June 2020

Category review: Chips

Retail Analytics

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Classification: Confidential

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

High-Level Findings:

- Major sales from Budget-older families, Mainstream-young singles/couples, and Mainstream-retirees. Young singles/couples and retirees drive high chip sales due to larger population.

Key Callouts:

- Young singles/couples prefer Kettle chips (150g, 175g) 35% more than others. Place these chips in high-visibility areas to encourage impulse buys.

02 Task 2

High-Level Findings:

- Trial stores 77 and 88 significantly outperformed control stores in sales. Store 86 showed no significant difference but had an upward customer trend.

Key Callouts:

- Verify differences in trial implementation for Store 86 with the client to understand the stagnant sales despite increasing customer count.

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01

Category

Overview: Life-stage categories key callouts

- Young Singles/Couples: Strong preference for Kettle chips, consuming 35% more than other groups; significant impulse buyers. Burger Chips are significantly less popular with a 64% lower preference compared to other groups.

- Young Families & Older Families: High chip purchase per customer, driven by greater household consumption.

- Young & Mid-age Singles/Couples: Willing to pay more per packet; significant impulse buyers favoring Kettle and Doritos chips.

- Retirees & Old-age Singles/Couples : High chip consumption similar to young singles/couples due to a larger population in this segment.

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Affluence and its effect on consumer buying patterns.

- Mainstream Shoppers: Major contributors to chip sales, especially young singles/couples and retirees. Strong preference for Kettle and Doritos; frequent impulse buys.
- Budget Shoppers: Significant sales from older families due to higher purchase quantities and generally prefer lower-cost options.
- Premium Shoppers: Prefer healthier snacks; lower chip consumption. Buy chips mainly for entertainment, not regular consumption.

Overall, Mainstream singles/couples are less price-sensitive, paying more per packet. They favor premium brands like Kettle and Doritos, while premium shoppers buy fewer chips overall, valuing health and brand over price. Budget shoppers focus on lower prices and larger quantities.

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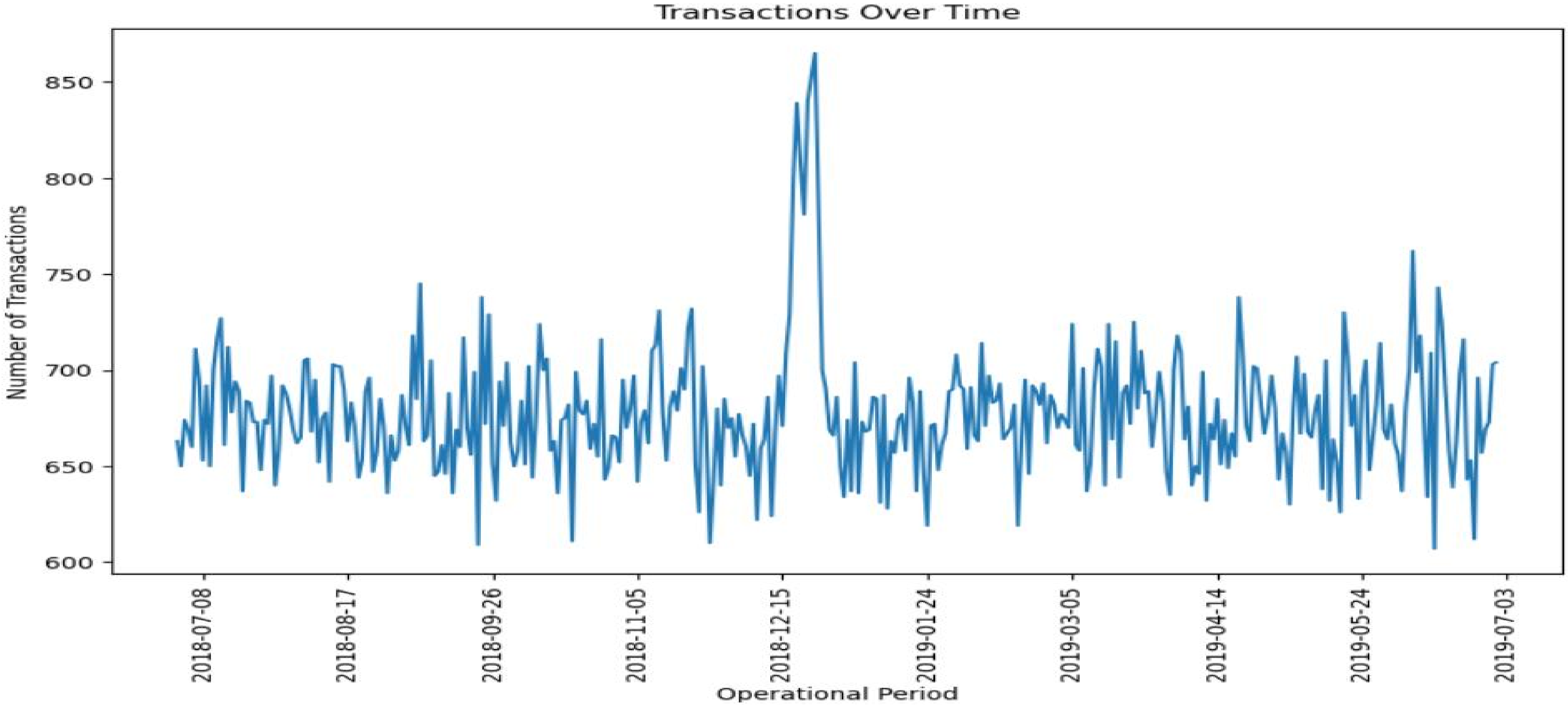
Consistent Transactions count over operational period.



Note: The notable increase is due to Christmas week.

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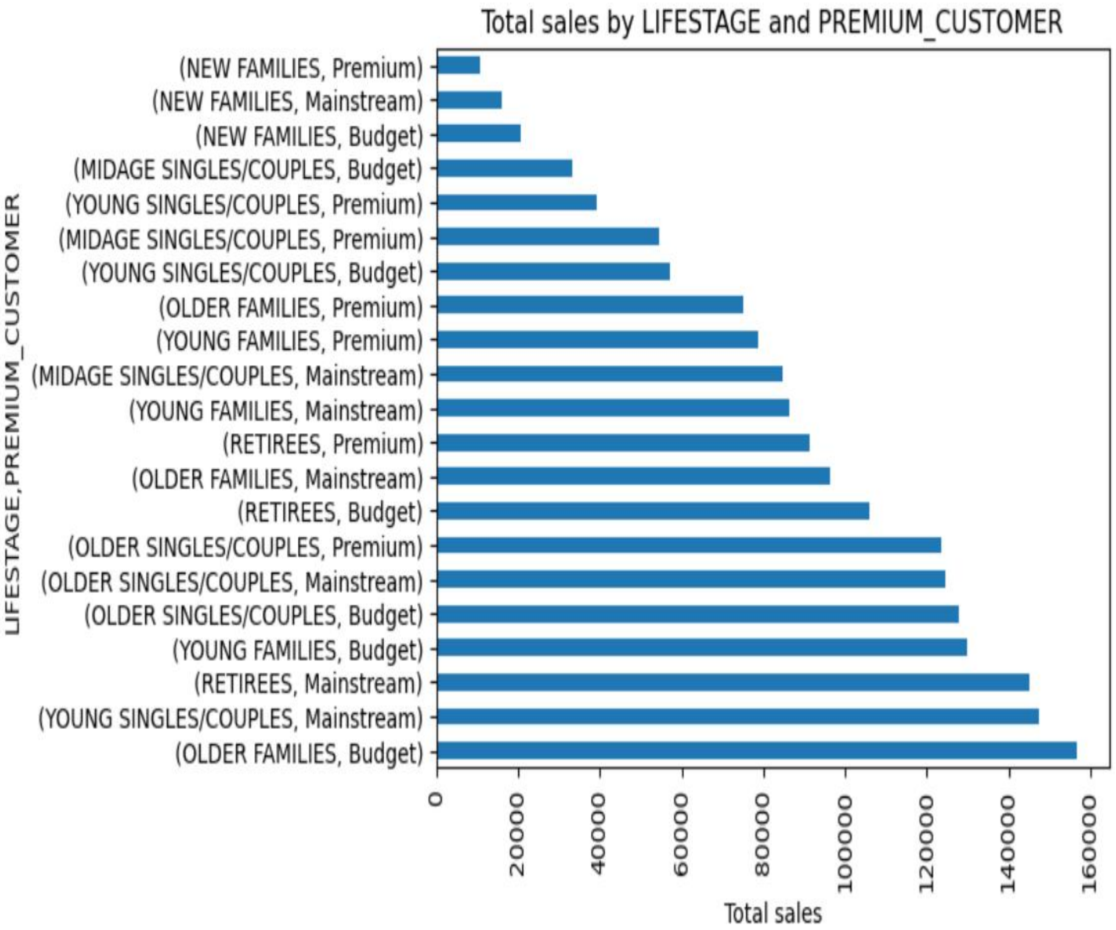
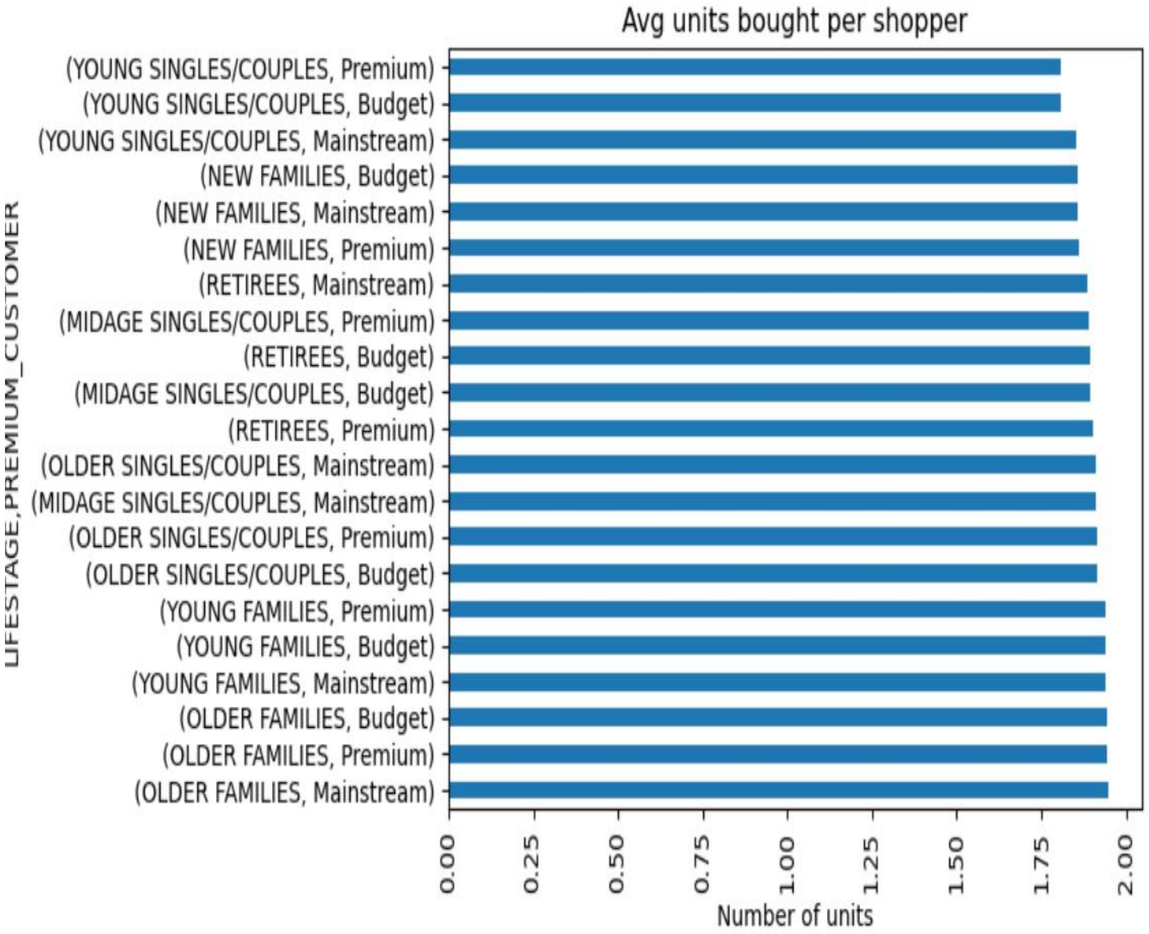
Top Sales: Older Families -> Young Singles/Couples -> Retirees.

Affluency: Consistent among Older Families. Overall, higher in Mainstream as compared to other counterparts.





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02

Trial store performance

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Control store vs Other stores

Control Store:

- An established store operational from July 2018 to June 2019.
- Selected based on its similarity to a trial store in terms of:
  - Monthly overall sales revenue & number of customers.
- The similarity is measured using:
  - Average of Pearson correlation & Distance magnitude of sales and customers.
- The store with the highest similarity score to the trial store is chosen as the control store.

Other Stores:

- Stores not operational for the entire observation period.
- Stores that do not match the trial store's pre-trial sales and customer metrics.
- Do not qualify as control stores due to lower similarity scores compared to the trial store.

Trial Store -> Calculated Control Store

77 -> 233 || 86 -> 155 || 88 -> 237

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Performance of the trial stores (Successful / Unsuccessful)

Store 77 (Trial vs Control Store 233):

- Sales: Significantly higher in 2 out of 3 months.
- Customers: Significantly higher in 2 out of 3 months.
- Conclusion: **Successful** trial based on increased sales and customer count.

Store 86 (Trial vs Control Store 155):

- Sales: Not significantly different in 2 out of 3 months.
- Customers: Increased consistently over all 3 months.
- Conclusion: **Unsuccessful** trial due to no increase in sales, despite increase in customers count.

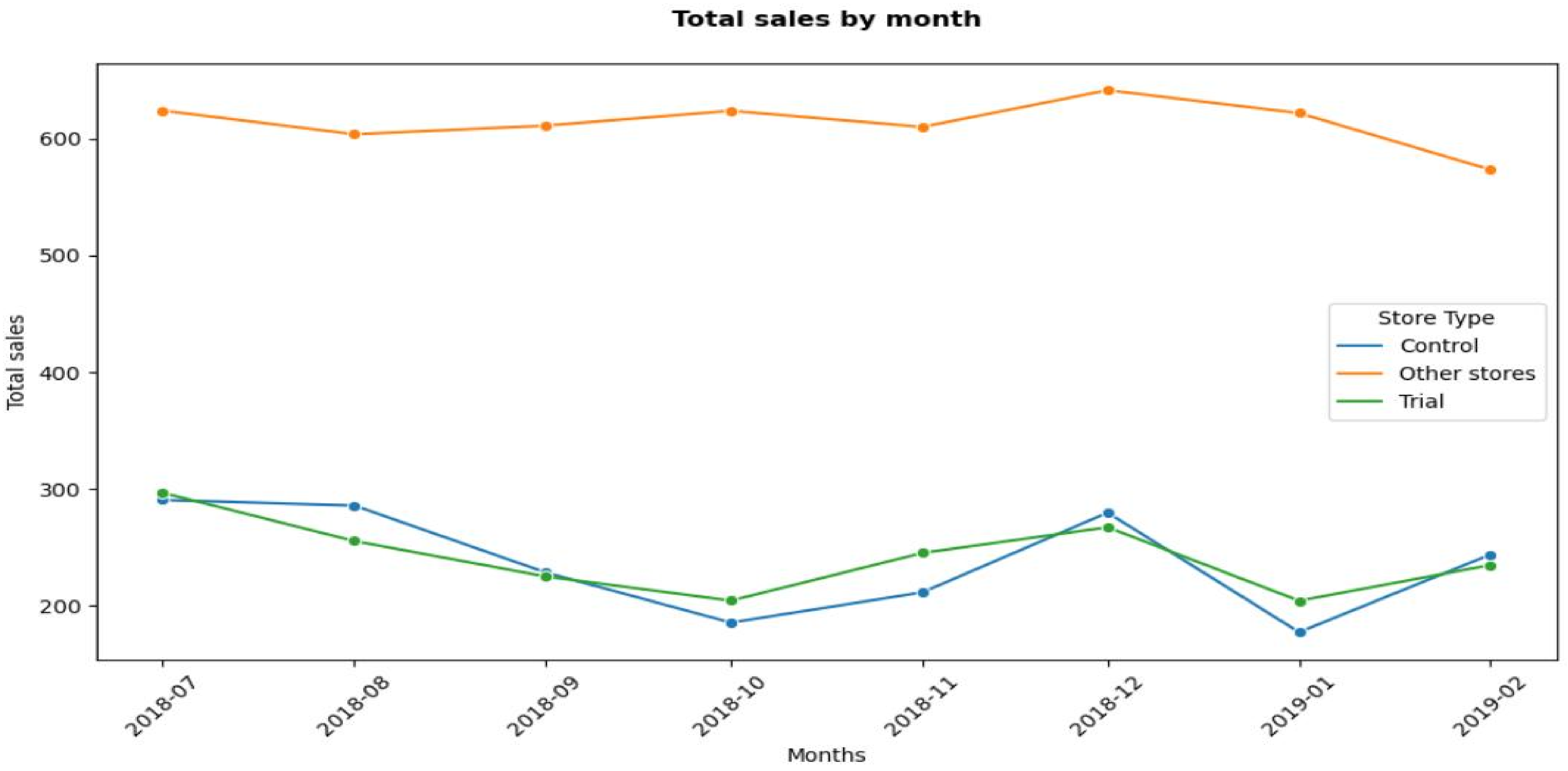
Store 88 (Trial vs Control Store 237):

- Sales: Significantly higher in March & April.
- Customers: Significantly higher in March & April.
- Conclusion: **Successful** trial based on increased sales and customer count.

Overall:

Store 77 and Store 88 had significantly higher sales and customer counts than their control stores, indicating successful trials. Store 86 showed no significant sales difference but had an increasing trend in customer count, suggesting a positive impact that needs further investigation into implementation differences.

Control stores are calculated to reflect performance of Trial stores.



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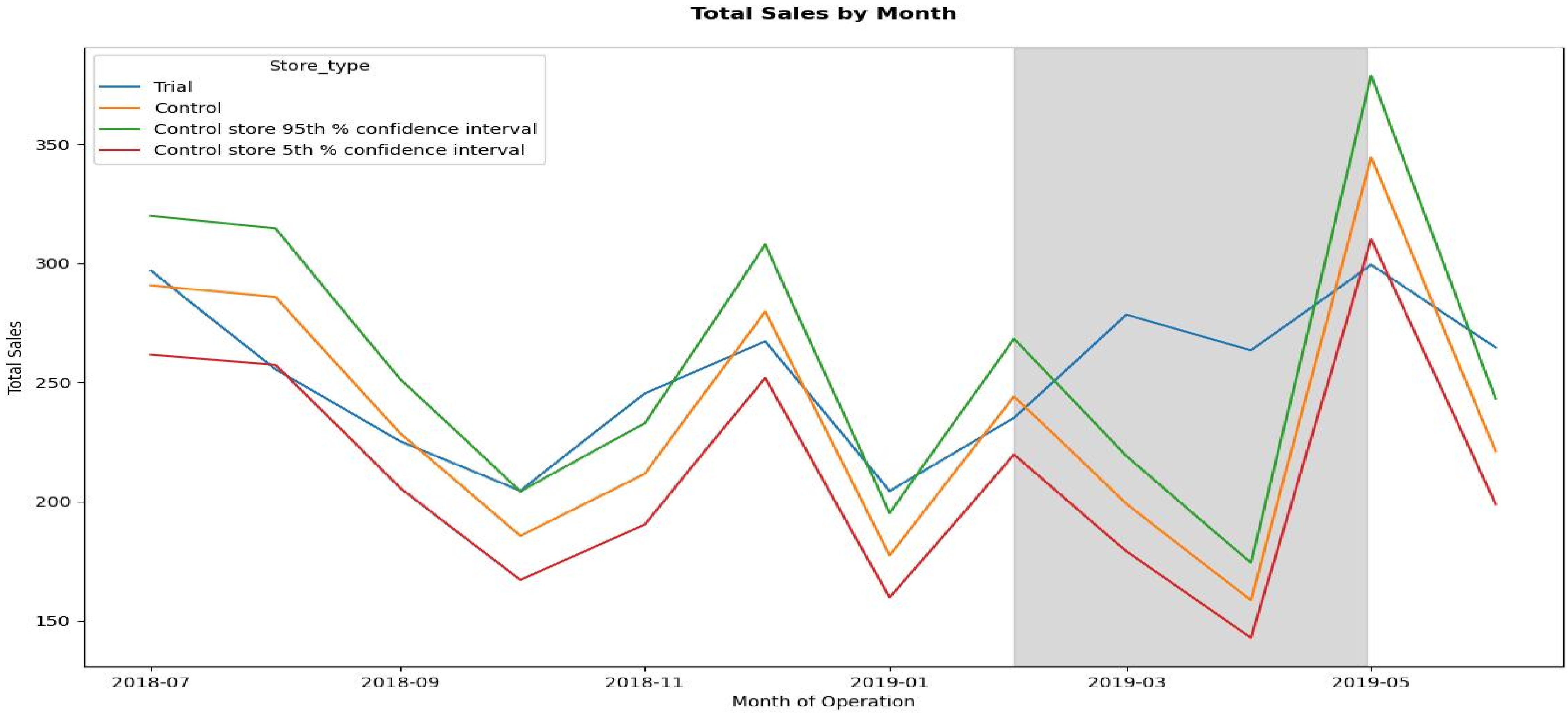
Increase in sales from Feb to April, showing trial stores successfully outperformed control stores due to new store layouts.



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