

June 2020

Review: Chips – Snack Foods

Retail Analytics

analysis was made by
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Classification: Confidential



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
- Quantum 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.

Quantum 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

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Chips Category Review

- Top contributing customer segments: **Budget** - Older Families, **Mainstream** - Young Singles/Couples, **Mainstream** - Retirees
- **Mainstream, Midage** and **Young Singles/Couples** exhibited more impulse purchasing behavior, paying higher prices per unit
- **Mainstream - Young Singles/Couples** **23%** more likely to buy **premium Tyrrells** brand chips

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Trial Store Analysis

- **For trial store 77**, there was a statistically significant **increase** in sales during 2 of the 3 trial months compared to the control store.
- **For trial store 86**, there was no statistically significant difference in sales compared to the control store during the trial period. However, the number of customers **increased significantly**.
- **For trial store 88**, there was a statistically significant **increase** in both sales and number of customers during 2 of the 3 trial months compared to the control store.

01

Chips Category Review

Overview: your key callout for the category should be included here

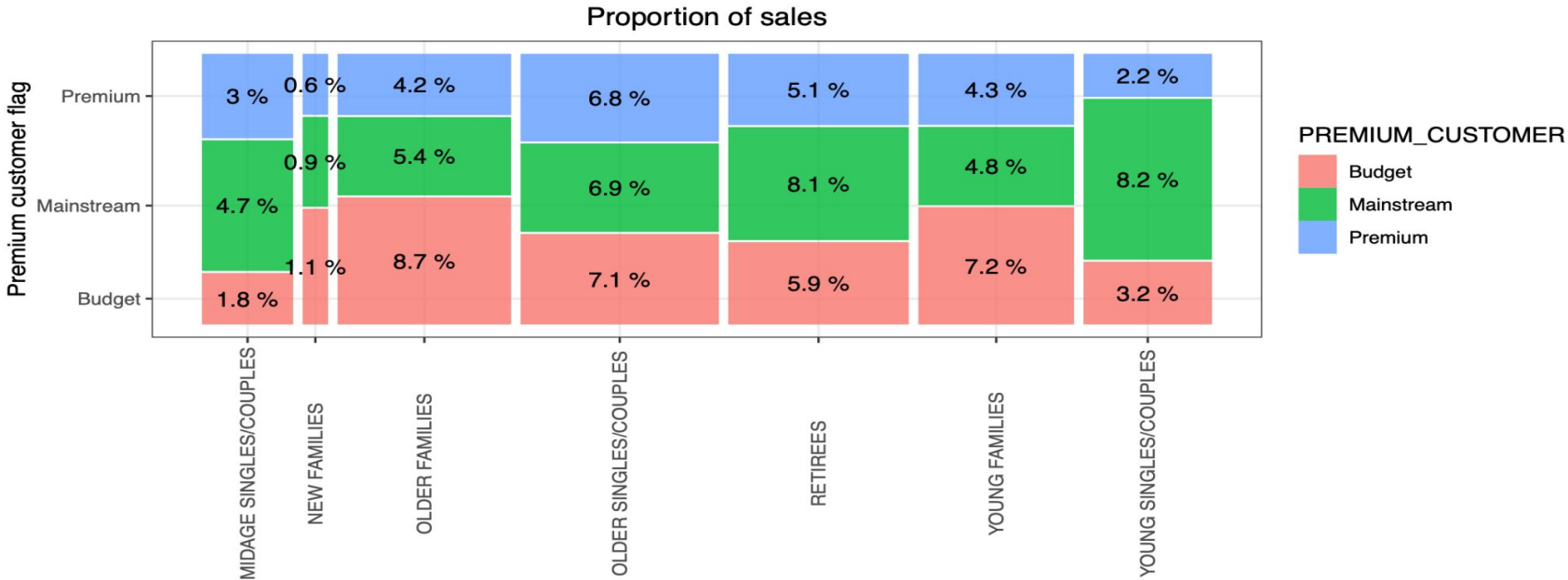
Key Callouts:

- Optimize product assortment and placement to drive impulse purchases from valuable **Mainstream - Young Singles/Couples** segment
- **Increase** visibility and off-locate **Tyrrells chips** and smaller pack sizes near areas they frequent
- Target and retain **top contributing customer** segments with **tailored marketing and promotions**

In **summary**, adjusting assortment and strategic product placement, especially of premium and impulse options like Tyrrells and small packs, can capitalize on the high-value Mainstream Young Singles/Couples segment. Combined with targeted promotions for the top segments, this can unlock further chip category growth.

This slide will be commentary on affluence and its effect on consumer buying for the category of chips

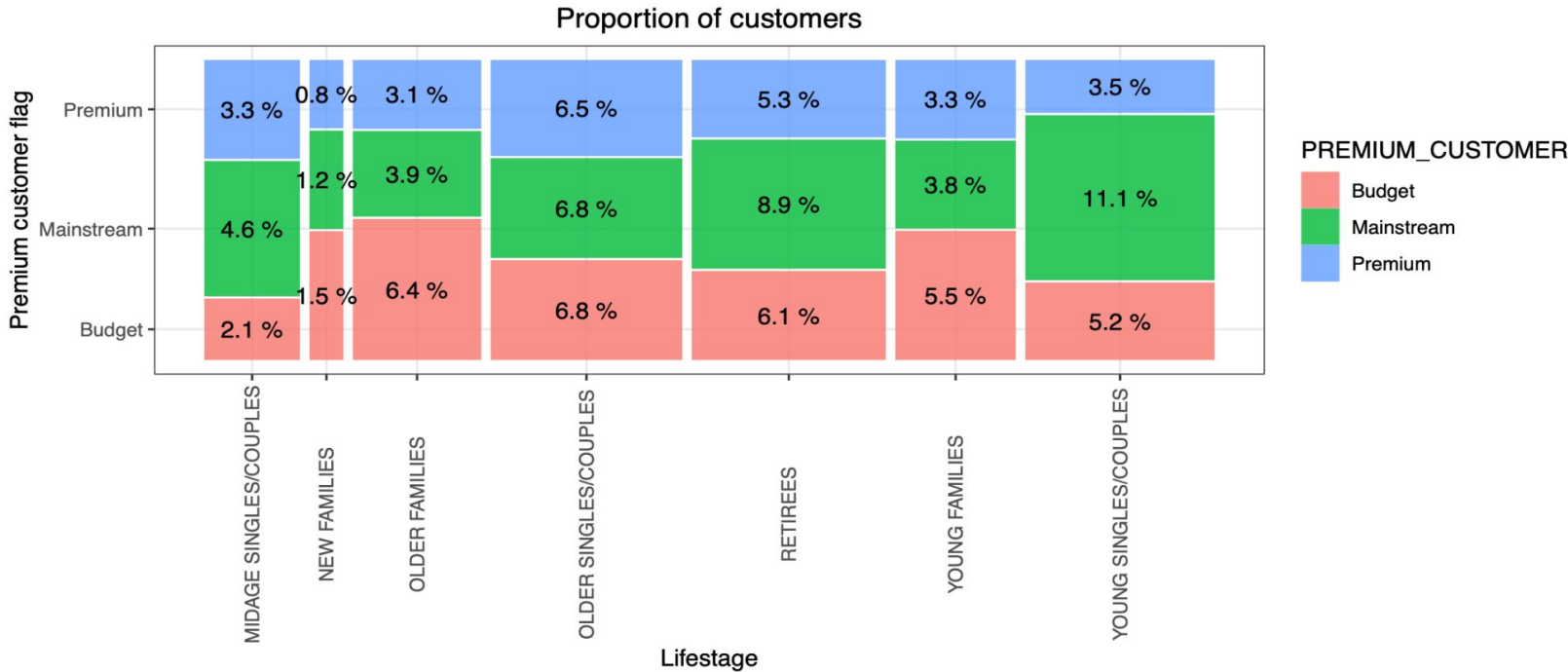
- Affluent mainstream customers (Midage/Young Singles/Couples) paid higher avg. price per unit => willing to buy premium/indulgent varieties
- Mainstream Young Singles/Couples 23% higher affinity for premium Tyrrells brand
- Higher disposable income enables impulse purchases of premium/gourmet chips
- Budget segments (e.g. Older Families) prioritized more economical options over premium
- Premium customers did not exhibit same impulse premium chip purchases
- Greater affluence drove discretionary indulgences in mainstream middle-class
- Opportunity to tailor strategies for these higher-value affluent mainstream segments

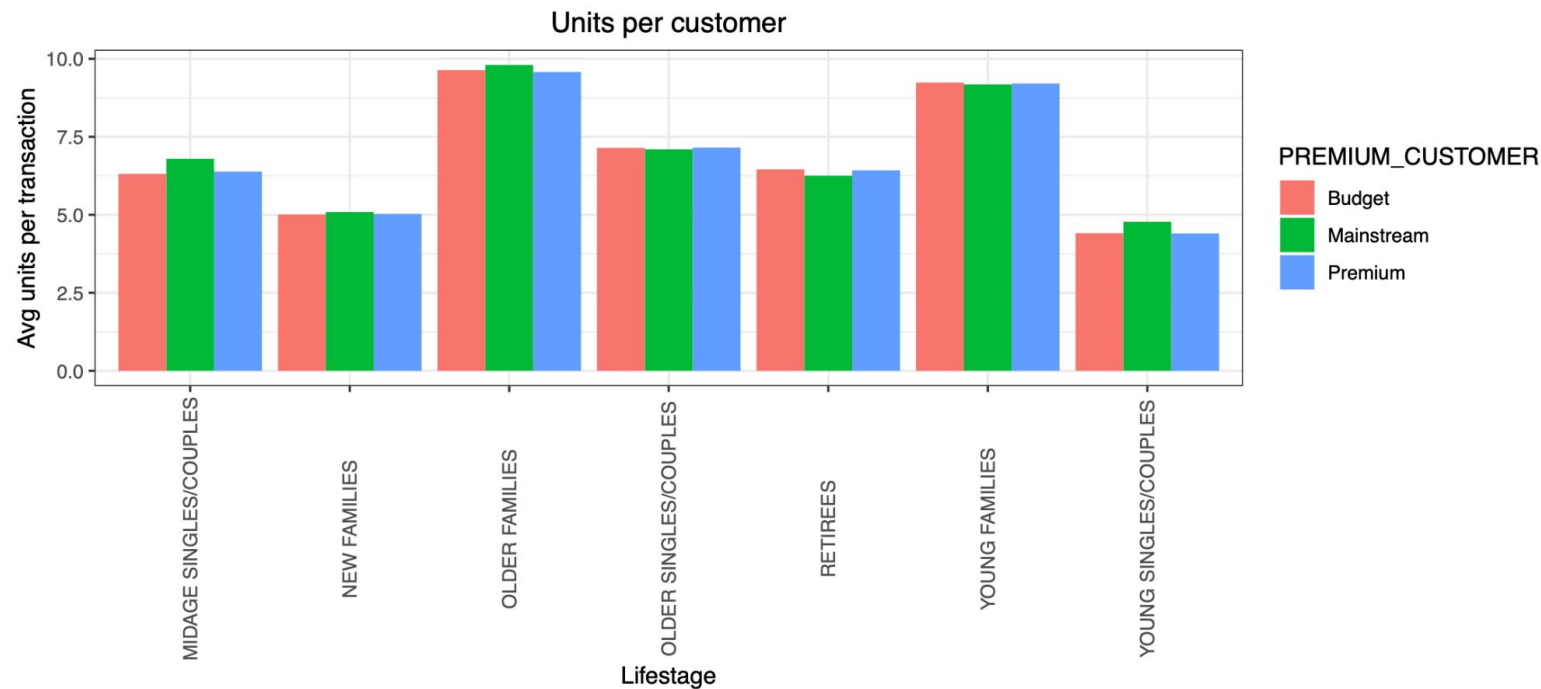


Sales are coming mainly from Budget - older families, Mainstream - young singles/couples, and Mainstream - retirees

There are more Mainstream - young singles/couples and Mainstream - retirees who buy chips.

This contributes to there being more sales to these customer segments but this is not a major driver for the Budget - Older families segment.

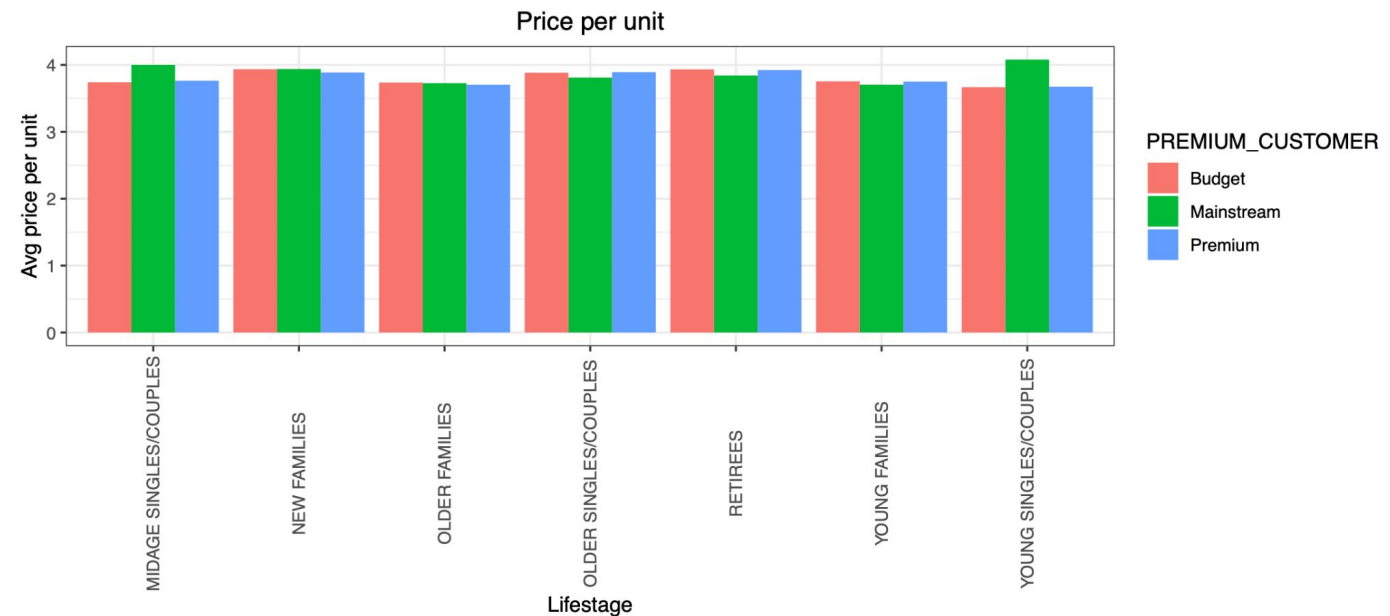




Older families and young families in general buy more chips per customer.

Mainstream midage and young singles and couples are more willing to pay more per packet of chips compared to their budget and premium counterparts.

This is also supported by there being fewer premium midage and young singles and couples buying chips compared to their mainstream counterparts.



02

Trial store performance

Explanation of the control store vs other stores

Control stores were identified for each of the 3 trial stores (77, 86, 88) by finding stores with similar sales and customer trends prior to the trial period.

Key Callouts:

1. The trial appears to have had a positive impact on increasing sales for stores 77 and 88, but not for store 86. Further investigation may be needed for store 86.
2. The increase in number of customers for store 86 despite no sales increase could indicate promotional pricing that impacted revenues.
3. Overall, the trial seemed successful in driving higher sales/customers for 2 out of the 3 stores, indicating it may be worthwhile to broadly implement the changes tested.

These findings suggest valuable insights for strategic planning and decision-making, emphasizing the importance of understanding individual store dynamics and tailoring strategies accordingly.

Call out of the performance in the trial store

The performance analysis of the trial store revealed varying outcomes across the three stores (77, 86, 88) during the trial period. Here's a summary of the findings:

Trial Store 77:

- Experienced a statistically significant increase in sales during two out of the three trial months compared to the control store.
- The trial period demonstrated a positive impact on sales performance, indicating successful implementation of the trial initiatives.

Trial Store 86:

- Did not exhibit a statistically significant difference in sales compared to the control store during the trial period.
- Despite this, there was a notable increase in the number of customers.
- Further investigation is warranted to understand the discrepancy between sales and customer count, potentially due to promotional strategies or other factors.

Trial Store 88:

- Demonstrated a statistically significant increase in both sales and the number of customers during two out of the three trial months compared to the control store.
- The trial period showcased a successful performance, with positive impacts on both sales revenue and customer engagement.

Overall, while Trial Store 77 and Trial Store 88 saw favorable outcomes, Trial Store 86 exhibited mixed results. Success in the trial stores was primarily determined by the increase in sales and customer metrics compared to the control stores. The analysis underscores the importance of evaluating both sales and customer behavior to gauge the effectiveness of trial initiatives.

Thank you for your attention !

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