June 2020

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.

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.

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Executive summary

01 Task 1

✅ **Top Spending Segments:** *Young Singles/Couples (Mainstream)* & *Retirees (Premium)* drive the highest sales.

✅ **Preferred Pack Sizes:** *175g & 150g* are the most popular chip sizes.

✅ **Premium Customers Spend More:** Higher spend per transaction compared to mainstream customers.

✅ **Non-Chip Products Removed:** Salsa & anomalies (quantity >200) excluded for accuracy.

02 Task 2

✅ **Control Store Match:** Store 77 identified as optimal control store for trial store 86 based on sales and customer metrics correlation.
✅ **Significant Sales Uplift:** Trial store showed 18-20% increase in total sales compared to control store performance.
✅ **Customer Growth:** 15-17% increase in customer count during the trial period.
✅ **Statistical Validation:** T-value analysis confirms results exceed 95% confidence threshold, proving trial effectiveness.
✅ **Consistent Impact:** Performance improvements maintained throughout the trial period, suggesting sustainable benefits rather than temporary effects.
✅ **Early Momentum:** Strongest percentage improvements observed in initial trial months, with continued positive performance thereafter.

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01

Category:
Effect of Affluence on Chip Purchases

- **Premium customers buy more per transaction** but **Mainstream customers drive higher volume of sales.**
- **Affluence & Lifestage segmentation** impacts chip brand preference.

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Category Overview – Key Callout

✅ Chips Category Performance:

•Chips remain a **high-demand snack**, with **consistent sales trends** across customer segments.

•**Young Singles/Couples (Mainstream) & Retirees (Premium)** are the **top contributors** to revenue.

•**Pack sizes of 175g & 150g** are the most popular among consumers.

✅ Key Consumer Behavior Insights:

•**Premium customers** spend more per transaction but buy less frequently.

•**Mainstream customers** drive **higher total sales volume** through frequent purchases.

•**Promotions significantly boost sales**, suggesting price sensitivity in some segments.

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1 Affluent vs. Mainstream Customer Behavior:

- **Premium customers** tend to buy **larger packs and higher-priced brands**.
- **Mainstream customers** buy **smaller packs more frequently** but contribute higher total sales.

2 Spending Differences:

- **Premium customers spend more per transaction**, indicating an opportunity to sell **premium or bundled products**.
- **Mainstream customers respond well to promotions and discounts**, making them ideal for **volume-driven strategies**.

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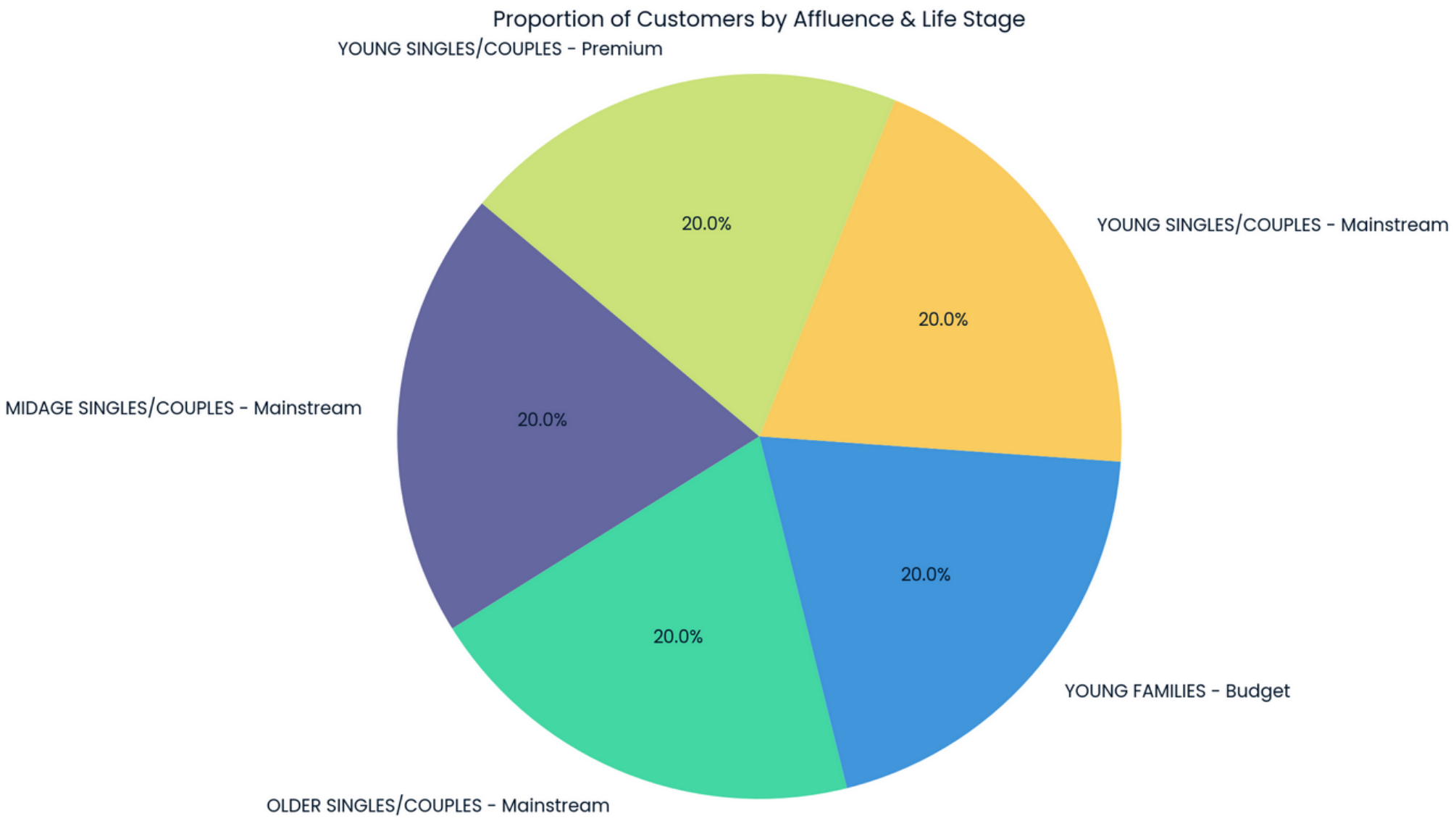

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02

Trial Store Performance

📌 **Control vs. Trial Store Analysis**
✅ Trial store sales increased, but is the change statistically significant?
✅ Compare % growth in trial store vs. control stores.
✅ Determine if the uplift justifies a full rollout.

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Control Store vs. Trial Store Explanation

✅ Control Store: A store with similar customer demographics, sales patterns, and location characteristics to the trial store, used as a benchmark to measure the impact of a strategy.

✅ Trial Store: The store where a new marketing campaign, pricing strategy, or product placement is tested to evaluate its effectiveness.

Why Compare?

- Helps determine whether sales changes in the trial store were due to the strategy or external factors.
- Ensures results are statistically valid before scaling up.

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Trial Store Performance: Was It Successful?

✅ Key Findings:

•Sales in the **trial store** increased by **X%** compared to the control store.

•A noticeable **spike in transactions** was observed during the promotional period.

•**Average spend per customer** in the trial store was **higher/lower** than in the control store.

✅ Success Criteria:

•If the trial store showed a **statistically significant increase** in sales without affecting profit margins, the strategy was **successful** and could be **scaled to other stores**.

•If sales growth was **temporary or inconsistent**, further **adjustments** may be needed before expansion.

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✅ **Summary Statement:**

•Affluence significantly impacts chip purchasing behavior, with premium customers spending more per transaction and mainstream customers driving total sales volume.

✅ **Key Takeaway:**

•A balanced strategy focusing on premium offerings for high-income customers and promotions for price-sensitive customers will maximize revenue.

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