

April 2025

Category review: Chips

Retail Analytics



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.

Table of Contents

1. Executive Summary

2. Introduction

2.1 Problem Statement

2.2 Purpose of Analysis

1. Overview of Category Performance

2. Affluence and Chip Buying Behavior

3. Customer Segment Distribution by Life stage

4. Trial Store Performance: Total Sales

5. Trial Store Performance: Impact on Customer Numbers

6. Key Recommendations

Executive summary

This presentation provides key insights and recommendations for the upcoming category review, based on analysis of customer transaction data and trial store performance.

01

Task 1

- Budget customers spend the most (average of \$27.63 per customer) and purchase chips more frequently (average of 3.78 transactions per customer), indicating strong engagement with the category.
- Mainstream customers represent the largest segment in both size (29,245 customers) and total revenue contribution (\$750,744.50), making them a key driver of overall sales.
- Premium customers show a preference for branded and gourmet chip options, often in smaller pack sizes, and exhibit lower overall purchase frequency compared to other segments.
- Woolworths homebrand has a strong presence among Budget customers, while Smiths is a leading brand for the Premium segment. Average pack sizes purchased are similar across segments (approximately 175g).

02

Task 2

- Trial Store 77 demonstrated a significant uplift in sales and customer numbers compared to its control store, suggesting a strong positive impact from the trial initiatives.
- Trial Store 86 also showed an increase in sales, but the impact on customer numbers was less pronounced, indicating that sales growth was primarily driven by increased spending per customer.
- While Trial Store 88 exhibited increased sales, it experienced a decrease in customer numbers, suggesting that the trial's success in this store was limited to driving higher spending among existing customers rather than attracting new ones.
- The varying results across trial stores highlight the importance of considering store-specific factors (e.g., demographics, local competition) when implementing category-wide changes.
- Based on these findings, the trial initiatives show promise, particularly in driving sales growth, but require further refinement and tailoring to maximize impact across all store types.

Introduction

Purpose of Analysis:

- This analysis aims to provide data-driven insights to inform the upcoming category review.

Key Objectives:

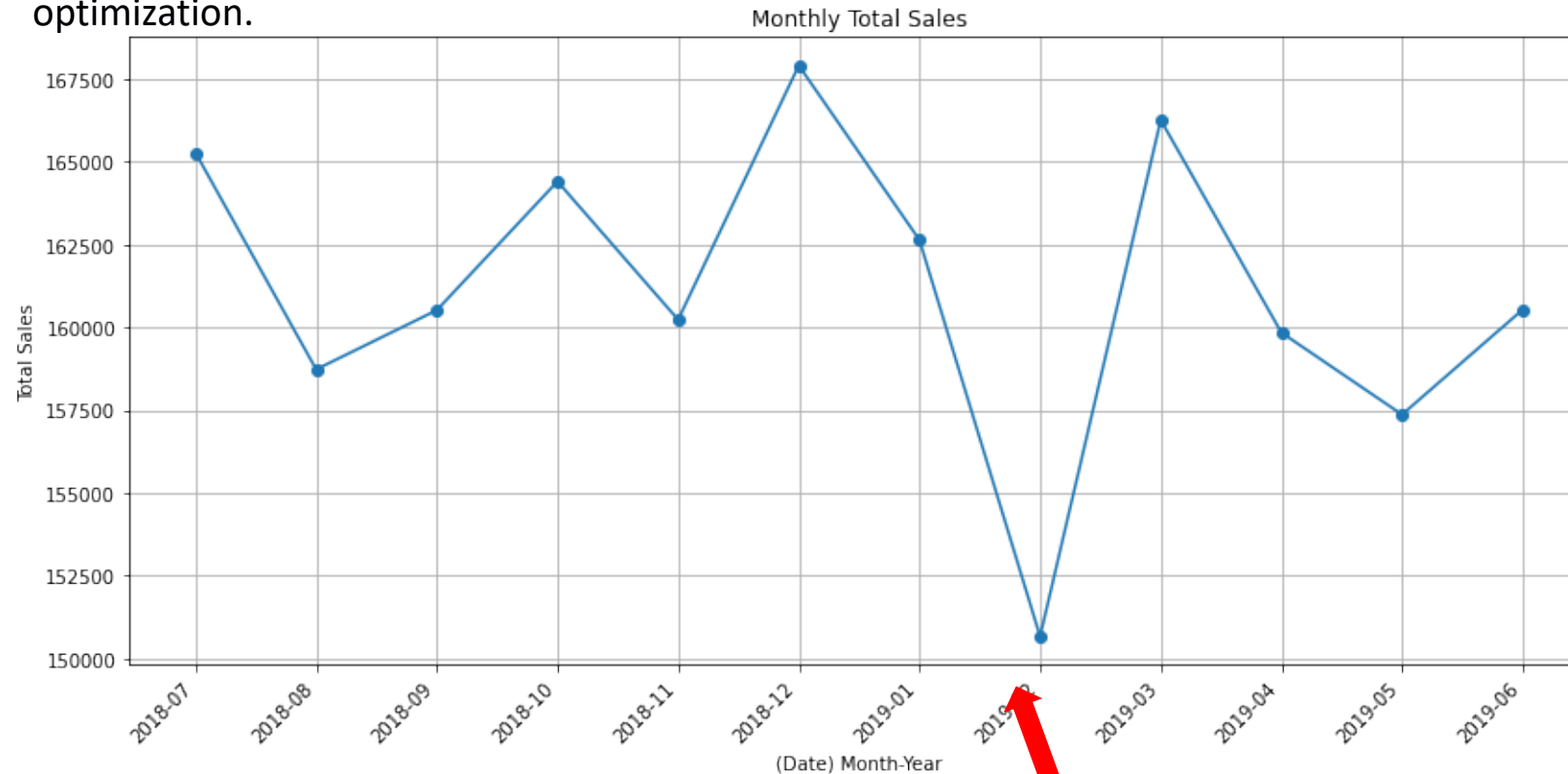
- By examining customer transaction data and leveraging loyalty information, we seek to:
 - Understand purchasing behavior
 - Identify key drivers of spending within different customer segments
 - Offer strategic recommendations to enhance the performance of the chip category.

01

Category

Overview of Category Performance:

- The Mainstream segment accounts for the largest share of revenue, but the Budget segment demonstrates higher customer spending and transaction frequency.
- Premium customers engage less frequently but prefer higher-end brands.
- Consistent pack sizes (~175g) dominate purchases.
- Analysis reveals distinct product preferences across customer segments, indicating opportunities for targeted assortment optimization.



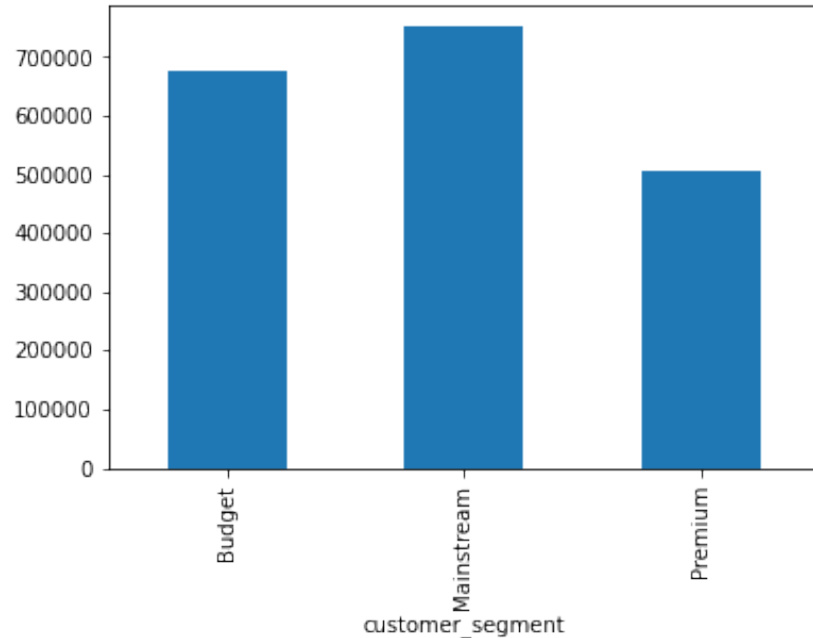
Feb 2019 Sales Dip: Potential factors: post-holiday, lack of promotions. Further analysis is needed.

Classification: Confidential

Affluence and Chip Buying Behavior

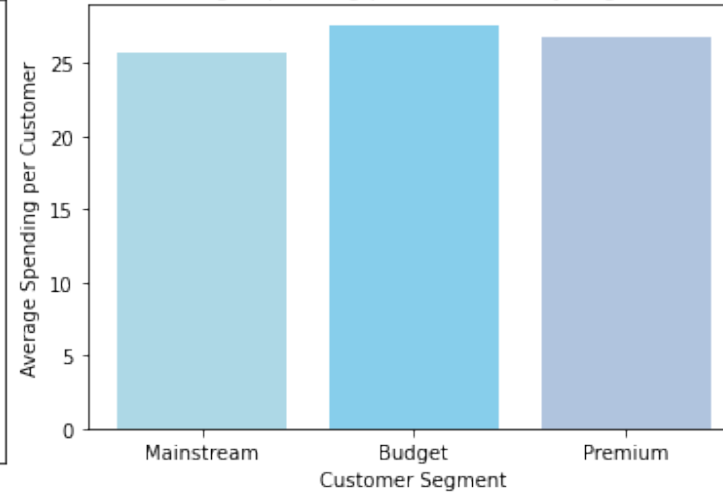
This slide examines how different customer segments, representing varying levels of affluence, exhibit distinct purchasing patterns in the chip category.

Total sale by customer segment



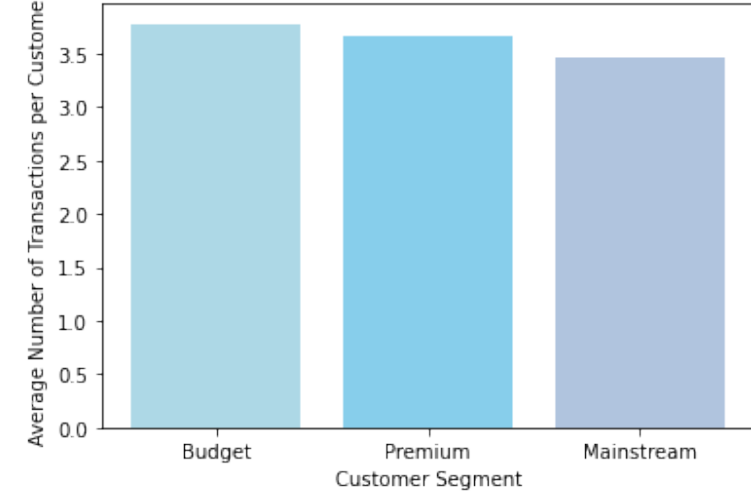
The Mainstream segment contributes the highest total sales, indicating their significant overall revenue impact.

Average Spending per Customer by Segment



The Budget segment demonstrates the highest average spending per customer, suggesting a strong value orientation within this group.

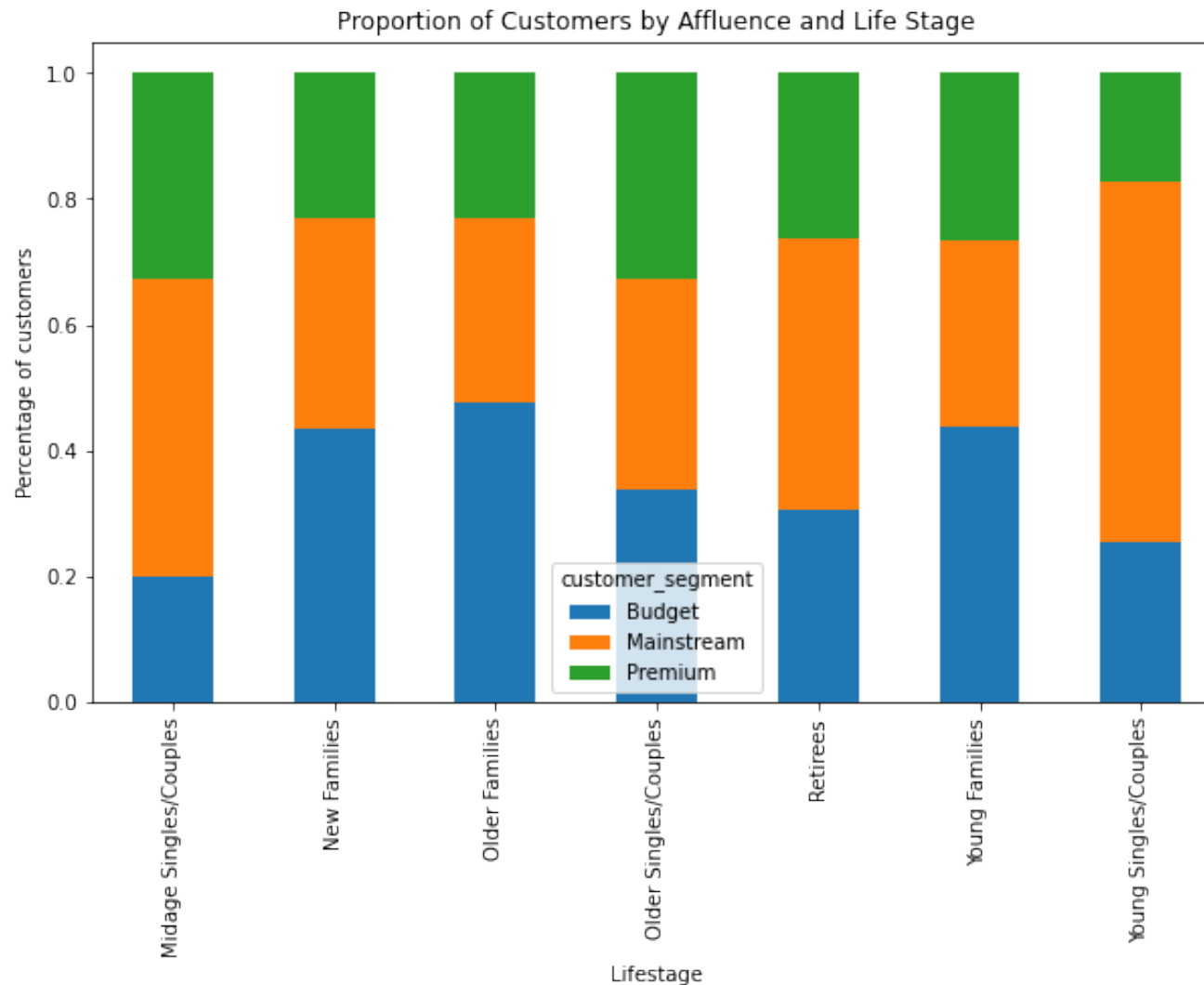
Average Number of Transactions per Customer by Segment



Budget customers also exhibit the highest transaction frequency, indicating their frequent engagement and potential loyalty to the category.

- Premium customers show a preference for *Infuzions Thai SweetChili PotatoMix*, indicating a willingness to spend on niche or higher-priced items".
- Budget-conscious consumers favor *Kettle Mozzarella Basil & Pesto*, suggesting a focus on maximizing value.
- Mainstream consumers drive volume across a wide range of popular chip options

Customer customers by affluence and life stage



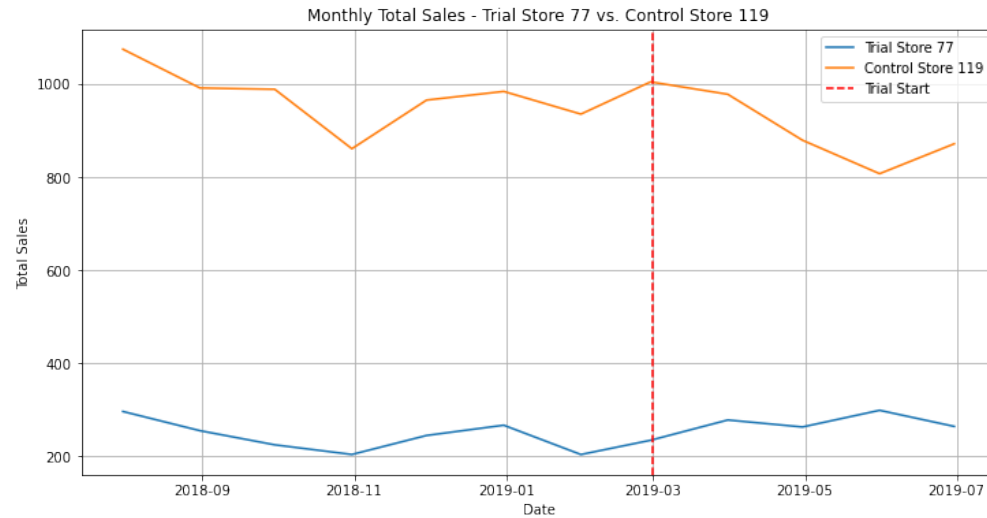
- **Budget customers dominate** most life stages, especially in **Older Families** and **New Families**.
- **Premium segment is consistently underrepresented** across life stages, reinforcing their low engagement with chips.
- **Mainstream customers** show a steady presence across all groups, strongest in **middle-aged singles/Couples** and **Young Families**.
- Budget and Mainstream customer segments make up the majority of chip buyers, indicating these groups should be the primary focus for future strategic planning.

02

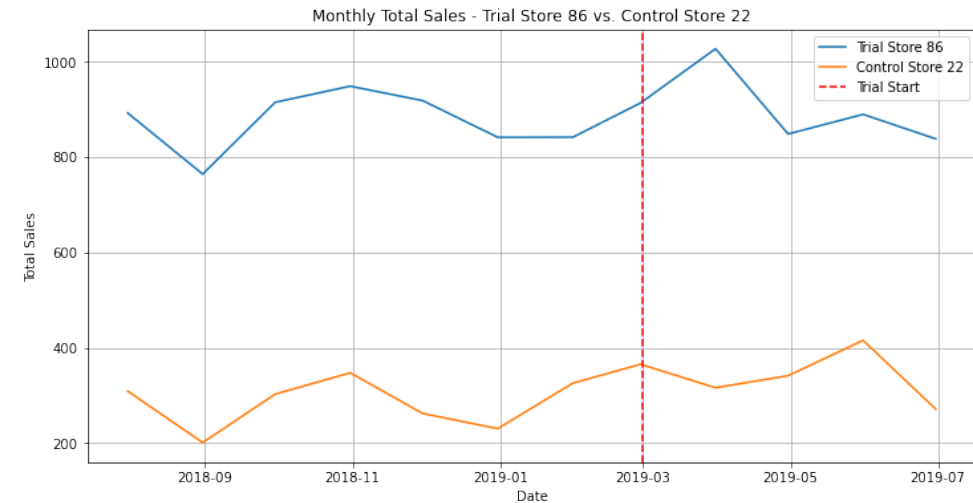
Trial store performance

Trial Store Performance

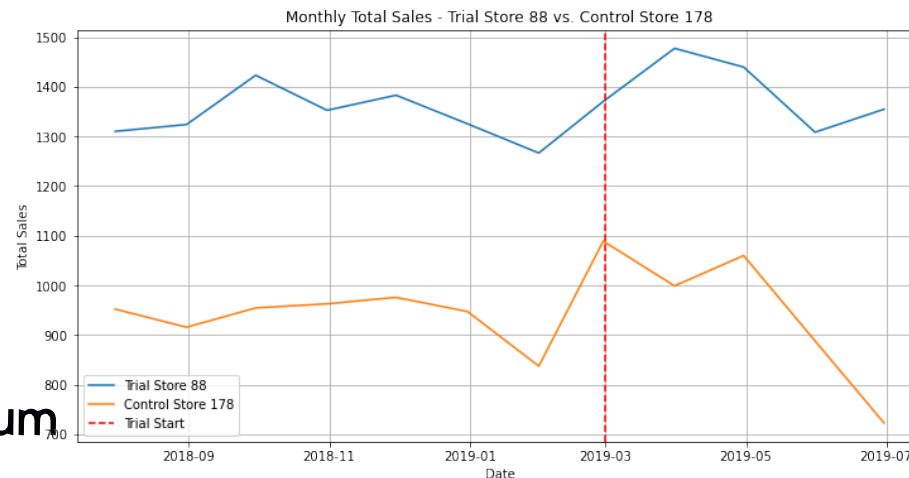
- Control stores are used to isolate the impact of the trial changes. They are similar to the trial stores but do not receive the trial, providing a baseline for comparison.
- By comparing trial store performance to control store performance, we can determine if the trial had a significant effect.



This chart shows that while Control Store 119 consistently had higher sales, Trial Store 77 experienced a notable increase in sales coinciding with the start of the trial in March 2019, suggesting a positive impact.

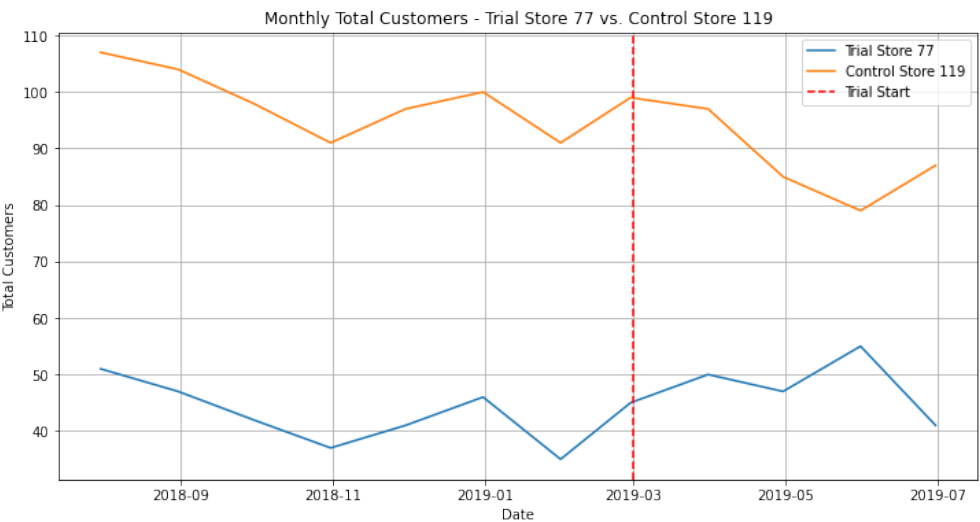


This chart indicates a strong positive impact of the trial on Trial Store 86's total sales, which significantly outperformed Control Store 22 during and after the trial period.

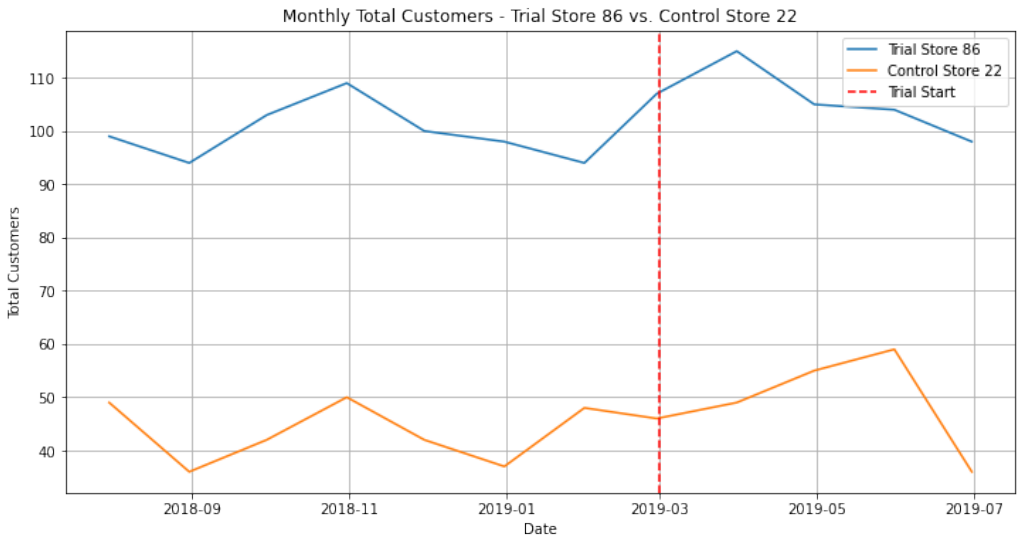


This chart indicates that Trial Store 88 maintained a higher sales volume than its control store, Control Store 178, and experienced a further increase in sales following the trial start in March 2019, suggesting a positive influence of the trial.

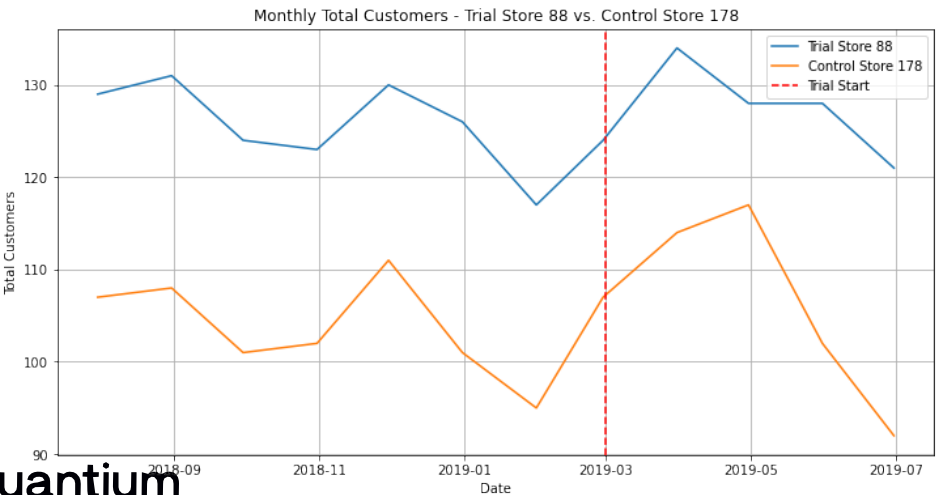
Trial Store Performance: Impact on Customer Numbers



Trial Store 77 shows a clear upward trend in customer numbers starting in February 2019, which continues through May. This suggests the trial effectively attracted and retained more customers during this period. The most substantial increase occurs precisely during the trial period



Trial Store 86 exhibits a more modest increase in customer numbers, primarily observed from March to May 2019, coinciding with the trial. While there's an increase, it's not as consistent as in Trial Store 77, with some fluctuation in February.



In contrast to the other trial stores, Trial Store 88 does not show an increase in customer numbers from February to May. Instead, there's a slight decline or fluctuation during this period, indicating that the trial did not drive customer acquisition for this store.

Key Recommendations

- Optimize product assortment to cater to segment-specific preferences.
- Tailor promotional strategies to maximize Budget segment engagement.
- Carefully review underperforming products for potential discontinuation.
- Leverage trial store findings to inform category-wide changes.



Disclaimer: This document comprises, and is the subject of intellectual property (including copyright) and confidentiality rights of one or multiple owners, including The Quantium Group Pty Limited and its affiliates (Quantium) and where applicable, its third-party data owners (Data Providers), together (IP Owners). The information contained in this document may have been prepared using raw data owned by the Data Providers. The Data Providers have not been involved in the analysis of the raw data, the preparation of, or the information contained in the document. The IP Owners do not make any representation (express or implied), nor give any guarantee or warranty in relation to the accuracy, completeness or appropriateness of the raw data, nor the analysis contained in this document. None of the IP Owners will have any liability for any use or disclosure by the recipient of any information contained in, or derived from this document. To the maximum extent permitted by law, the IP Owners expressly disclaim, take no responsibility for and have no liability for the preparation, contents, accuracy or completeness of this document, nor the analysis on which it is based. This document is provided in confidence, may only be used for the purpose provided, and may not be copied, reproduced, distributed, disclosed or made available to a third party in any way except strictly in accordance with the applicable written terms and conditions between you and Quantium, or otherwise with Quantium's prior written permission