Quantium Virtual Intership Task 1

Lizbeth Santiago

Background information

The Category Manager for Chips wants understand the types of customers who purchase Chips and their purchasing behaviour within the region. The insights from the analysis will feed into the supermarket's strategic plan for the chip category in the next half year.

Exploratory data analysis

Load required libraries

```
library(data.table)
library(ggplot2)
library(readr)
library(ggmosaic)
```

Reading data

```
filePath <- "C:/Users/Liz/Documents/Virtual_Intership/"
transactionData <- fread(paste0(filePath, "QVI_transaction_data.csv"))
customerData <- fread(paste0(filePath, "QVI_purchase_behaviour.csv"))</pre>
```

Examining transaction data

head(transactionData)

```
DATE STORE_NBR LYLTY_CARD_NBR TXN_ID PROD_NBR
##
## 1: 43390
                    1
                                 1000
                                           1
                                                     5
## 2: 43599
                                 1307
                                                    66
                                         348
## 3: 43605
                    1
                                 1343
                                         383
                                                    61
                    2
                                                    69
## 4: 43329
                                 2373
                                         974
## 5: 43330
                    2
                                 2426
                                        1038
                                                   108
## 6: 43604
                                 4074
                                        2982
                                                    57
                                      PROD_NAME PROD_QTY TOT_SALES
##
## 1:
        Natural Chip
                             Compny SeaSalt175g
                                                                6.0
## 2:
                      CCs Nacho Cheese
                                                        3
                                                                6.3
## 3:
        Smiths Crinkle Cut Chips Chicken 170g
                                                        2
                                                                2.9
                                                        5
        Smiths Chip Thinly S/Cream&Onion 175g
                                                               15.0
## 5: Kettle Tortilla ChpsHny&Jlpno Chili 150g
                                                        3
                                                               13.8
## 6: Old El Paso Salsa Dip Tomato Mild 300g
                                                                5.1
```

str(transactionData)

```
## Classes 'data.table' and 'data.frame':
                                          264836 obs. of 8 variables:
## $ DATE
                   : int 43390 43599 43605 43329 43330 43604 43601 43601 43332 43330 ...
## $ STORE_NBR
                   : int 1112244457...
## $ LYLTY CARD NBR: int 1000 1307 1343 2373 2426 4074 4149 4196 5026 7150 ...
## $ TXN_ID
                         1 348 383 974 1038 2982 3333 3539 4525 6900 ...
                   : int
## $ PROD NBR
                   : int 5 66 61 69 108 57 16 24 42 52 ...
                                              Compny SeaSalt175g" "CCs Nacho Cheese
## $ PROD_NAME
                         "Natural Chip
                                                                                     175g" "Smiths
                  : chr
## $ PROD_QTY
                   : int 2 3 2 5 3 1 1 1 1 2 ...
## $ TOT_SALES
                   : num 6 6.3 2.9 15 13.8 5.1 5.7 3.6 3.9 7.2 ...
## - attr(*, ".internal.selfref")=<externalptr>
```

The column DATE is in an integer format, so it is necessary to change this to a date format

Convert column DATE to date format

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

Verify information - examine PROD_NAME

To check if the products are those that the analysis need. Choose the unique product names, and examine the words in PROD_NAME to see if there are any incorrect entries such as products that are not chips

```
#unique(transactionData[, PROD_NAME])
productWords <- data.table(unlist(strsplit(unique(transactionData[, PROD_NAME]), " ")))
setnames(productWords, 'words') #name the column</pre>
```

Removing digits and special character

To focus just in words that will tell us if the product is chips or not, remove all words with digits and special characters.

```
patterns <- c('^[123456789]','&')
words2 <- productWords [! grepl (paste(patterns, collapse='|'), productWords$words),]</pre>
```

Most common words and sorting them

```
commonWords <- words2[, .(.N), .(words)][order(-N)]</pre>
```

There are some salsa products in the dataset that we don't need.

Remove Salsa products

```
transactionData[, SALSA := grepl("salsa", tolower(PROD_NAME))] # new column that marks a salsa product
transactionData <- transactionData[SALSA == FALSE, ][, SALSA := NULL]</pre>
```

Summarise the data to check for nulls and possible outliers

summary(transactionData) #there is a case where 200 packets of chips are bought in one transaction.

```
DATE
                           STORE NBR
                                                                TXN ID
##
                                         LYLTY CARD NBR
##
   Min.
           :2018-07-01
                         Min.
                                : 1.0
                                         Min.
                                                :
                                                     1000
                                                            Min.
   1st Qu.:2018-09-30
                         1st Qu.: 70.0
                                         1st Qu.: 70015
                                                            1st Qu.: 67569
  Median :2018-12-30
                         Median :130.0
                                                            Median: 135183
##
                                         Median : 130367
                                                : 135531
##
  Mean
           :2018-12-30
                         Mean
                                :135.1
                                         Mean
                                                           Mean
                                                                   : 135131
##
  3rd Qu.:2019-03-31
                         3rd Qu.:203.0
                                         3rd Qu.: 203084
                                                            3rd Qu.: 202654
                         Max.
  Max.
           :2019-06-30
                                                :2373711
                                                                   :2415841
##
                                :272.0
                                         Max.
                                                           Max.
##
       PROD NBR
                      PROD NAME
                                           PROD QTY
                                                             TOT SALES
                                                                  : 1.700
##
          : 1.00
                     Length: 246742
                                               : 1.000
  Min.
                                        Min.
                                                           Min.
   1st Qu.: 26.00
                     Class : character
                                        1st Qu.:
                                                 2.000
                                                           1st Qu.:
                                                                     5.800
## Median : 53.00
                     Mode :character
                                        Median :
                                                  2.000
                                                           Median :
                                                                    7.400
## Mean
          : 56.35
                                        Mean
                                                  1.908
                                                                    7.321
                                                           Mean
##
   3rd Qu.: 87.00
                                        3rd Qu.: 2.000
                                                           3rd Qu.: 8.800
   Max.
           :114.00
                                               :200.000
                                                                  :650.000
                                        Max.
                                                           Max.
```

There is a case where 200 packets of chips are bought in one transaction.

```
transactionData[PROD_QTY>10]
```

```
DATE STORE_NBR LYLTY_CARD_NBR TXN_ID PROD_NBR
## 1: 2018-08-19
                        226
                                    226000 226201
## 2: 2019-05-20
                        226
                                    226000 226210
                                                          4
##
                              PROD_NAME PROD_QTY TOT_SALES
## 1: Dorito Corn Chp
                           Supreme 380g
                                                        650
                                              200
## 2: Dorito Corn Chp
                           Supreme 380g
                                              200
                                                        650
```

transactionData[LYLTY_CARD_NBR==226000]

```
DATE STORE_NBR LYLTY_CARD_NBR TXN_ID PROD_NBR
##
## 1: 2018-08-19
                        226
                                    226000 226201
## 2: 2019-05-20
                        226
                                    226000 226210
##
                              PROD_NAME PROD_QTY TOT_SALES
                           Supreme 380g
## 1: Dorito Corn Chp
                                              200
                                                        650
## 2: Dorito Corn Chp
                           Supreme 380g
                                              200
                                                        650
```

Actually we found that there are two transactions by the same customer, with card number 226000, who just made these two transactions of 200 packets.

Removing these two transactions

```
transactionData <- transactionData[LYLTY_CARD_NBR!=226000]
```

Re-examine transaction data

```
summary(transactionData)
```

```
##
        DATE
                         STORE_NBR
                                      LYLTY_CARD_NBR
                                                           TXN_ID
## Min.
          :2018-07-01
                             : 1.0
                                            :
                                                 1000
                       Min.
                                      Min.
                                                       Min.
                                                                     1
  1st Qu.:2018-09-30
                       1st Qu.: 70.0
                                      1st Qu.: 70015
                                                       1st Qu.: 67569
## Median :2018-12-30
                       Median :130.0 Median : 130367
                                                       Median: 135182
## Mean
          :2018-12-30
                       Mean
                             :135.1
                                      Mean
                                             : 135530
                                                       Mean
                                                             : 135130
## 3rd Qu.:2019-03-31
                       3rd Qu.:203.0
                                      3rd Qu.: 203083
                                                       3rd Qu.: 202652
## Max.
          :2019-06-30
                       Max.
                              :272.0
                                     Max.
                                             :2373711
                                                       Max.
                                                              :2415841
##
      PROD_NBR
                   PROD_NAME
                                        PROD_QTY
                                                      TOT_SALES
## Min. : 1.00
                   Length: 246740
                                     Min. :1.000
                                                           : 1.700
                                                    Min.
## 1st Qu.: 26.00
                   Class :character
                                     1st Qu.:2.000
                                                    1st Qu.: 5.800
## Median : 53.00
                   Mode :character
                                     Median :2.000
                                                    Median : 7.400
         : 56.35
                                           :1.906
                                                    Mean : 7.316
## Mean
                                     Mean
## 3rd Qu.: 87.00
                                      3rd Qu.:2.000
                                                     3rd Qu.: 8.800
## Max.
                                     Max. :5.000
          :114.00
                                                    Max. :29.500
```

Count the number of transactions by date

```
countByDate<- transactionData[, .(.N), .(DATE)]#a missing date
```

There is a missing date, so create a sequence of dates and use this to create a chart of number of transactions over time to find the missing date.

```
s <- as.Date('2018-07-01')
e <- as.Date('2019-06-30')
completeDates <- data.table(seq(from=s, to=e, by=1))

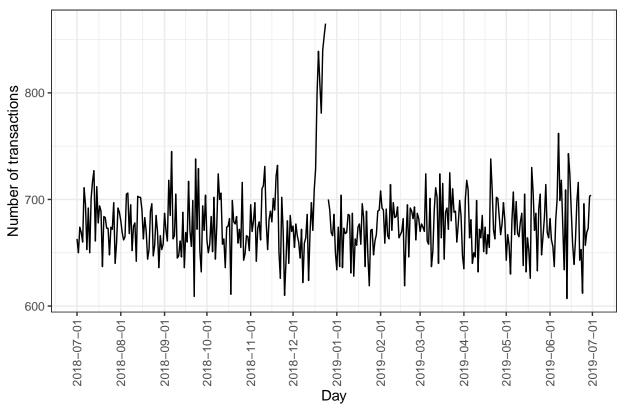
countByDate2 <- merge(countByDate, completeDates,by.x="DATE", by.y="V1", all=T)</pre>
```

Plot transactions over time

```
theme_set(theme_bw())
theme_update(plot.title = element_text(hjust = 0.5))

ggplot(countByDate2, aes(x = DATE, y = N)) +
    geom_line() +
    labs(x = "Day", y = "Number of transactions", title = "Transactions over time") +
    scale_x_date(breaks = "1 month") +
    theme(axis.text.x = element_text(angle = 90, vjust = 0.5))
```





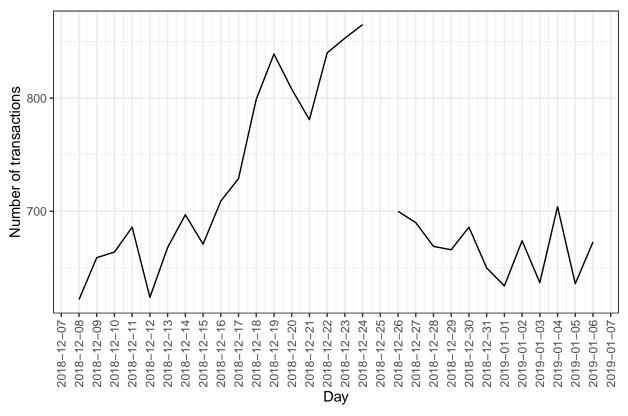
We can see that there is an increase in purchases in December and a break in late December. Let's zoom in on this.

Ploting transaction of December and January

```
dec_jan = countByDate2[DATE>as.Date('2018-12-07') & DATE<as.Date('2019-01-07')]

ggplot(dec_jan, aes(x = DATE, y = N)) +
    geom_line() +
    labs(x = "Day", y = "Number of transactions", title = "Transactions over time") +
    scale_x_date(breaks = "1 day") +
    theme(axis.text.x = element_text(angle = 90, vjust = 0.5))</pre>
```

Transactions over time

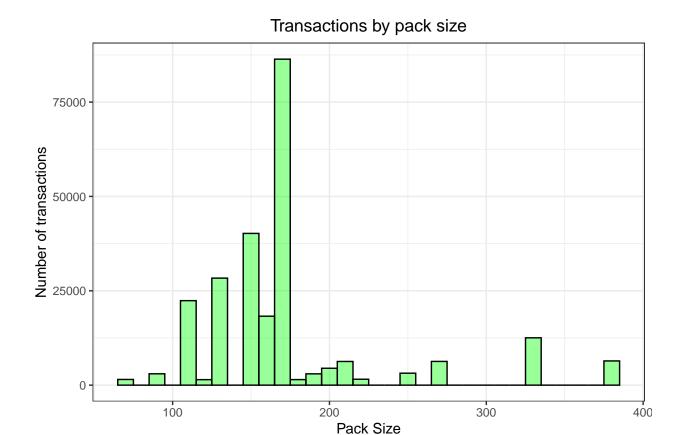


The missing date is on December 25th, that day shops are closed. We can see that the increase in sales occurs in the lead-up to Christmas and that there are zero sales on Christmas day itself, then decrease to the usual sales.

Checking information about Pack size

```
transactionData[, PACK_SIZE := parse_number(PROD_NAME)]
pack_sizes <- transactionData[, .N, PACK_SIZE][order(PACK_SIZE)]

ggplot(transactionData, aes(x = PACK_SIZE)) +
   geom_histogram(binwidth = 10, col='black', fill='green', alpha=0.4) +
   labs(x = "Pack Size", y = "Number of transactions", title = "Transactions by pack size")</pre>
```



Most of the sales are from 175g pack size

Checking Brands

To obtain the brands we extract just the first word of product names

"French"

"RRD"

"Sunbites"

```
library(stringr)
transactionData[, BRAND := str_split(transactionData$PROD_NAME, " ", simplify = TRUE)[,1] ] #First word
unique(transactionData[, BRAND])
    [1] "Natural"
                     "CCs"
                                   "Smiths"
                                                "Kettle"
                                                              "Grain"
##
                                   "WW"
                     "Twisties"
                                                "Thins"
                                                              "Burger"
   [6] "Doritos"
## [11] "NCC"
                      "Cheezels"
                                   "Infzns"
                                                 "Red"
                                                              "Pringles"
                                                              "Tyrrells"
## [16] "Dorito"
                     "Infuzions"
                                   "Smith"
                                                "GrnWves"
```

"Tostitos"

"Cheetos"

Some of the brands have wrong spelling

[26] "Woolworths" "Snbts"

Brand adjustments

[21] "Cobs"

```
transactionData[BRAND == "Red", BRAND := "RRD"]
transactionData[BRAND == "Smith", BRAND := "Smiths"]
transactionData[BRAND == "Dorito", BRAND := "Doritos"]
transactionData[BRAND == "Infzns", BRAND := "Infuzions"]
transactionData[BRAND == "Snbts", BRAND := "Sunbites"]
transactionData[BRAND == "WW", BRAND := "Woolworths"]
transactionData[BRAND == "NCC", BRAND := "Natural"]
transactionData[BRAND == "Grain", BRAND := "GrnWves"]
```

Re-examine of brands

```
unique(transactionData[, BRAND])
  [1] "Natural"
                     "CCs"
                                   "Smiths"
                                                "Kettle"
                                                              "GrnWves"
  [6] "Doritos"
                      "Twisties"
                                   "Woolworths" "Thins"
                                                              "Burger"
## [11] "Cheezels"
                     "Infuzions"
                                   "RRD"
                                                "Pringles"
                                                              "Tyrrells"
                                                              "Sunbites"
## [16] "Cobs"
                     "French"
                                   "Tostitos"
                                                "Cheetos"
```

Examining customer data

```
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 MIDAGE SINGLES/COUPLES
                                                  Mainstream
## 6:
                1007 YOUNG SINGLES/COUPLES
                                                      Budget
```

summary(customerData)

```
## LYLTY_CARD_NBR
                      LIFESTAGE
                                       PREMIUM_CUSTOMER
## Min.
            1000
                     Length: 72637
                                       Length: 72637
                                       Class :character
## 1st Qu.: 66202
                     Class : character
## Median : 134040
                     Mode :character
                                       Mode :character
## Mean
         : 136186
## 3rd Qu.: 203375
## Max.
         :2373711
```

Merge both datasets

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

Checking for nulls.

```
sum(is.na(data))

## [1] 0

Save 'data'

filePath <- "C:/Users/Liz/Documents/Virtual_Intership/"
fwrite(data, paste0(filePath, "QVI_data.csv"))</pre>
```

Data analysis on customer segments

We want to find:

- Who spends the most on chips (total sales), describing customers by lifestage and how premium their general purchasing behaviour is
- How many customers are in each segment
- How many chips are bought per customer by segment
- What's the average chip price by customer segment

```
library(tidyverse)
Data <- read.csv('QVI_data.csv')</pre>
```

TOTAL SALES by lifestage and premium_customer

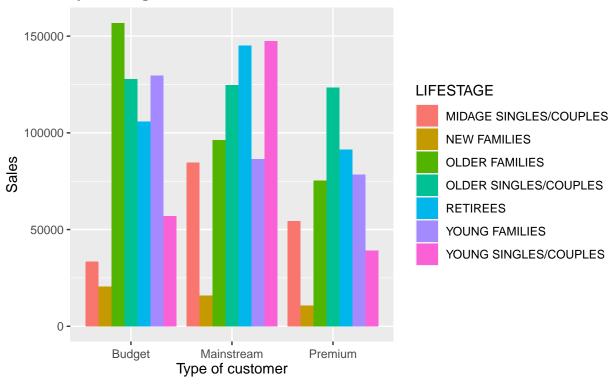
Table with summarized information

```
lifestage_customer <- Data %>%
group_by(LIFESTAGE, PREMIUM_CUSTOMER) %>%
summarise(sales = sum(TOT_SALES)) %>%
arrange(LIFESTAGE, PREMIUM_CUSTOMER)
```

Create a bar graph with the last table

Sales

by life stage and customer



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

Let's see the quantity of transaction by life stage and type of customer

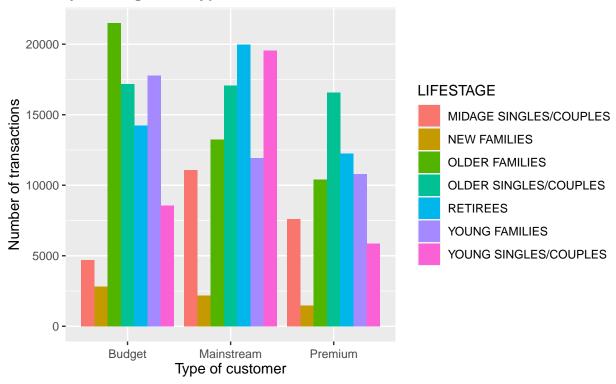
NUMBER OF TRANSACTIONS by lifestage and premium_customer

```
n_transactions <- Data %>%
  group_by(LIFESTAGE, PREMIUM_CUSTOMER) %>%
  summarise(nbr_transaction = n())

ggplot(data = n_transactions,
        aes(x= PREMIUM_CUSTOMER, y = nbr_transaction, fill = LIFESTAGE)) +
  geom_col(positio = 'dodge') +
  labs(x = 'Type of customer', y = 'Number of transactions',
        title = 'Number of transactions', subtitle = 'by life stage and type of customer') +
  theme(axis.text.x = element_text(vjust = 0.5),
        plot.title.position = 'plot', plot.title = element_text(size = 15, fac = 'bold'),
        plot.subtitle = element_text(size = 12,fac = 'bold',hjust = 0.15))
```

Number of transactions

by life stage and type of customer



Most of the transactions come from Budget Older families and Mainstream Young Single/Couple and Retirees. Similar to total sales.

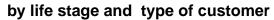
NUMBER OF CUSTOMERS by lifestage and premium_customer

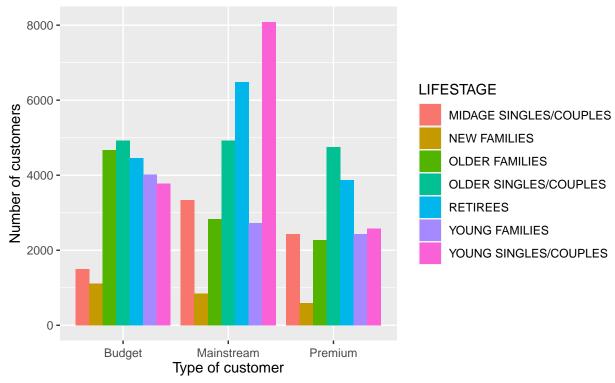
```
data_customer <- read.csv('QVI_purchase_behaviour.csv')

n_customer <- data_customer %>%
    group_by(LIFESTAGE, PREMIUM_CUSTOMER) %>%
    summarise(nbr_customers = n()) %>%
    arrange(LIFESTAGE, PREMIUM_CUSTOMER)

ggplot(data = n_customer,
        aes(x= PREMIUM_CUSTOMER, y = nbr_customers, fill = LIFESTAGE)) +
    geom_col(positio = 'dodge') +
    labs(x ='Type of customer', y ='Number of customers',
        title ='Number of customers', subtitle ='by life stage and type of customer') +
    theme(axis.text.x = element_text(vjust = 0.5),
        plot.title.position = 'plot', plot.title = element_text(size = 15, fac = 'bold'),
        plot.subtitle = element_text(size = 12,fac = 'bold',hjust = 0.15))
```

Number of customers





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.

AVERAGE NUMBER OF UNITS PER CUSTOMER by lifestage and premium_customer

To obtain the average by customer, and not by transaction, we group by card number

```
n_units <- Data %>%
group_by(LYLTY_CARD_NBR, LIFESTAGE, PREMIUM_CUSTOMER) %>%
summarise(avg = mean(PROD_QTY)) %>%
arrange(LIFESTAGE, PREMIUM_CUSTOMER)
```

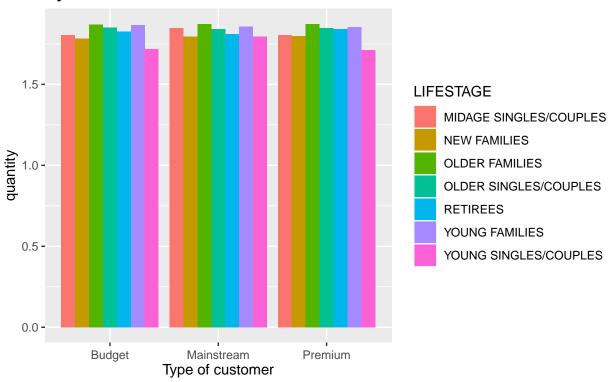
Then we calculate the average again, to obtain the average number of units per customer

```
n_unitsT <- n_units %>%
  group_by(LIFESTAGE, PREMIUM_CUSTOMER) %>%
  summarise(avg2 = mean(avg))
```

```
ggplot(data = n_unitsT,
    aes(x= PREMIUM_CUSTOMER, y = avg2, fill = LIFESTAGE)) +
geom_col(positio = 'dodge') +
labs(x = 'Type of customer', y = 'quantity',
```

```
title ='Average number of units per customer', subtitle ='by LIFESTAGE and PREMIUM_CUSTOMER') +
theme(axis.text.x = element_text(vjust = 0.5),
    plot.title.position = 'plot', plot.title = element_text(size = 15, fac = 'bold'),
    plot.subtitle = element_text(size = 12, fac = 'bold', hjust = 0.15))
```

Average number of units per customer by LIFESTAGE and PREMIUM_CUSTOMER



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

Let's also investigate the average price per unit chips bought for each customer segment as this is also a driver of total sales.

AVERAGE PRICE PER UNIT by lifestage and premium_customer

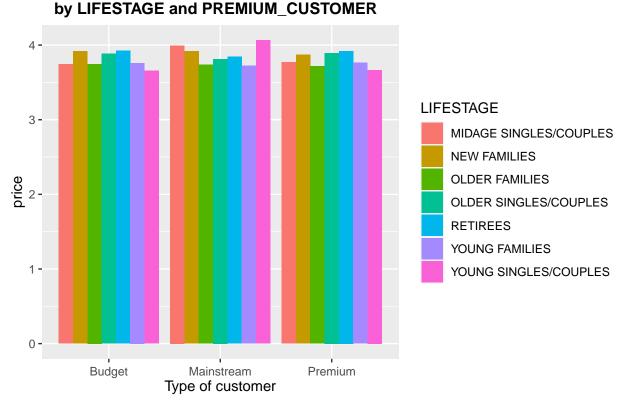
```
Data$UNIT_PRICE <- Data$TOT_SALES/Data$PROD_QTY

price_unit <- Data %>%
    group_by(LIFESTAGE,PREMIUM_CUSTOMER) %>%
    summarise(avg_price = mean(UNIT_PRICE))

ggplot(data = price_unit,
        aes(x= PREMIUM_CUSTOMER, y = avg_price, fill = LIFESTAGE)) +
    geom_col(positio = 'dodge') +
    labs(x ='Type of customer', y ='price',
        title ='Average price per unit', subtitle ='by LIFESTAGE and PREMIUM_CUSTOMER') +
    theme(axis.text.x = element_text(vjust = 0.5),
```

```
plot.title.position = 'plot', plot.title = element_text(size = 15, fac = 'bold'),
plot.subtitle = element_text(size = 12, fac = 'bold', hjust = 0.15))
```

Average price per unit



Mainstream midage and young singles and couples are more willing to pay more per packet of chips compared to their budget and premium counterparts. To check if the difference is statistically different we use a t-test.

Perform an independent t-test between mainstream vs premium and budget, midage and young singles and couples

Young Singles and Couples

Mainstream vs Premium

Select the data from young singles and couples from maintream and premium customers.

```
young_mainstream_premium <- Data[Data$LIFESTAGE == 'YOUNG SINGLES/COUPLES' & (Data$PREMIUM_CUSTOMER == 'Mainstream' | Data$PREMIUM_CUSTOMER == 'Premium'),11:13]
```

t-test

```
t.test(UNIT_PRICE ~ PREMIUM_CUSTOMER, data = young_mainstream_premium)
##
## Welch Two Sample t-test
##
## data: UNIT_PRICE by PREMIUM_CUSTOMER
## t = 24.777, df = 8897.4, p-value < 2.2e-16
## alternative hypothesis: true difference in means between group Mainstream and group Premium is not e
## 95 percent confidence interval:
## 0.3685646 0.4318916
## sample estimates:
## mean in group Mainstream
                               mean in group Premium
##
                   4.065642
                                            3.665414
t = 24.777, df = 8897.4, p-value < 2.2e-16
Maistream vs Budget
young_mainstream_budget <- Data[Data$LIFESTAGE == 'YOUNG SINGLES/COUPLES' &
                                   (Data$PREMIUM_CUSTOMER == 'Mainstream' |
                                      Data$PREMIUM_CUSTOMER == 'Budget'),11:13]
t.test(UNIT_PRICE ~ PREMIUM_CUSTOMER, data = young_mainstream_budget)
##
## Welch Two Sample t-test
## data: UNIT_PRICE by PREMIUM_CUSTOMER
## t = -29.522, df = 15099, p-value < 2.2e-16
## alternative hypothesis: true difference in means between group Budget and group Mainstream is not eq
## 95 percent confidence interval:
## -0.4353828 -0.3811682
## sample estimates:
##
       mean in group Budget mean in group Mainstream
                   3.657366
                                            4.065642
t = -29.522, df = 15099, p-value < 2.2e-16
Premium vs Budget
young_premium_budget <- Data[Data$LIFESTAGE == 'YOUNG SINGLES/COUPLES' &
                                (Data$PREMIUM_CUSTOMER == 'Premium' |
                                   Data$PREMIUM_CUSTOMER == 'Budget'),11:13]
t.test(UNIT_PRICE ~ PREMIUM_CUSTOMER, data = young_premium_budget)
##
## Welch Two Sample t-test
```

data: UNIT_PRICE by PREMIUM_CUSTOMER

```
## t = -0.43028, df = 12477, p-value = 0.667  
## alternative hypothesis: true difference in means between group Budget and group Premium is not equal  
## 95 percent confidence interval:  
## -0.04470709 0.02861232  
## sample estimates:  
## mean in group Budget mean in group Premium  
## 3.657366 3.665414  

t = -0.43028, df = 12477, p-value = 0.667
```

Midage Singles and Couples

Mainstream vs Premium

```
midage_mainstream_premium <- Data[Data$LIFESTAGE == 'MIDAGE SINGLES/COUPLES' &
                                           (Data$PREMIUM_CUSTOMER == 'Mainstream' |
                                           Data$PREMIUM_CUSTOMER == 'Premium'),11:13]
t.test(UNIT_PRICE ~ PREMIUM_CUSTOMER, data = midage_mainstream_premium)
## Welch Two Sample t-test
## data: UNIT_PRICE by PREMIUM_CUSTOMER
## t = 14.059, df = 15715, p-value < 2.2e-16
## alternative hypothesis: true difference in means between group Mainstream and group Premium is not e
## 95 percent confidence interval:
## 0.1923758 0.2547104
## sample estimates:
## mean in group Mainstream
                               mean in group Premium
##
                   3.994241
                                            3.770698
t = 14.059, df = 15715, p-value < 2.2e-16
```

Mainstream vs Budget

-0.2874536 -0.2143724

```
## sample estimates:  
## mean in group Budget mean in group Mainstream  
## 3.743328 3.994241  
t=-13.46,\,df=8422.7,\,p\text{-value}<2.2\text{e-}16
```

Premium vs Budget

t = -1.3537, df = 9975.6, p-value = 0.1758

```
midage_premium_budget <- Data[Data$LIFESTAGE == 'MIDAGE SINGLES/COUPLES' &
                                   (Data$PREMIUM_CUSTOMER == 'Premium' |
                                      Data$PREMIUM_CUSTOMER == 'Budget'),11:13]
t.test(UNIT_PRICE ~ PREMIUM_CUSTOMER, data = midage_premium_budget)
##
##
   Welch Two Sample t-test
##
## data: UNIT_PRICE by PREMIUM_CUSTOMER
## t = -1.3537, df = 9975.6, p-value = 0.1758
## alternative hypothesis: true difference in means between group Budget and group Premium is not equal
## 95 percent confidence interval:
## -0.06700111 0.01226125
## sample estimates:
## mean in group Budget mean in group Premium
##
                3.743328
                                      3.770698
```

When we compare Mainstream customers vs Budget or Premium the t-test results in a very small p-value (when we compare Budget vs Premium, this doesn't happen), so we can say that the unit price for mainstream, young and mid-age singles and couples are significantly higher compared to their budget and premium counterparts.

We might want to target customer segments that contribute the most to sales to retain them or further increase sales. Let's look at Mainstream - young singles/couples.

A-priori analysis to deep dive into Mainstream, young singles/couples

Brands that Mainstream, young singles/couples prefer

List of young customers, Brands and pack size they bought

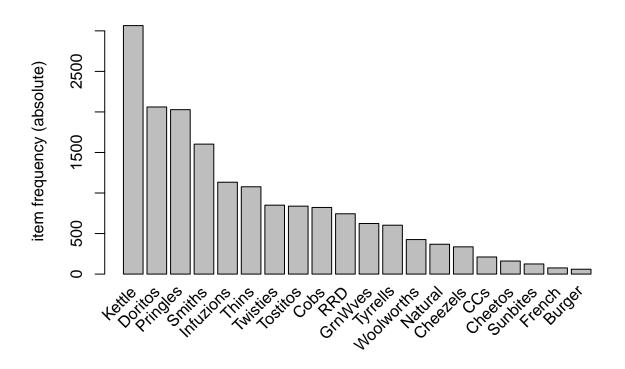
Change single to basket format and save it

Reading the document with brands in the new format

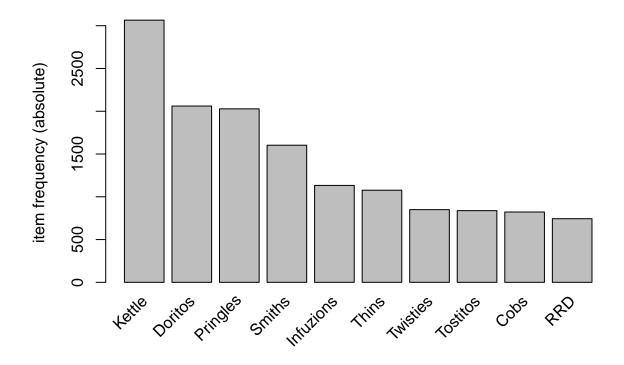
Frequency of brands

```
all Brands in Data (20)
```

```
itemFrequencyPlot(transactionYoung, topN= 20, type='absolute')
```



Top 10 of brands



A-priori analysis to find frequent itemsets

We tried the target = 'rules', but any rule was find. So we used 'frequent itemset' instead.

```
## Apriori
##
## Parameter specification:
##
   confidence minval smax arem aval originalSupport maxtime
                                                                  support minlen
                                                             5 0.01263105
##
                  0.1
                         1 none FALSE
                                                  TRUE
##
   maxlen
                      target ext
##
         5 frequent itemsets TRUE
##
## Algorithmic control:
   filter tree heap memopt load sort verbose
       0.1 TRUE TRUE FALSE TRUE
                                         TRUE
##
```

```
##
## Absolute minimum support count: 100
##
## set item appearances ...[0 item(s)] done [0.00s].
## set transactions ...[20 item(s), 7917 transaction(s)] done [0.00s].
## sorting and recoding items ... [18 item(s)] done [0.00s].
## creating transaction tree ... done [0.00s].
## checking subsets of size 1 2 3 4 done [0.00s].
## sorting transactions ... done [0.00s].
## writing ... [84 set(s)] done [0.00s].
## creating S4 object ... done [0.00s].
```

Inspect the itemsets

summary(rules)

##

##

##

mining info:

transactionYoung

data ntransactions

```
## set of 84 itemsets
## most frequent items:
     Kettle
              Doritos
                        Smiths Pringles Infuzions
                                                     (Other)
##
         24
                                                         67
                   19
                            19
                                      18
## element (itemset/transaction) length distribution:sizes
## 1 2 3
## 18 56 10
##
##
     Min. 1st Qu. Median
                            Mean 3rd Qu.
                                            Max.
##
    1.000 2.000 2.000 1.905
                                   2.000
                                           3.000
## summary of quality measures:
##
      support
                        count
        :0.01276 Min. : 101.0
## Min.
## 1st Qu.:0.01715
                   1st Qu.: 135.8
## Median :0.02551 Median : 202.0
         :0.04715
## Mean
                    Mean : 373.3
## 3rd Qu.:0.04664
                     3rd Qu.: 369.2
         :0.38714
                    Max. :3065.0
##
## includes transaction ID lists: FALSE
```

```
#inspect(rules)
duplicated(rules)
```

support confidence

apriori(data = transactionYoung, parameter = list(supp = soporte, conf = 0.7, minlen = 1, maxlen = 1

[1] FALSE FALSE

7917 0.01263105

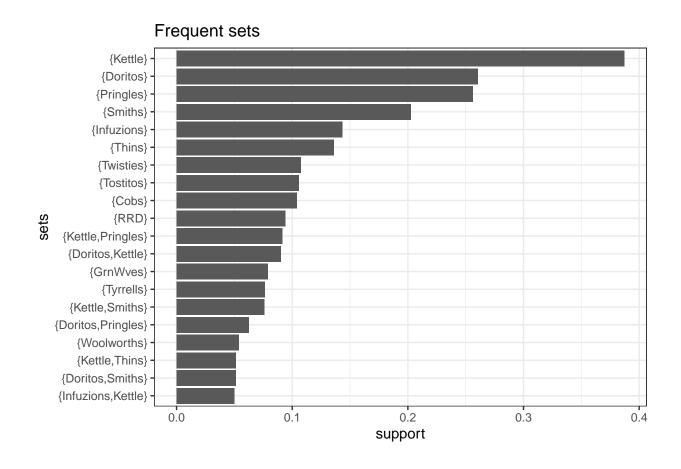
```
## [13] FALSE FALSE
## [25] FALSE FALSE
## [37] FALSE FALSE
## [49] FALSE FALSE
## [61] FALSE FALSE
## [73] FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE
## [74] FALSE FALSE
## [75] FALSE FALSE
## [76] FALSE F
```

Show the first 20 itemsets and save them

```
top_20_items <- sort(rules, by = "support", decreasing = TRUE)[1:20]
inspect(top_20_items)</pre>
```

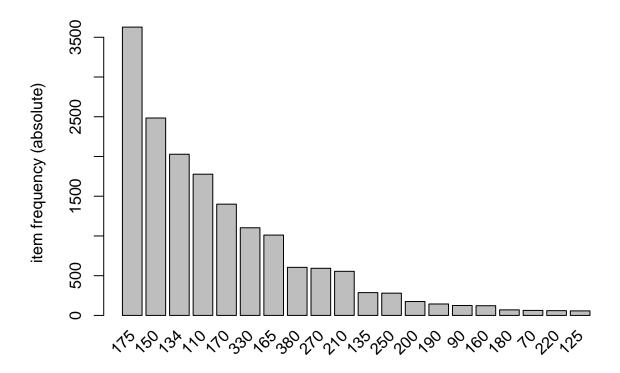
```
##
        items
                            support
                                       count
## [1]
       {Kettle}
                            0.38714159 3065
## [2]
       {Doritos}
                            0.26032588 2061
## [3]
       {Pringles}
                            0.25615764 2028
       {Smiths}
## [4]
                            0.20247569 1603
## [5]
       {Infuzions}
                            0.14310976 1133
## [6]
       {Thins}
                            0.13603638 1077
## [7]
       {Twisties}
                            0.10736390
                                       850
       {Tostitos}
## [8]
                            0.10584817
                                       838
## [9]
       {Cobs}
                            0.10382721 822
## [10] {RRD}
                            0.09397499 744
## [11] {Kettle, Pringles} 0.09144878 724
## [12] {Doritos, Kettle} 0.08993306
                                       712
## [13] {GrnWves}
                           0.07881773 624
## [14] {Tyrrells}
                           0.07616521 603
## [15] {Kettle, Smiths}
                            0.07565997 599
## [16] {Doritos, Pringles} 0.06264999 496
                            0.05380826 426
## [17] {Woolworths}
## [18] {Kettle, Thins}
                            0.05128205 406
## [19] {Doritos, Smiths}
                           0.05115574
                                       405
## [20] {Infuzions, Kettle} 0.04976633
                                       394
df_top20 <- as(top_20_items, Class = "data.frame")</pre>
write.csv(df_top20, "top20_young.csv")
```

Plot top 20 itemsets

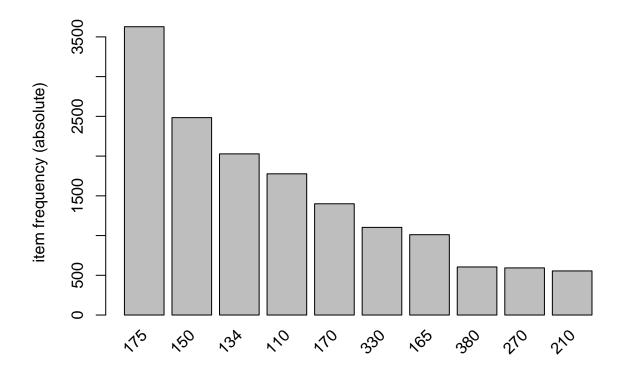


Pack size that Mainstream, young singles/couples prefer

Warning in asMethod(object): removing duplicated items in transactions



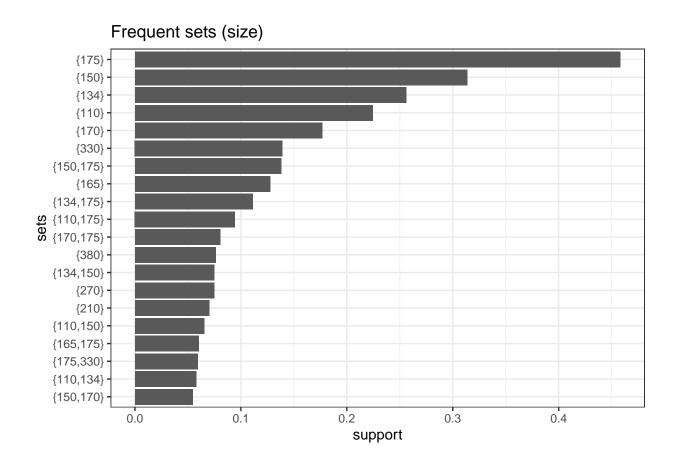
itemFrequencyPlot(packsizeYoung, topN= 10, type='absolute')



```
## Apriori
##
## Parameter specification:
    confidence minval smax arem aval originalSupport maxtime
##
                                                                  support minlen
                                                             5 0.01263105
##
                  0.1
                         1 none FALSE
                                                  TRUE
##
   maxlen
                      target ext
##
         5 frequent itemsets TRUE
##
## Algorithmic control:
   filter tree heap memopt load sort verbose
       0.1 TRUE TRUE FALSE TRUE
##
                                         TRUE
##
## Absolute minimum support count: 100
## set item appearances ...[0 item(s)] done [0.00s].
## set transactions ...[20 item(s), 7917 transaction(s)] done [0.00s].
## sorting and recoding items ... [16 item(s)] done [0.00s].
## creating transaction tree ... done [0.00s].
```

```
## checking subsets of size 1 2 3 4 done [0.00s].
## sorting transactions ... done [0.00s].
## writing ... [73 set(s)] done [0.00s].
## creating S4 object ... done [0.00s].
summary(rulesSizeYoung)
## set of 73 itemsets
##
## most frequent items:
##
      175
              150
                      134
                              110
                                     170 (Other)
##
       27
               21
                       19
                              17
                                      15
                                              50
##
## element (itemset/transaction) length distribution:sizes
## 1 2 3
## 16 38 19
##
##
     Min. 1st Qu. Median
                            Mean 3rd Qu.
                                            Max.
           2.000
                   2.000
                                           3.000
##
    1.000
                           2.041
                                   3.000
##
## summary of quality measures:
##
      support
                         count
## Min.
         :0.01263 Min. : 100.0
## 1st Qu.:0.01730 1st Qu.: 137.0
## Median :0.02842 Median : 225.0
## Mean
          :0.05422 Mean
                          : 429.2
## 3rd Qu.:0.05772
                     3rd Qu.: 457.0
## Max. :0.45825
                     Max. :3628.0
##
## includes transaction ID lists: FALSE
##
## mining info:
            data ntransactions
                                 support confidence
                          7917 0.01263105
##
  packsizeYoung
## apriori(data = packsizeYoung, parameter = list(supp = soportePackYoung, conf = 0.7, minlen = 1, max
#inspect(rulesSizeYoung)
duplicated(rulesSizeYoung)
## [1] FALSE FALSE
## [13] FALSE FALSE
## [25] FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE
## [37] FALSE FALSE
## [49] FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE
## [61] FALSE FALSE
## [73] FALSE
top_20_sizes <- sort(rulesSizeYoung, by = "support", decreasing = TRUE)[1:20]
inspect(top_20_sizes)
```

```
##
        items
                  support
                              count
## [1]
       {175}
                  0.45825439 3628
## [2]
       {150}
                   0.31375521 2484
## [3]
       {134}
                   0.25615764 2028
## [4]
       {110}
                   0.22445371 1777
## [5]
       {170}
                   0.17683466 1400
## [6]
       {330}
                  0.13932045 1103
## [7]
       {150, 175} 0.13793103 1092
## [8]
       {165}
                   0.12769989 1011
## [9]
       {134, 175} 0.11115321 880
## [10] {110, 175} 0.09448023 748
## [11] {170, 175} 0.08058608 638
## [12] {380}
                   0.07641784 605
## [13] {134, 150} 0.07502842 594
## [14] {270}
                   0.07490211 593
## [15] {210}
                   0.07010231 555
## [16] {110, 150} 0.06530251 517
## [17] {165, 175} 0.06012378 476
## [18] {175, 330} 0.05911330 468
## [19] {110, 134} 0.05772389 457
## [20] {150, 170} 0.05469243 433
df_top20sizes <- as(top_20_sizes, Class = "data.frame")</pre>
write.csv(df_top20sizes, "top20Sizes_young.csv")
ggplot(data = df_top20sizes,
       aes(x = reorder(items, support), y = support)) +
  geom col() +
  coord_flip() +
  labs(title = "Frequent sets (size)", x = "sets") +
  theme_bw()
```



A-priori analysis to deep dive into Budget Older families

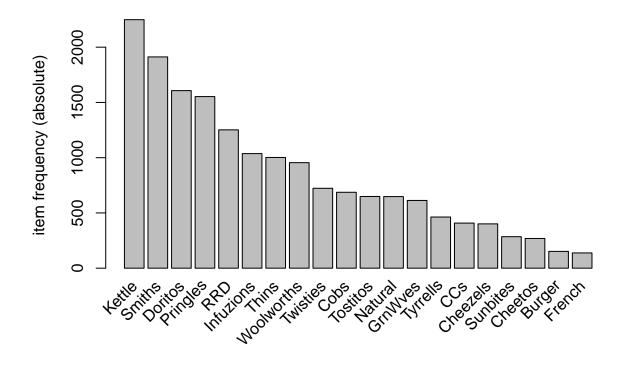
Although there aren't too many customers in the Budget Older families segment, they make more transactions and contribute to the sales, so we can also check their preferences.

Brands that Budget Older families prefer

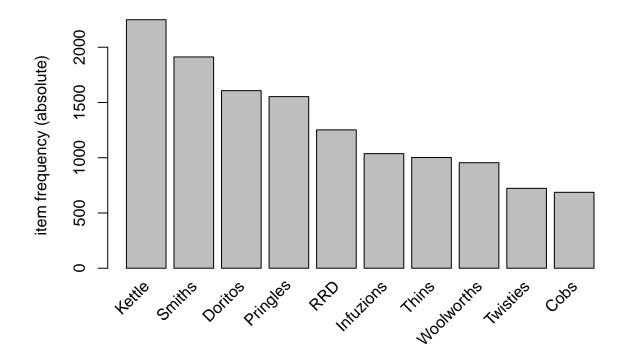
```
transaction_Budget_OldFam <- Data[Data$LIFESTAGE == 'OLDER FAMILIES' &
                                      Data$PREMIUM_CUSTOMER == 'Budget',c(1,9,10)]
str(transaction_Budget_OldFam)
## 'data.frame':
                    21514 obs. of 3 variables:
  $ LYLTY_CARD_NBR: int 1022 1090 1102 1103 1136 1190 1226 1235 1250 1281 ...
   $ PACK_SIZE
                    : int
                           150 165 175 170 175 150 150 175 170 150 ...
   $ BRAND
                           "Kettle" "RRD" "CCs" "Smiths" ...
##
                    : chr
brands_OldFam <- ddply(transaction_Budget_OldFam, c("LYLTY_CARD_NBR"),</pre>
                         function(df1)paste(df1$BRAND, collapse = ","))
brands_OldFam$LYLTY_CARD_NBR <- NULL</pre>
write.csv(brands_OldFam, "Brands_Butget_OldFam.csv" , quote = FALSE, row.names = FALSE)
```

Warning in asMethod(object): removing duplicated items in transactions

itemFrequencyPlot(transactionOldFam, topN= 20, type='absolute')#all Brands in Data(23)



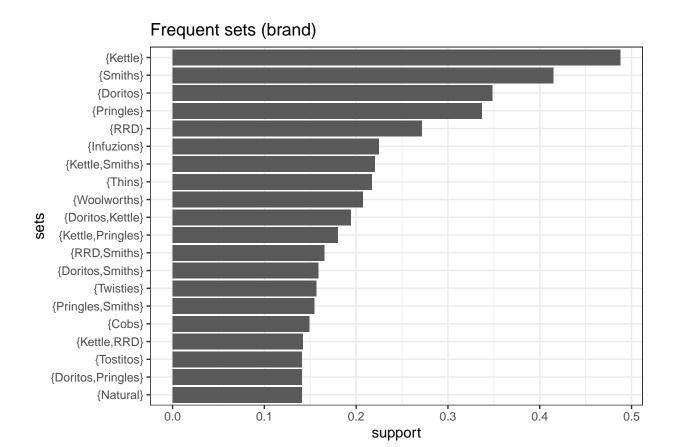
itemFrequencyPlot(transactionOldFam, topN= 10, type='absolute')#all Brands in Data(23)



```
## Apriori
##
## Parameter specification:
##
    confidence minval smax arem aval originalSupport maxtime
                                                                  support minlen
##
                  0.1
                         1 none FALSE
                                                  TRUE
                                                             5 0.04337454
##
   maxlen
                      target ext
##
         5 frequent itemsets TRUE
##
## Algorithmic control:
   filter tree heap memopt load sort verbose
       0.1 TRUE TRUE FALSE TRUE
##
                                         TRUE
##
## Absolute minimum support count: 200
## set item appearances ...[0 item(s)] done [0.00s].
## set transactions ...[20 item(s), 4611 transaction(s)] done [0.00s].
## sorting and recoding items ... [18 item(s)] done [0.00s].
## creating transaction tree ... done [0.00s].
```

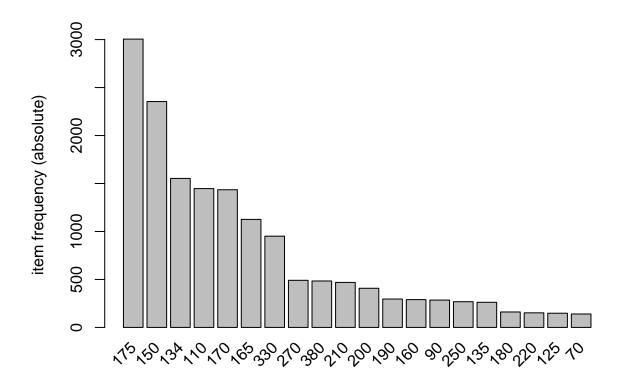
```
## checking subsets of size 1 2 3 4 done [0.00s].
## sorting transactions ... done [0.00s].
## writing ... [101 set(s)] done [0.00s].
## creating S4 object ... done [0.00s].
summary(rulesBrandOldFam)
## set of 101 itemsets
##
## most frequent items:
##
                                            Kettle Doritos Pringles
                                                                                                                                             RRD
                                                                                                                                                             (Other)
               Smiths
##
                            32
                                                         31
                                                                                                                                                21
                                                                                                                                                                             81
                                                                                      22
##
## element (itemset/transaction) length distribution:sizes
## 1 2 3
## 18 59 24
##
##
                  Min. 1st Qu. Median
                                                                                               Mean 3rd Qu.
                                                                                                                                                   Max.
                                                                                                                                                3.000
##
                1.000
                                     2.000
                                                                 2.000
                                                                                            2.059
                                                                                                                       2.000
## summary of quality measures:
##
                      support
                                                                                   count
                                                                      Min. : 200.0
##
        Min.
                                 :0.04337
                                                                   1st Qu.: 247.0
           1st Qu.:0.05357
## Median :0.06940
                                                                     Median : 320.0
## Mean
                                   :0.09978
                                                                      Mean
                                                                                        : 460.1
            3rd Qu.:0.10280
                                                                      3rd Qu.: 474.0
                                   :0.48775
                                                                                       :2249.0
## Max.
                                                                      Max.
##
## includes transaction ID lists: FALSE
##
## mining info:
##
                                                      data ntransactions
                                                                                                                             support confidence
                                                                                                  4611 0.04337454
##
        transactionOldFam
        apriori(data = transactionOldFam, parameter = list(supp = soporteBrandOldFam, conf = 0.7, minlen =
duplicated(rulesBrandOldFam)
                [1] FALSE FA
        [13] FALSE FALSE
            [25] FALSE FALSE
## [37] FALSE FALSE
## [49] FALSE FALSE
## [61] FALSE FALSE
            [73] FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE FALSE
## [85] FALSE FALS
## [97] FALSE FALSE FALSE FALSE
top20_items_OldFam <- sort(rulesBrandOldFam, by = "support", decreasing = TRUE)[1:20]
inspect(top20_items_OldFam)
```

```
##
       items
                           support count
## [1]
       {Kettle}
                           0.4877467 2249
## [2] {Smiths}
                           0.4146606 1912
## [3] {Doritos}
                           0.3485144 1607
## [4]
       {Pringles}
                           0.3368033 1553
## [5]
       {RRD}
                          0.2715246 1252
## [6]
       {Infuzions}
                          0.2248970 1037
## [7] {Kettle, Smiths}
                          0.2205595 1017
## [8]
       {Thins}
                           0.2173064 1002
## [9] {Woolworths}
                           0.2071134 955
## [10] {Doritos, Kettle}
                           0.1943179 896
## [11] {Kettle, Pringles} 0.1797875 829
## [12] {RRD, Smiths}
                           0.1650401 761
## [13] {Doritos, Smiths} 0.1587508 732
## [14] {Twisties}
                           0.1567990 723
## [15] {Pringles, Smiths} 0.1546302 713
## [16] {Cobs}
                           0.1489915 687
## [17] {Kettle, RRD}
                           0.1418347
                                      654
## [18] {Tostitos}
                           0.1407504 649
## [19] {Doritos, Pringles} 0.1407504 649
## [20] {Natural}
                           0.1405335 648
df_top20_0ldFam <- as(top20_items_0ldFam, Class = "data.frame")</pre>
write.csv(df_top20_0ldFam, "top20_Budget_0ldFam.csv")
ggplot(data = df_top20_0ldFam,
      aes(x = reorder(items, support), y = support)) +
 geom col() +
 coord_flip() +
 labs(title = "Frequent sets (brand)", x = "sets") +
 theme_bw()
```

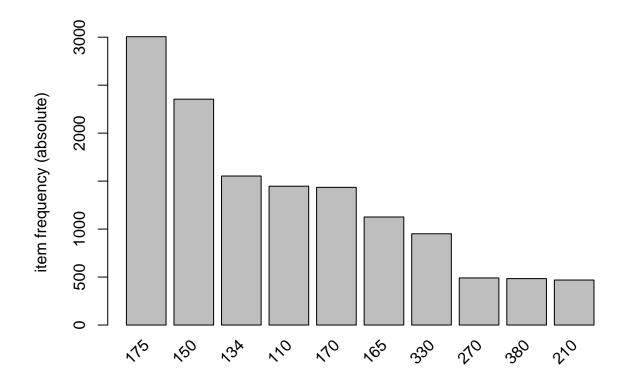


Pack size taht Budget Older families prefer

Warning in asMethod(object): removing duplicated items in transactions



itemFrequencyPlot(packsizeOldFam, topN= 10, type='absolute')



```
## Apriori
##
## Parameter specification:
    confidence minval smax arem aval originalSupport maxtime
##
                                                                  support minlen
                                                             5 0.04337454
##
                  0.1
                         1 none FALSE
                                                  TRUE
##
   maxlen
                      target ext
##
         5 frequent itemsets TRUE
##
## Algorithmic control:
   filter tree heap memopt load sort verbose
       0.1 TRUE TRUE FALSE TRUE
##
                                         TRUE
##
## Absolute minimum support count: 200
## set item appearances ...[0 item(s)] done [0.00s].
## set transactions ...[20 item(s), 4611 transaction(s)] done [0.00s].
## sorting and recoding items ... [16 item(s)] done [0.00s].
## creating transaction tree ... done [0.00s].
```

```
## checking subsets of size 1 2 3 4 done [0.00s].
## sorting transactions ... done [0.00s].
## writing ... [85 set(s)] done [0.00s].
## creating S4 object ... done [0.00s].
summary(rulesSizeOldFam)
## set of 85 itemsets
##
## most frequent items:
##
                                     170 (Other)
      175
              150
                      134
                             110
##
       39
               36
                       21
                              20
                                      20
                                              59
##
## element (itemset/transaction) length distribution:sizes
## 1 2 3 4
## 16 34 29 6
##
##
     Min. 1st Qu. Median
                            Mean 3rd Qu.
                                            Max.
##
    1.000 2.000 2.000
                           2.294
                                  3.000
                                           4.000
##
## summary of quality measures:
##
      support
                        count
## Min. :0.04403 Min. : 203.0
## 1st Qu.:0.05769 1st Qu.: 266.0
## Median :0.07395
                   Median : 341.0
## Mean
         :0.11381 Mean : 524.8
## 3rd Qu.:0.12058
                     3rd Qu.: 556.0
## Max.
         :0.65170
                    Max. :3005.0
## includes transaction ID lists: FALSE
##
## mining info:
##
             data ntransactions
                                  support confidence
##
  packsizeOldFam
                          4611 0.04337454
##
## apriori(data = packsizeOldFam, parameter = list(supp = soportePackOldFam, conf = 0.7, minlen = 1, m
duplicated(rulesSizeOldFam)
## [1] FALSE FALSE
## [13] FALSE FALSE
## [25] FALSE FALSE
## [37] FALSE FALSE
## [49] FALSE FALSE
## [61] FALSE FALSE
## [73] FALSE FALSE
## [85] FALSE
top_20_sizes_OF <- sort(rulesSizeOldFam, by = "support", decreasing = TRUE)[1:20]
inspect(top_20_sizes_OF)
```

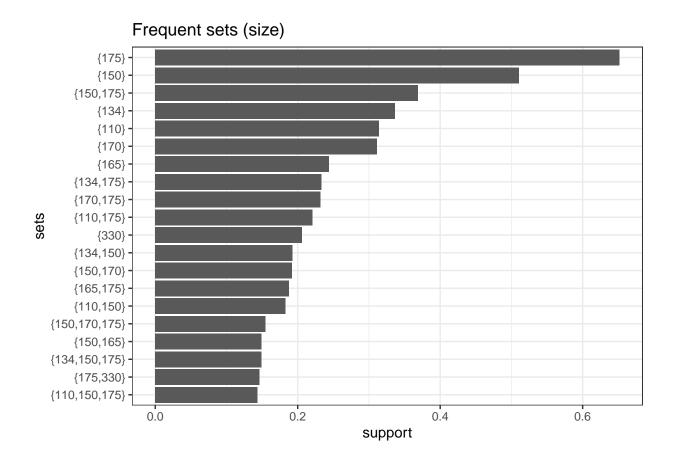
support

count

##

items

```
## [1] {175}
                        0.6517025 3005
## [2]
       {150}
                        0.5105183 2354
## [3]
       {150, 175}
                        0.3691173 1702
## [4]
       {134}
                        0.3368033 1553
## [5]
       {110}
                        0.3138148 1447
## [6]
       {170}
                        0.3112123 1435
## [7]
       {165}
                        0.2441987 1126
## [8]
       {134, 175}
                        0.2335719 1077
## [9]
       {170, 175}
                        0.2322707 1071
## [10] {110, 175}
                        0.2209933 1019
## [11] {330}
                        0.2062459 951
## [12] {134, 150}
                        0.1927998 889
## [13] {150, 170}
                        0.1917155 884
## [14] {165, 175}
                        0.1880286 867
## [15] {110, 150}
                        0.1830406 844
## [16] {150, 170, 175} 0.1546302 713
## [17] {150, 165}
                        0.1492084 688
## [18] {134, 150, 175} 0.1489915 687
## [19] {175, 330}
                        0.1463891 675
## [20] {110, 150, 175} 0.1435697 662
df_top20sizesOldFam <- as(top_20_sizes_OF, Class = "data.frame")</pre>
write.csv(df_top20sizesOldFam, "top20Sizes_OldFam.csv")
ggplot(data = df_top20sizesOldFam,
      aes(x = reorder(items, support), y = support)) +
  geom_col() +
 coord flip() +
 labs(title = "Frequent sets (size)", x = "sets") +
 theme bw()
```



Conclusion

Recapitulation of what we have found.

Sales are coming mainly from Budget - older families, Mainstream - young singles/couples, and Mainstream - retirees shoppers, the same for the number of transactions. There are more Mainstream - young singles/couples and retirees who buy chips. This contributes to there being more sales from these customer segments but in the case of the Budget - Older families segment, they contribute making more transactions of chips.

Older families and young families in general buy more chips per customer, maybe one member of the family buys for all the other members.

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

Three of the first brands that Mainstream young singles and couples prefer are Kettle, Doritos, and Pringles in packet sizes of 175g or 150g.

Although there aren't too many customers in the Budget Older families segment, they make more transactions and contribute to the sales, three of the first brands that they prefer are Kettle, Smiths, and Doritos in packet sizes of 175g or 150g.

Both segments coincide in the brand Kettle and Doritos and the packet sizes.