April 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.

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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 Task 1

1. Most sales were generated by Older singles/couples, retirees, and older families, while the least sales were from new families.
2. Mainstream customers generated the most sales, which we can attribute to the same customer segment having a majority of the customers.
3. In combined customer segments, Budget-older families, mainstream- young couples/singles, and mainstream- retirees generated the most sales while premium-new families generated the least sales.
4. Older singles/couples, older families, and retirees purchased more chips as compared to the rest of the segments.
5. Mainstream - young singles/couples and mainstream – mid-age singles/couples are more willing to pay more per packet of chips compared to other customer segments.
6. Kettle, Doritos, and Smiths are the top 3 best selling chip brands

02 Task 2

1. One control store was selected for each trial store and the values of metrics were compared in trial and pre-trial periods.
2. Trial stores 77 and 86 have a significant increase in total sales and the number of customers during the trial as compared to the control stores.
3. Trial stores 77 and 86 showed a significant increase in total sales and the number of customers during the three-month trial period unlike trial store 88 which did not show significant improvement in performance during the trial period compared to its control store.

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01

Category

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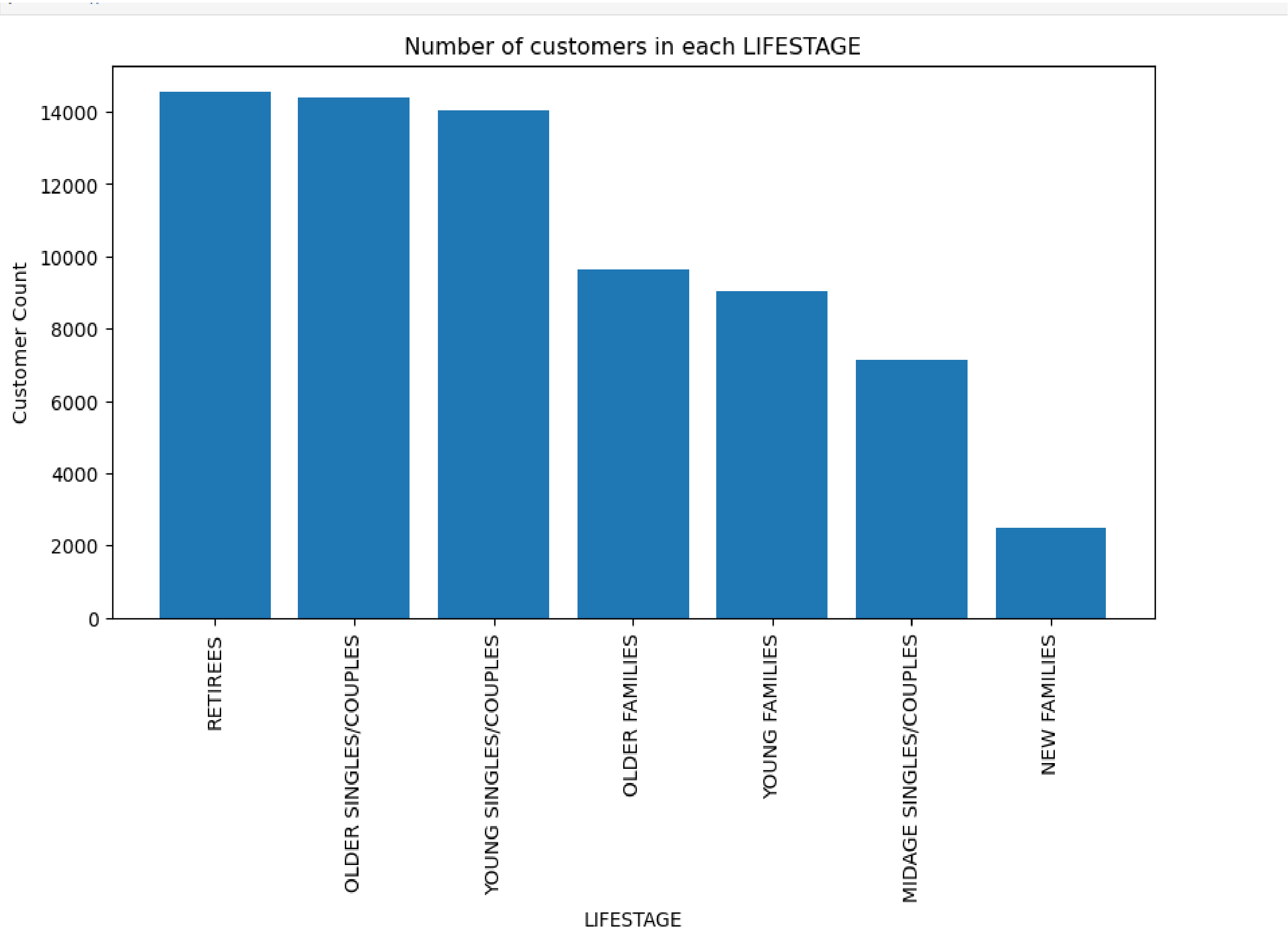
- Retirees, older singles/couples, and young singles/couples were the top 3 in number of customers.



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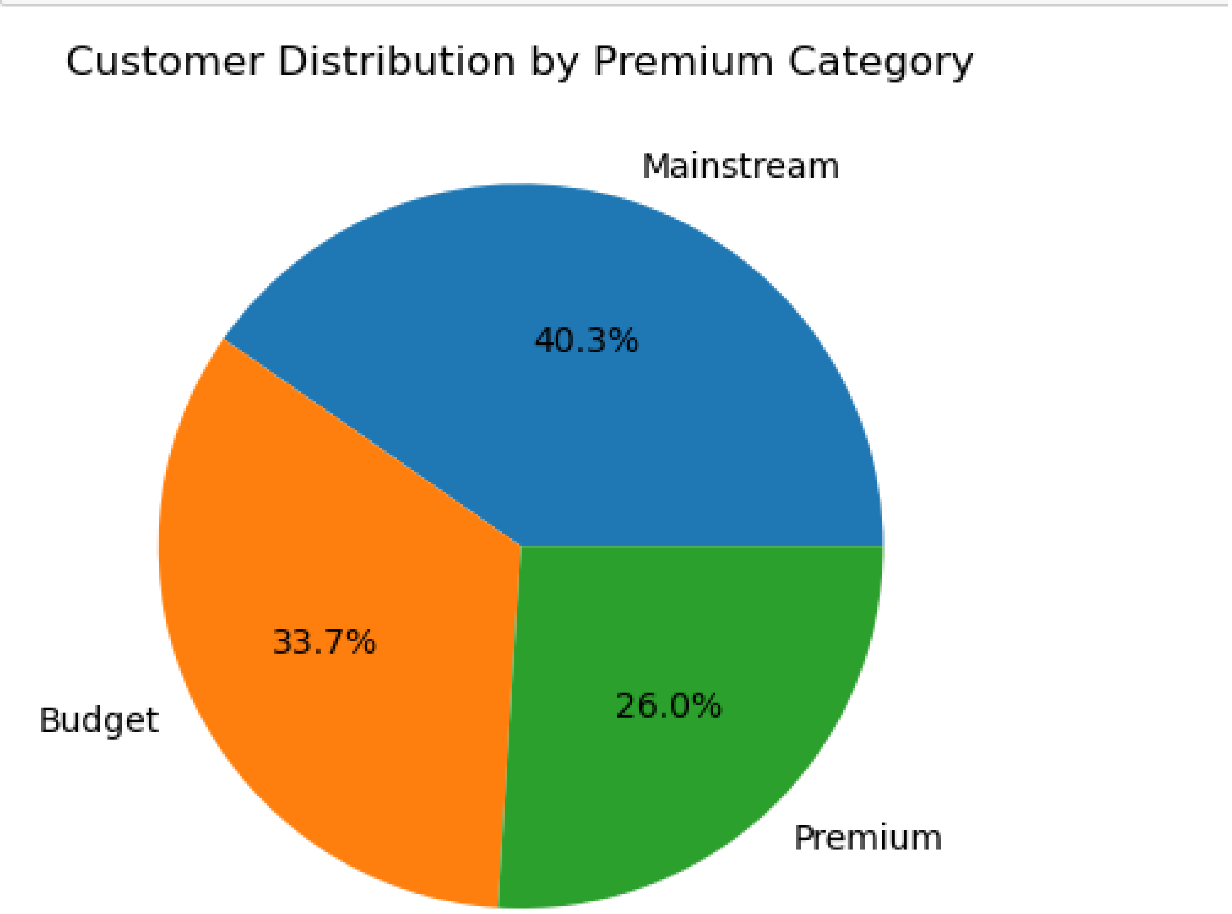
- The customer numbers in terms of purchasing behaviors are fairly distributed with mainstream customers being the majority.



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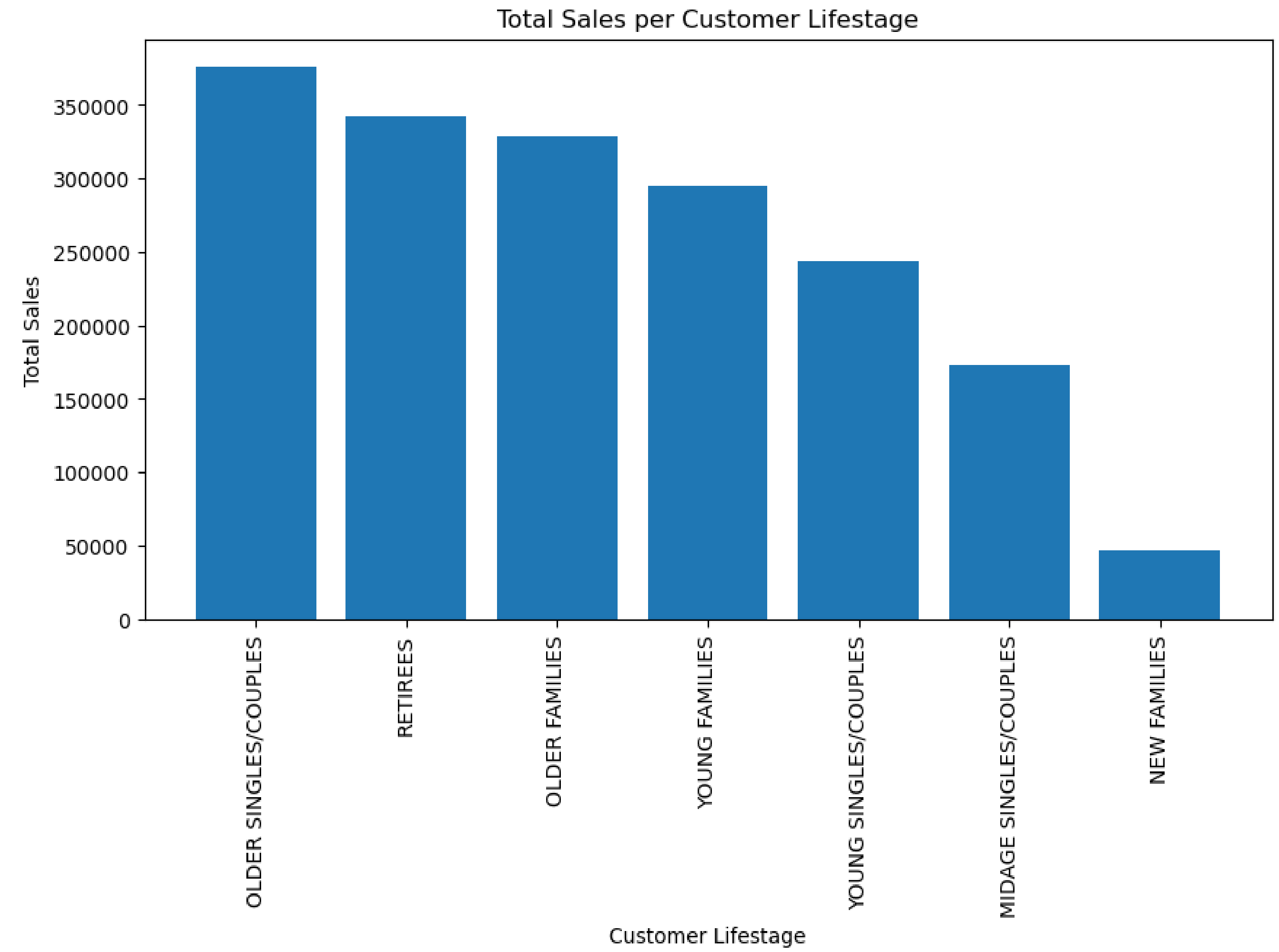

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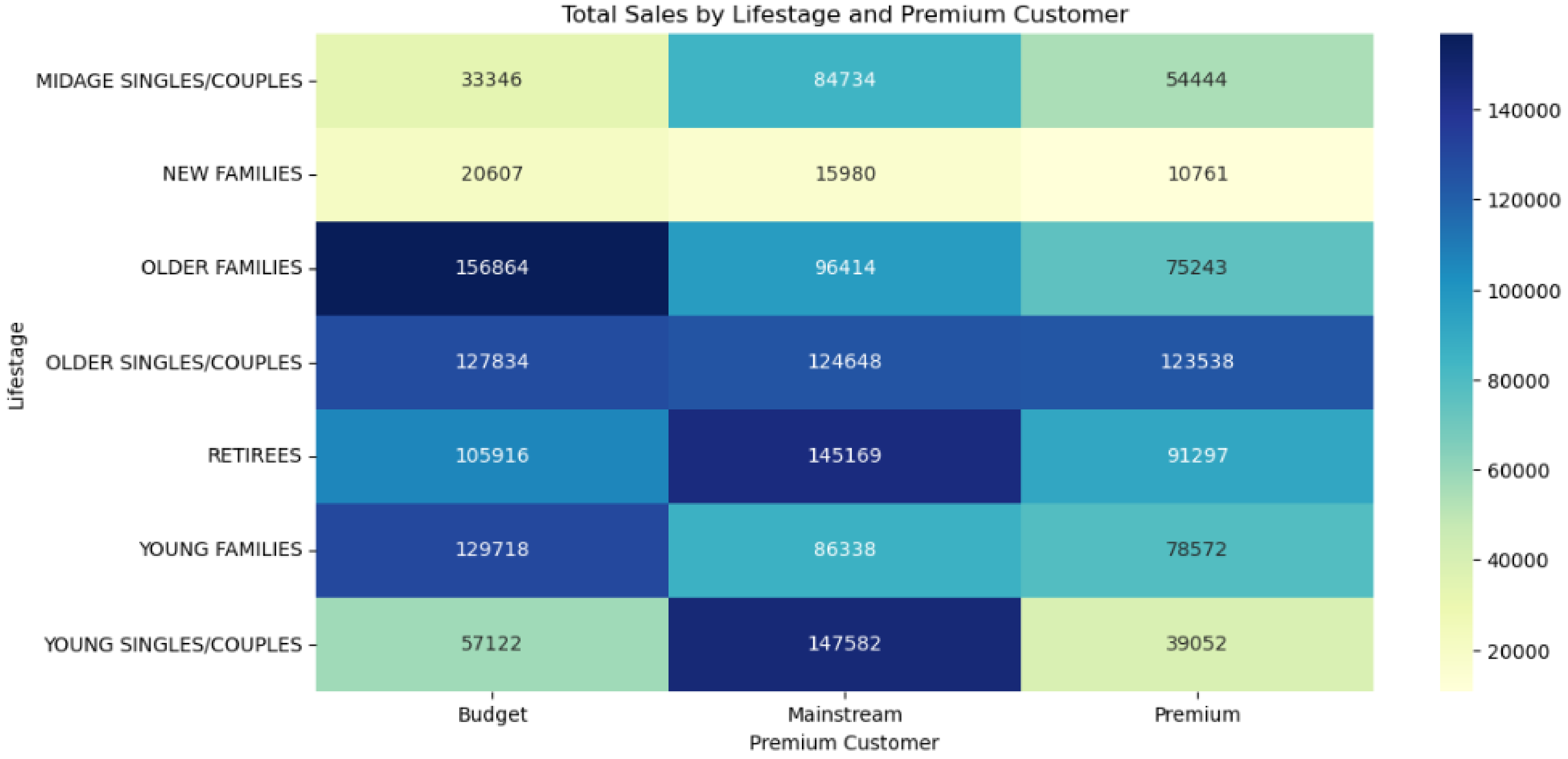
- Budget-older families, mainstream- young couples/singles, and mainstream- retirees generated the most sales while premium-new families generated the least sales.



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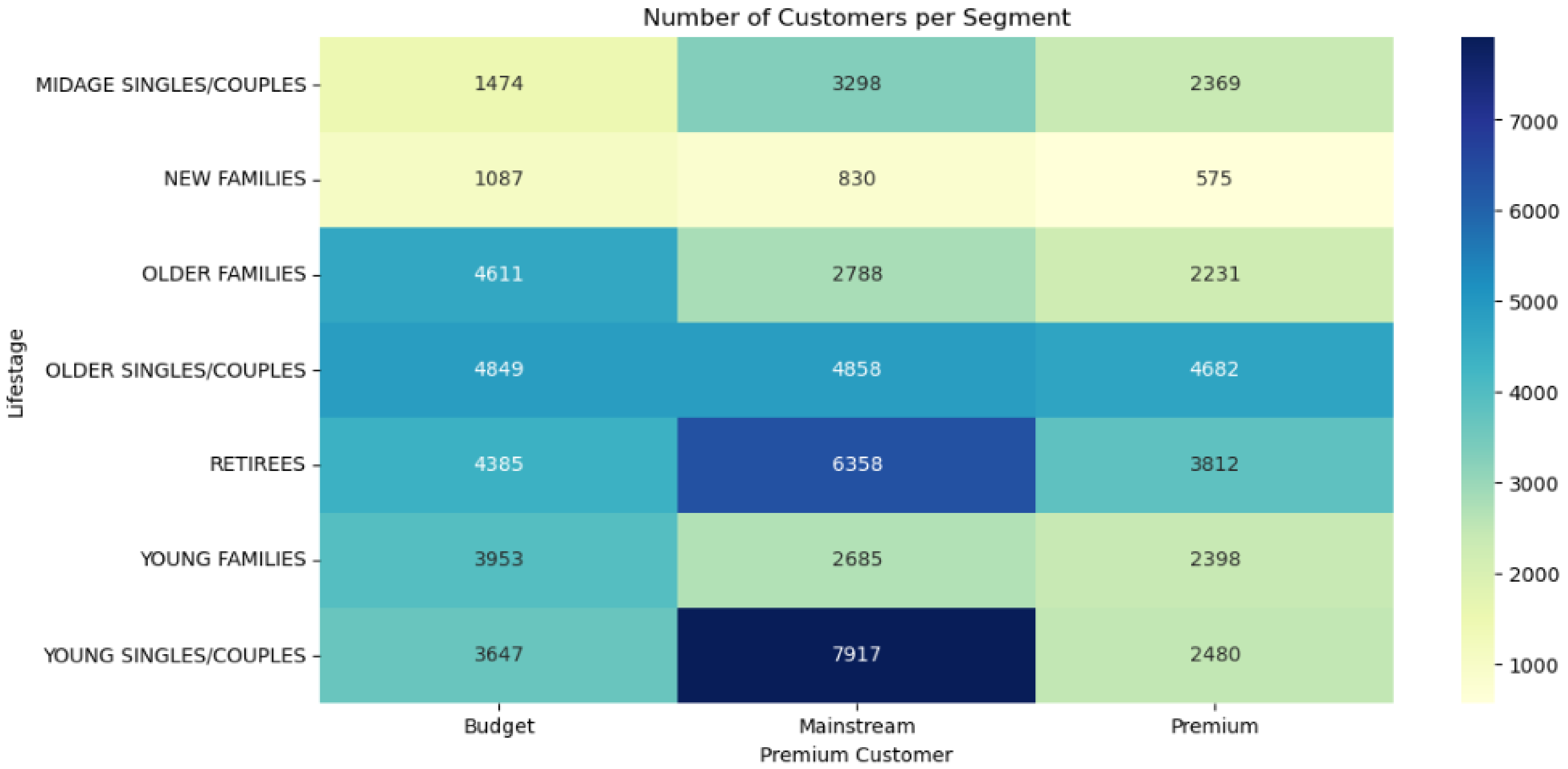
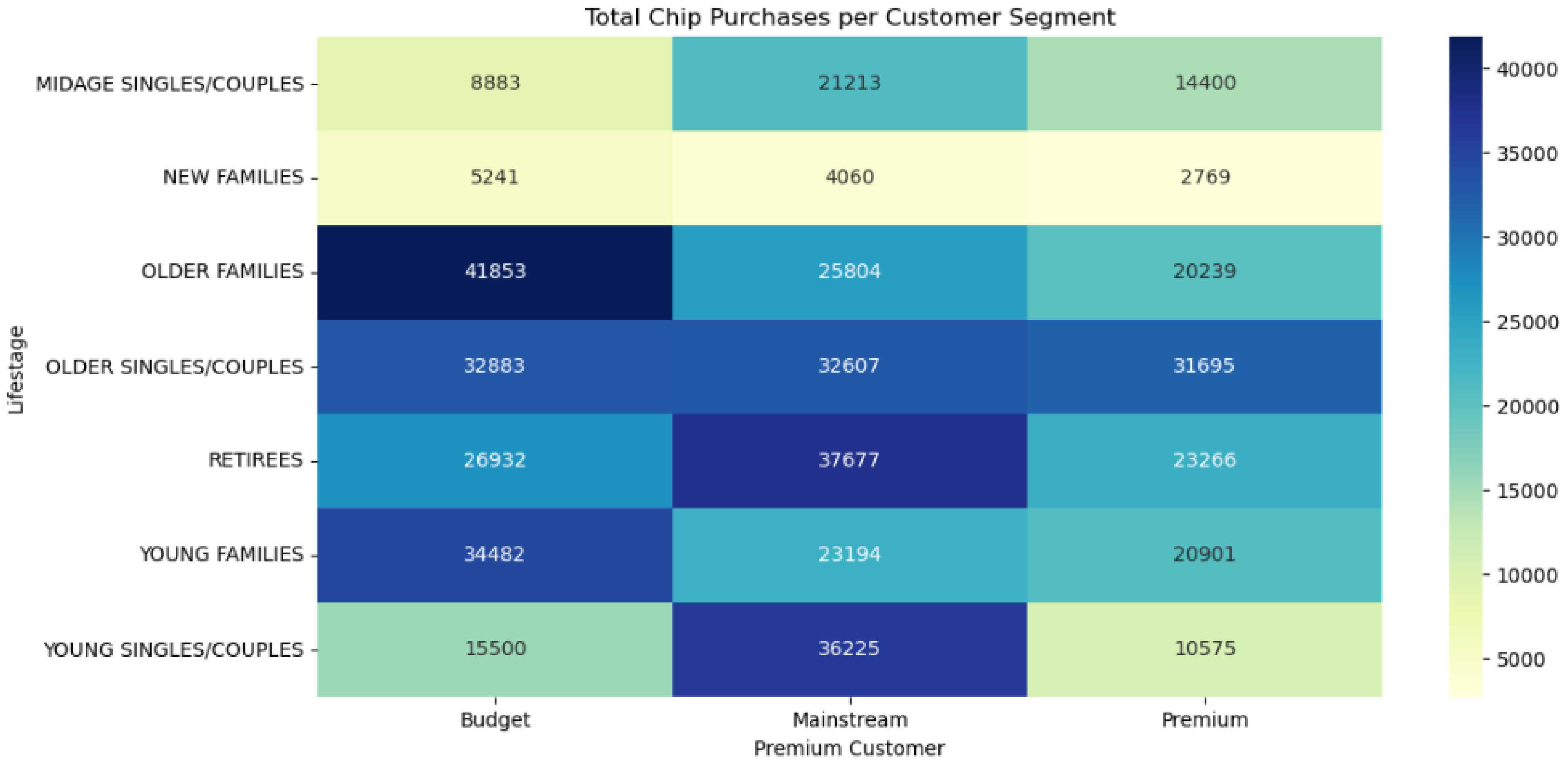
- Mainstream- young couples/singles, mainstream- retirees, and budget-older families segments had the highest number of customers.



- Budget- older families, mainstream- retirees, and mainstream- young singles/couples purchased more chips as compared to the rest of the segments



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- Mainstream - young singles/couples and mainstream – mid-age singles/couples are more willing to pay more per packet of chips compared to other customer segments.

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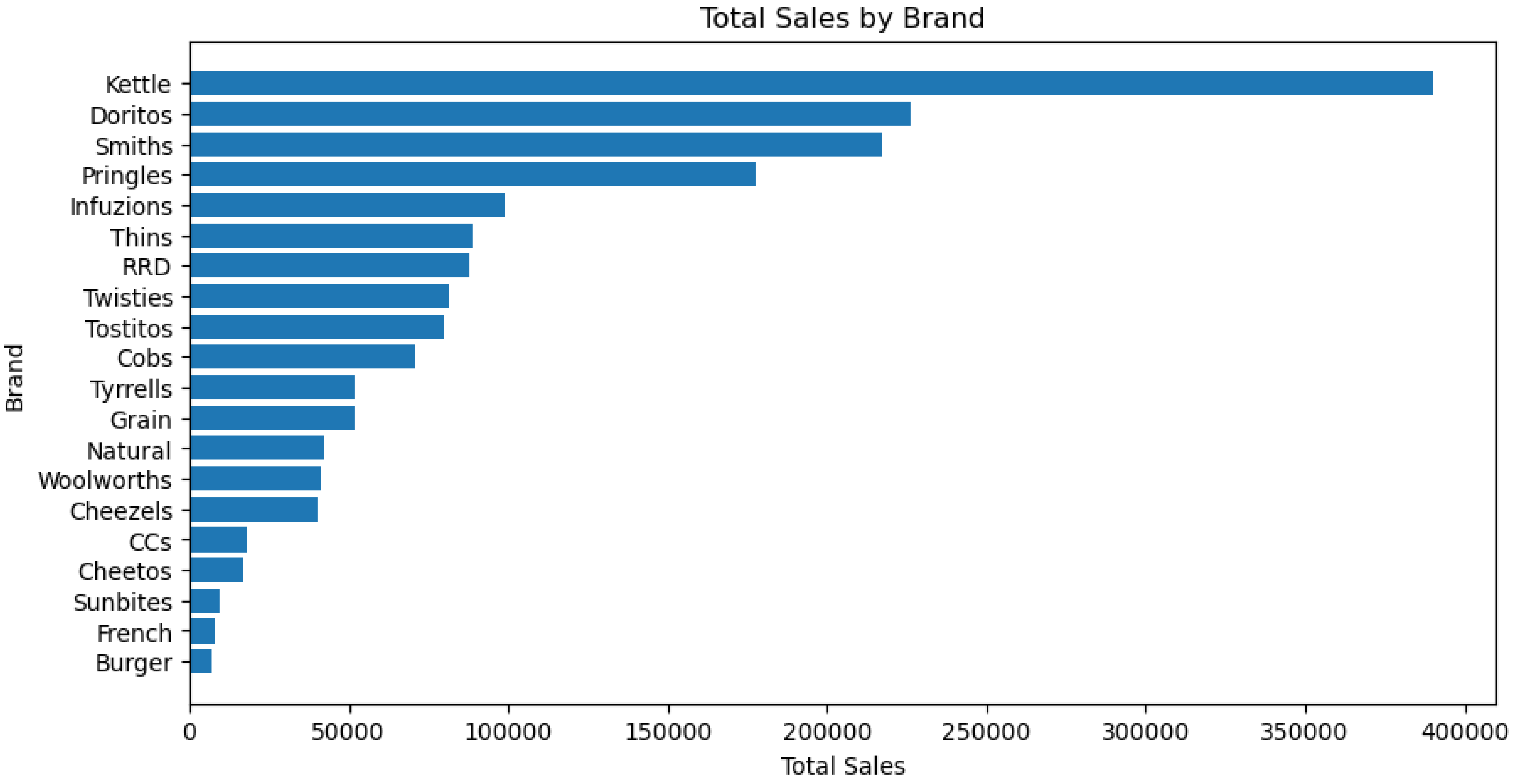
- Kettle, Doritos, and Smiths are the top 3 best selling chip brands



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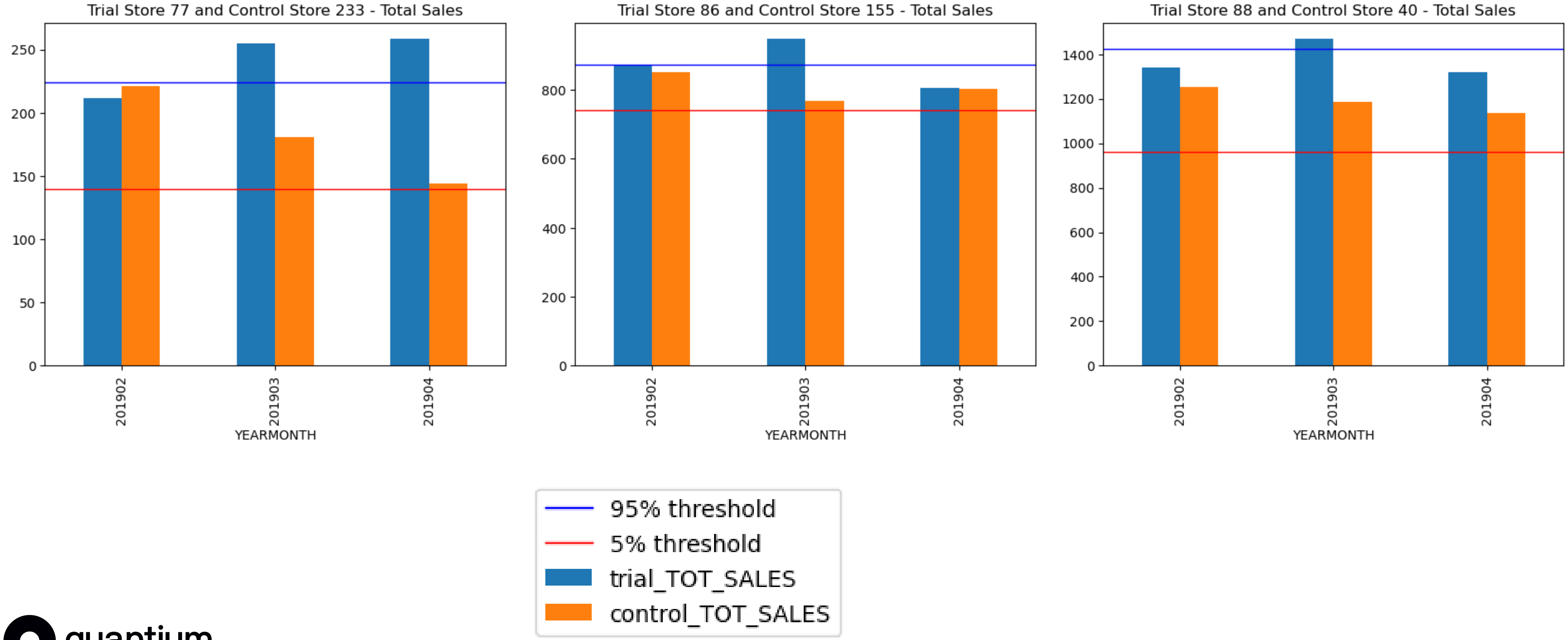
02

Trial store performance

- Trial store 77: Control store 233
- Trial store 86: Control store 155
- Trial store 88: Control store 40

Both trial store 77 and 86 showed a significant increase in total sales during the trial period. But not for trial store 88. Perhaps the client knows if there's anything about trial 88 that differs from the other two trials.



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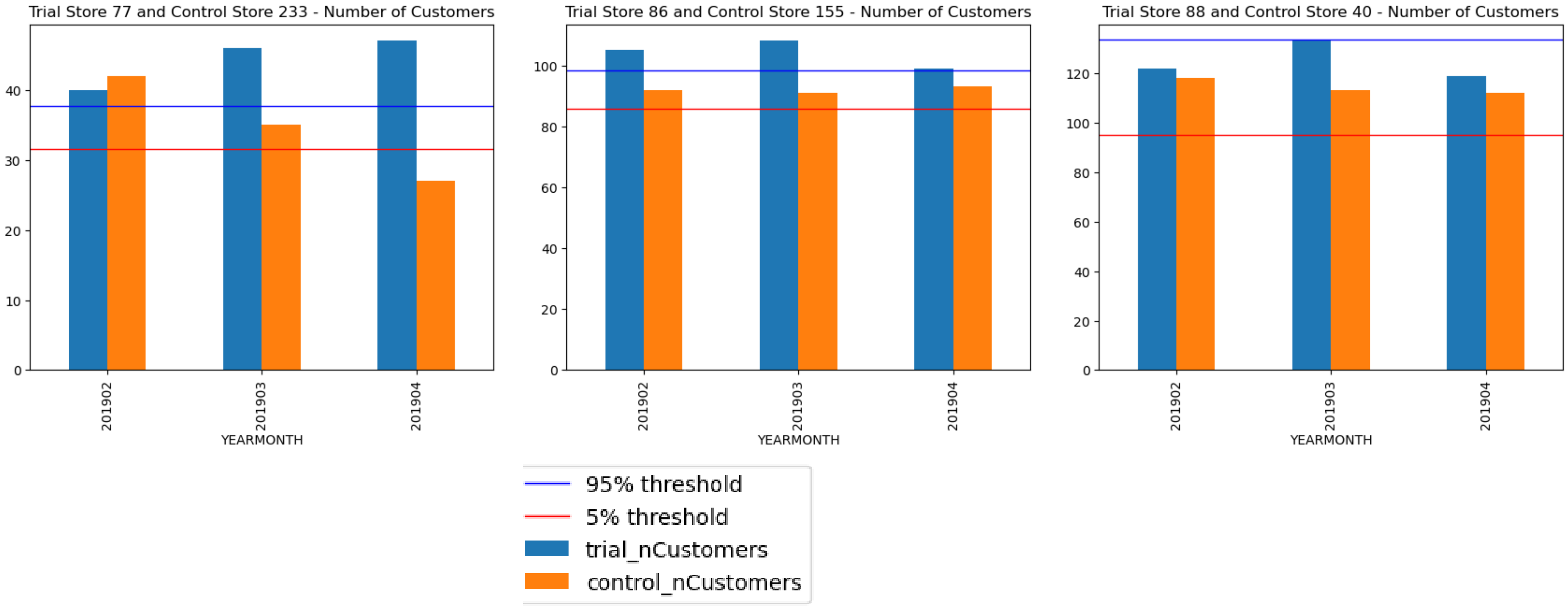

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Conclusions

- We've found control stores 233, 155, and 40 for trial stores 77, 86, and 88 respectively.
- The results for trial stores 77 and 88 during the trial period show a significant difference in at least two of the three trial months but this is not the case for trial store 86.
- We can check with the client if the implementation of the trial was different in trial store 86 but overall, the trial shows a significant increase in sales.

Recommendations

- The company can capitalize on the categories that generate the most sales like the budget- older families, mainstream- young singles/couples, and mainstream- retirees.
- Midage and young singles/couples are more likely to make impulse purchases and spend more per packet of chips. Mainstream young singles/couples buy more Kettle, Doritos, and Pringles chips than the rest of the chips. The Category Manager can increase visibility and impulse buying behavior by off-locating the top 3 chip brands and smaller packs of chips in discretionary spaces where young singles and couples frequent.
- Quantium can provide recommendations on these segments and measure the impact of the changes to placement.