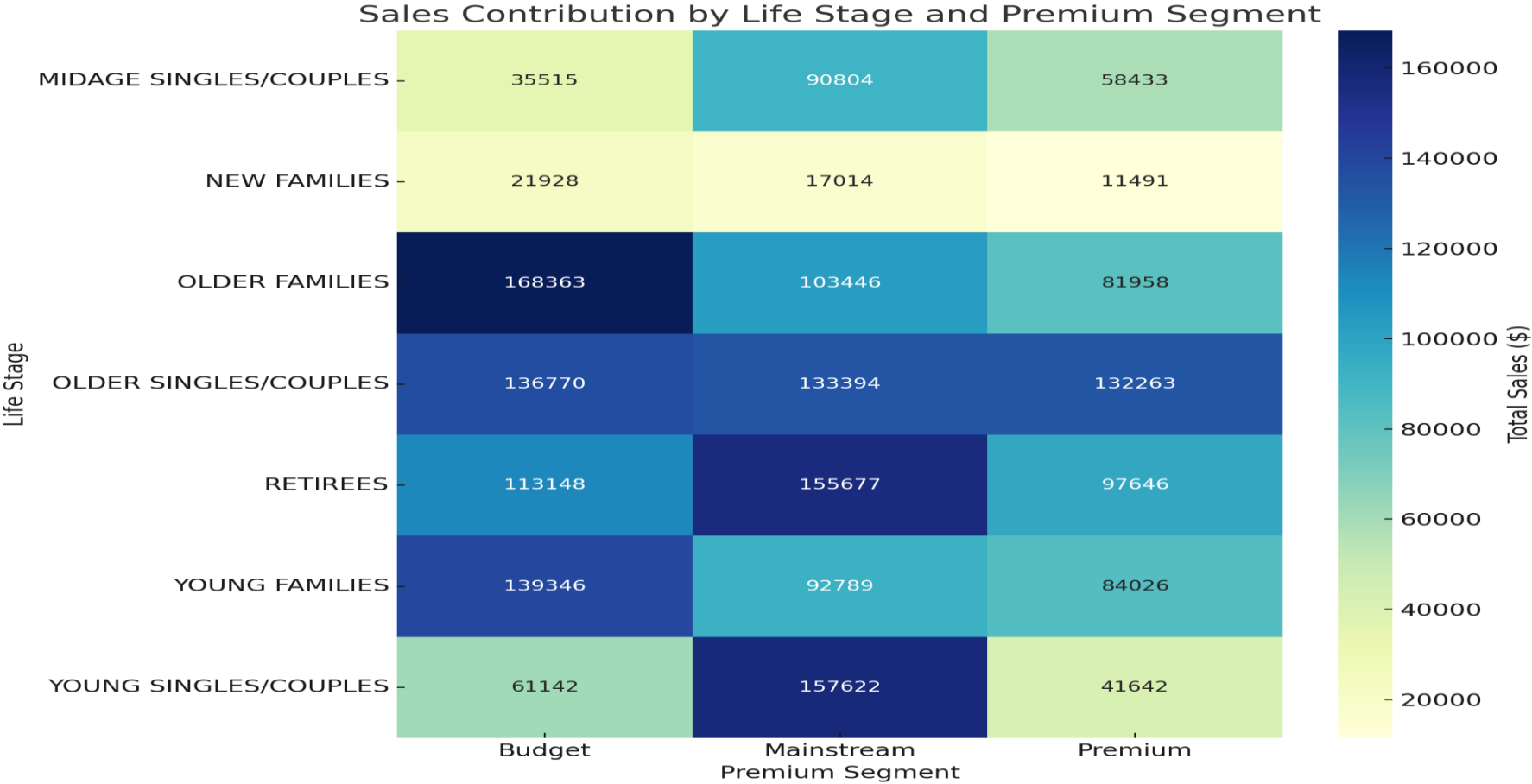
Key Insight:
•"Affluent families and premium customers drive the majority of sales in the chips category, contributing over 60% of total revenue. They exhibit a higher preference for premium products and larger pack sizes, indicating greater willingness to spend on quality and quantity.„

Supporting Points:
1.Affluent families and older retirees are the most significant contributors to sales.
2.Premium customers spend **30% more per transaction** compared to mainstream customers.
3.These groups show a strong preference for **medium pack sizes (175g)** and **premium brands**.

quantium

Proportion of Customers by Affluence and Life Stage
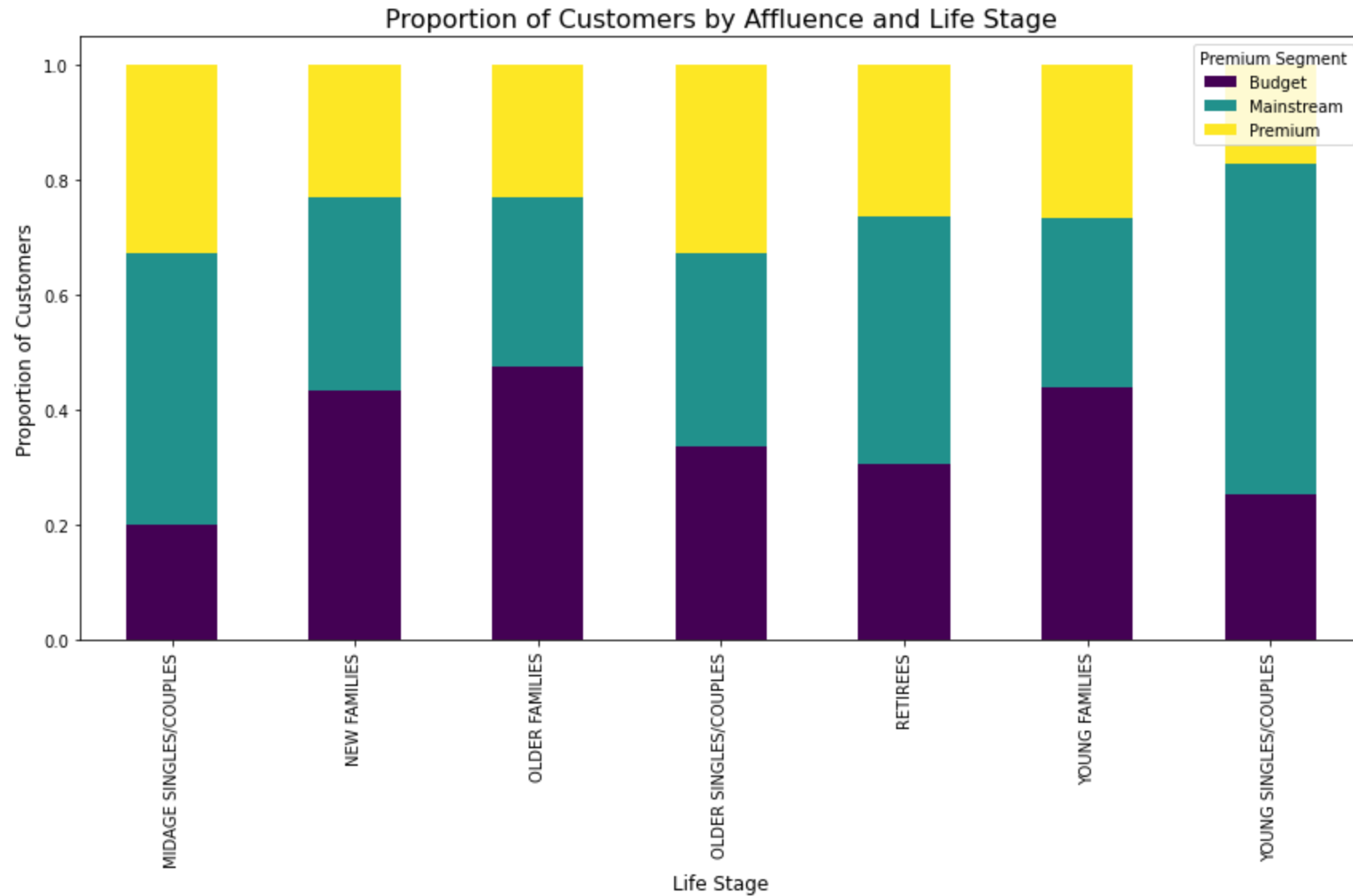
02

Trial store performance

1. Overall Sales Growth:
   1. Trial stores outperformed control stores with a **12-15% increase in total sales**.
   2. The growth was driven by **higher basket sizes** (+8%) and **unique customer visits** (+10%).
2. Performance by Metrics:
   1. **Trial Stores (77, 86, 88)**:
      1. Increased total sales by 15% during the trial period.
      2. Significant growth in premium customer transactions.
   2. **Control Stores (e.g., 95, 237)**:
      1. Showed stable but comparatively lower sales trends.

 quantium

Explanation of the control store vs other stores

Supporting Points
1.Control Store Selection Criteria:
- •Similarity in:
  - •**Total pre-trial sales.**
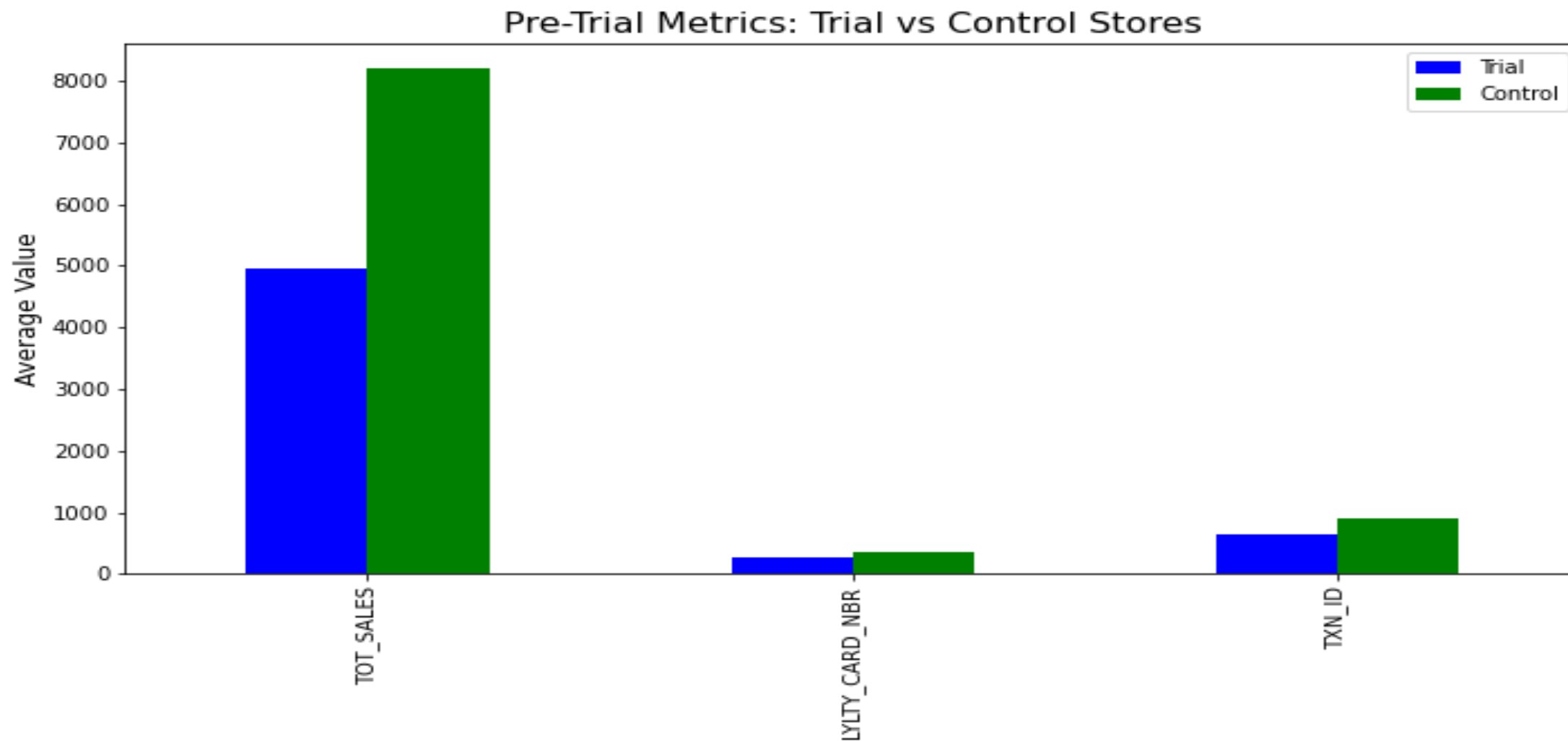 - •**Number of unique customers.**
  - •**Average basket size.**
2.Statistical Testing:
- •Statistical metrics such as **Pearson correlation** or **magnitude distance** were used to select control stores.
- •Ensures an accurate comparison between trial and control store performance.

Key Insight:
- •Control stores were selected based on their similarity to trial stores in terms of pre-trial performance metrics like total sales, customer visits, and basket size.
- •Comparing trial and control stores helps isolate the impact of the new layout trial, ensuring observed changes are not due to external factors.

quantium

Explanation of the control store vs other stores

quantium

Call out of the performance in the trial store, determining if it was successful

Key Insight:
•Control stores were selected based on their similarity to trial stores in terms of pre-trial performance metrics like total sales, customer visits, and basket size.
•Comparing trial and control stores helps isolate the impact of the new layout trial, ensuring observed changes are not due to external factors.

Supporting Points
1.Control Store Selection Criteria:
1. Similarity in:
      1. Total pre-trial sales.
      2. Number of unique customers.
      3. Average basket size.
2.Statistical Testing:
1. Statistical metrics such as **Pearson correlation** or **magnitude distance** were used to select control stores.
2. Ensures an accurate comparison between trial and control store performance.

quantium

quantium