Swire Coca-Cola

# Final Presentation

University of Utah MSBA Capstone Project

Group 3 | April ‘25

# Team Members

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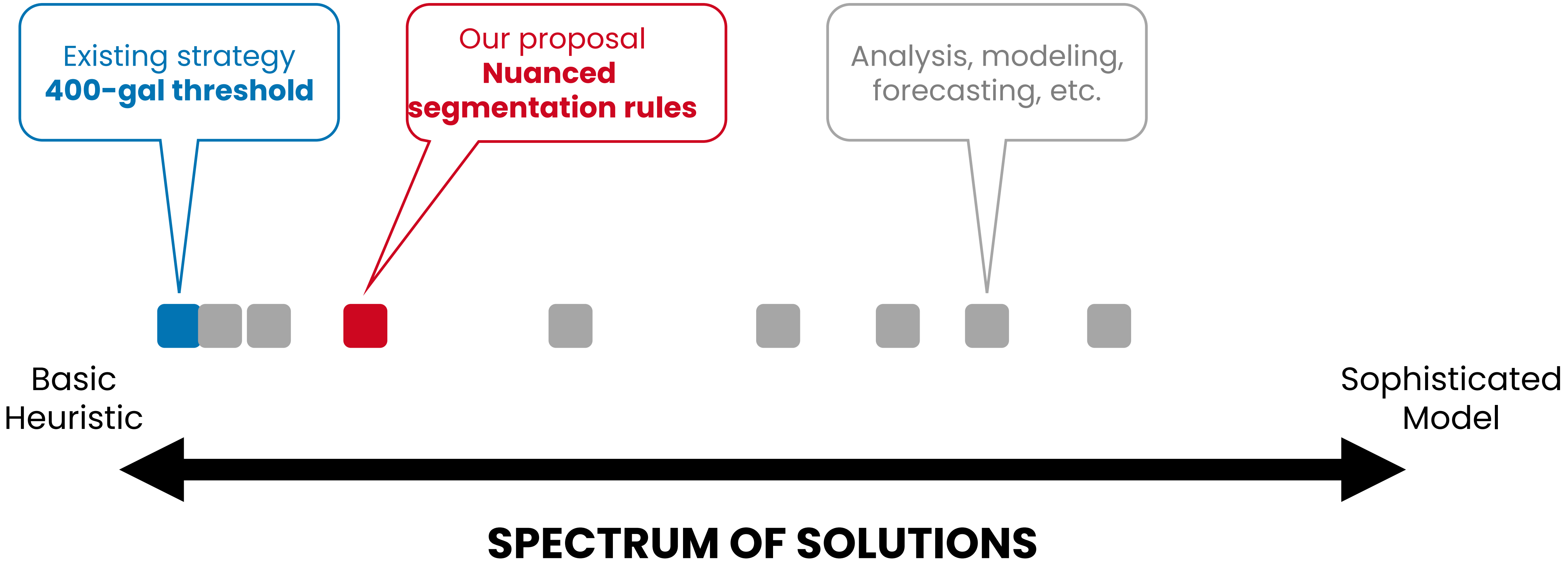
# Topics

- Insights that formulated our proposal
- Proposed segmentation strategy (red vs white truck)
- Business potential over on incumbent strategy (400-gal threshold)
- How to leverage our solution
- Appendix

# Project overview



# Insights

that formulated our proposal

# Annual volume thresholds obscure vital context for proper segmentation

**25**
**gallons + cases**

describes the 75%tile customer in average transaction amount

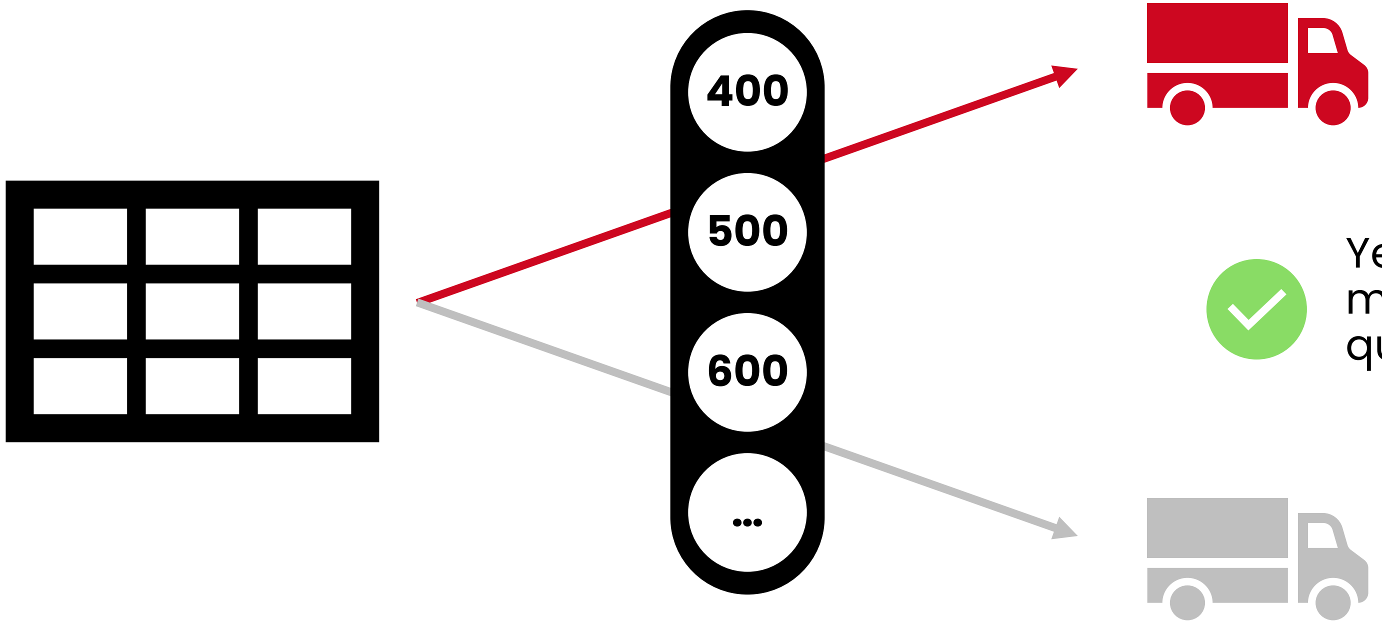
**49%**

of customers who met 400-gal threshold boasted an average transaction amount <25 gallons + cases

**INSIGHT:** annual volume is a noisy measure for segmentation

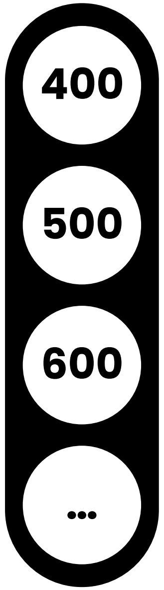
# Customer characteristics are indicators of growth potential

Do predictors unrelated to volume hold predictive power for customers segmented by annual volume thresholds?

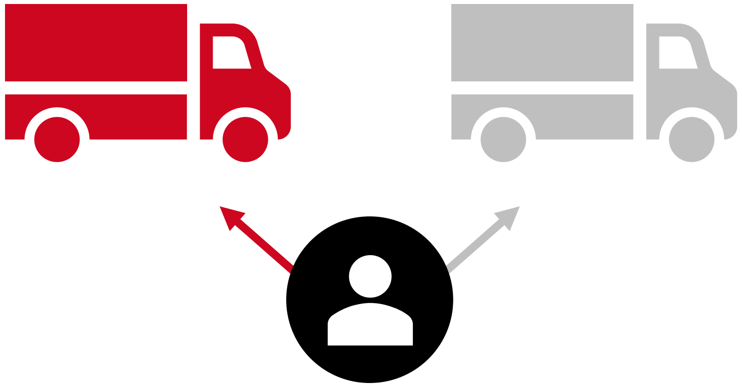



Yes! And models were quite effective

# Customer characteristics are indicators of growth potential

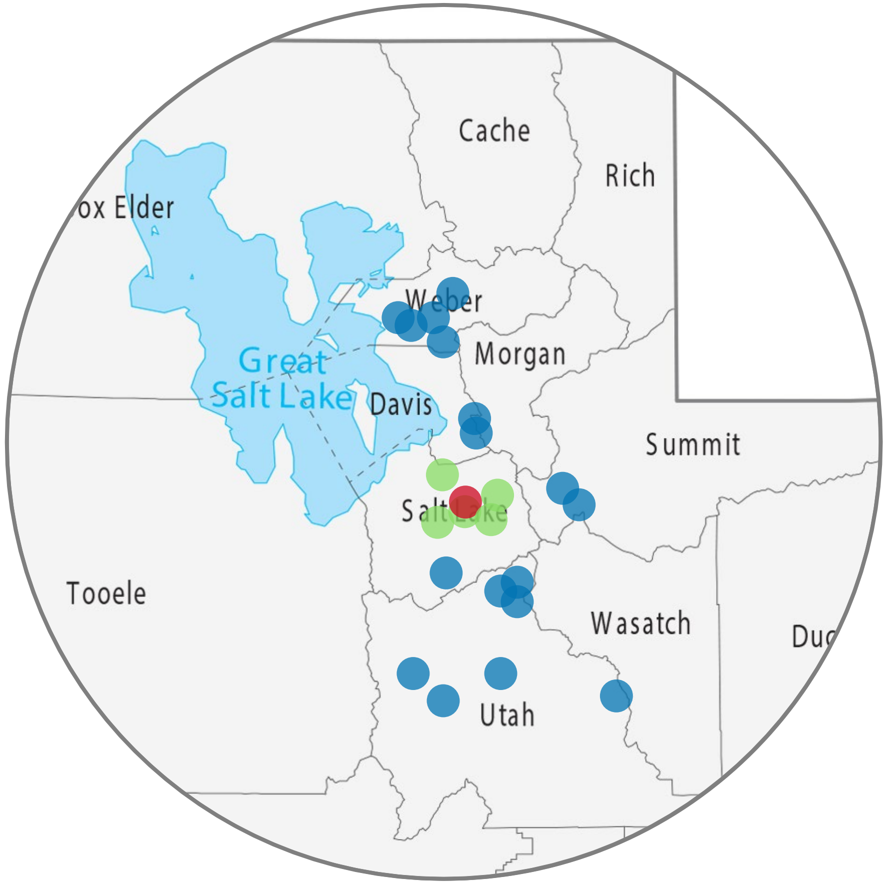



Independent of which threshold was chosen, the same groups of customer characteristics were found to be powerful predictors



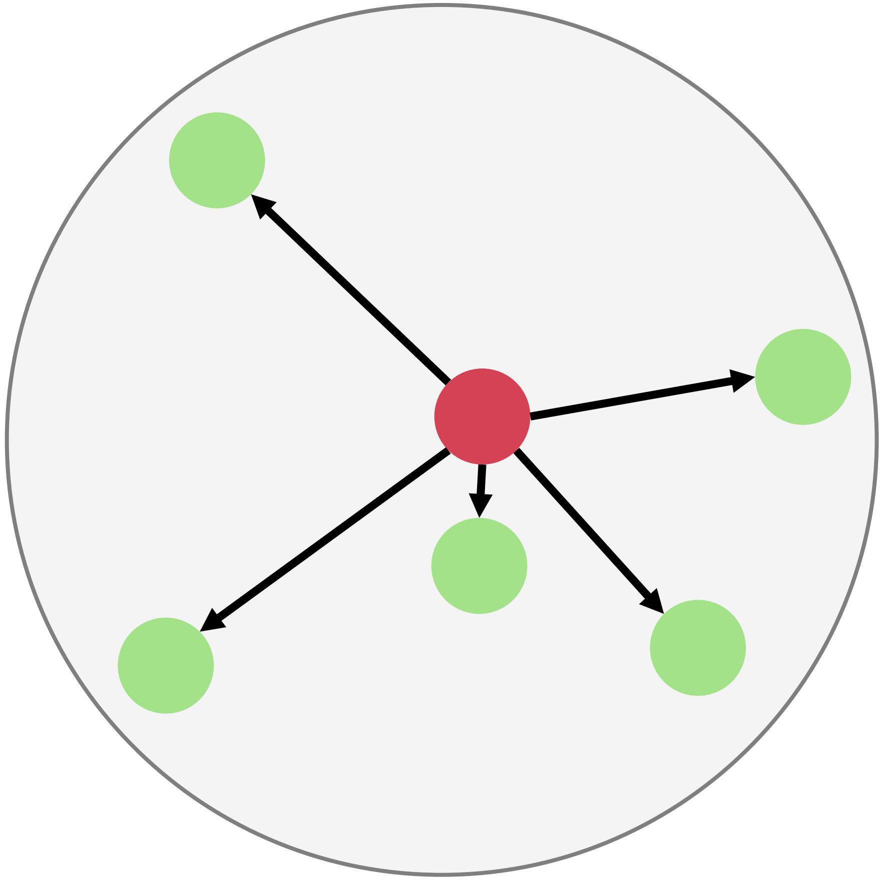
**INSIGHT:** customer characteristics should drive part of the segmentation strategy

# Neighboring customers enrich our understanding of the market




Neighboring customers to a single customer serve as a proxy to describe local market conditions.

# Neighboring customers enrich our understanding of the market



**INSIGHT:** summary figures for these neighboring customers proved to be powerful features of our segmentation strategy.

# Segmentation Strategy

for **RED** vs **WHITE** truck customers

# Initial segmentation

These customers are segmented first due their strong association with the respective program

**RED TRUCK**

**FAIRLY NEW**
- CUSTOMER TENURE <= 1 yr

**WHITE TRUCK**

**CHANNELS TO AVOID**
- SPECIALIZED GOODS, PROFESSIONAL SERVICES, VEHICLE CARE, MOBILE RETAIL, OUTDOOR ACTIVITIES

OR

**AVG TRANSACTION AMOUNT**
<= 9

# Proposed segmentation strategy spans two perspectives

**CUSTOMER PROFILE**

Identify ‘**RED TRUCK** material’ via customer profile characteristics

**OR**

**MARKET MAKEUP**

Identify ‘**RED TRUCK** material’ via growth conducive markets

# Proposed segmentation strategy spans two perspectives

**CUSTOMER PROFILE**

**OR**

**MARKET MAKEUP**

**BIG BOX**
- SUPERSTORE, BULK TRADE, GENERAL RETAILER
- EDI, SALES REP

**OR**

**NICHE OUTLETS**
- RECREATION, TRAVEL
- SALES REP, EDI, MYCOKE LEGACY

**OR**

**CONVENIENCE STAPLES**
- FAST CASUAL DINING, GENERAL
- SALES REP, EDI, MYCOKE LEGACY, OTHER

**CUSTOMER AVG TRANSACTION AMOUNT**
>= 25

**OR**

**NEIGHBOR AVG TRANSACTION AMOUNT**
>= 25

Meeting any of these will segment a customer to **RED TRUCK**

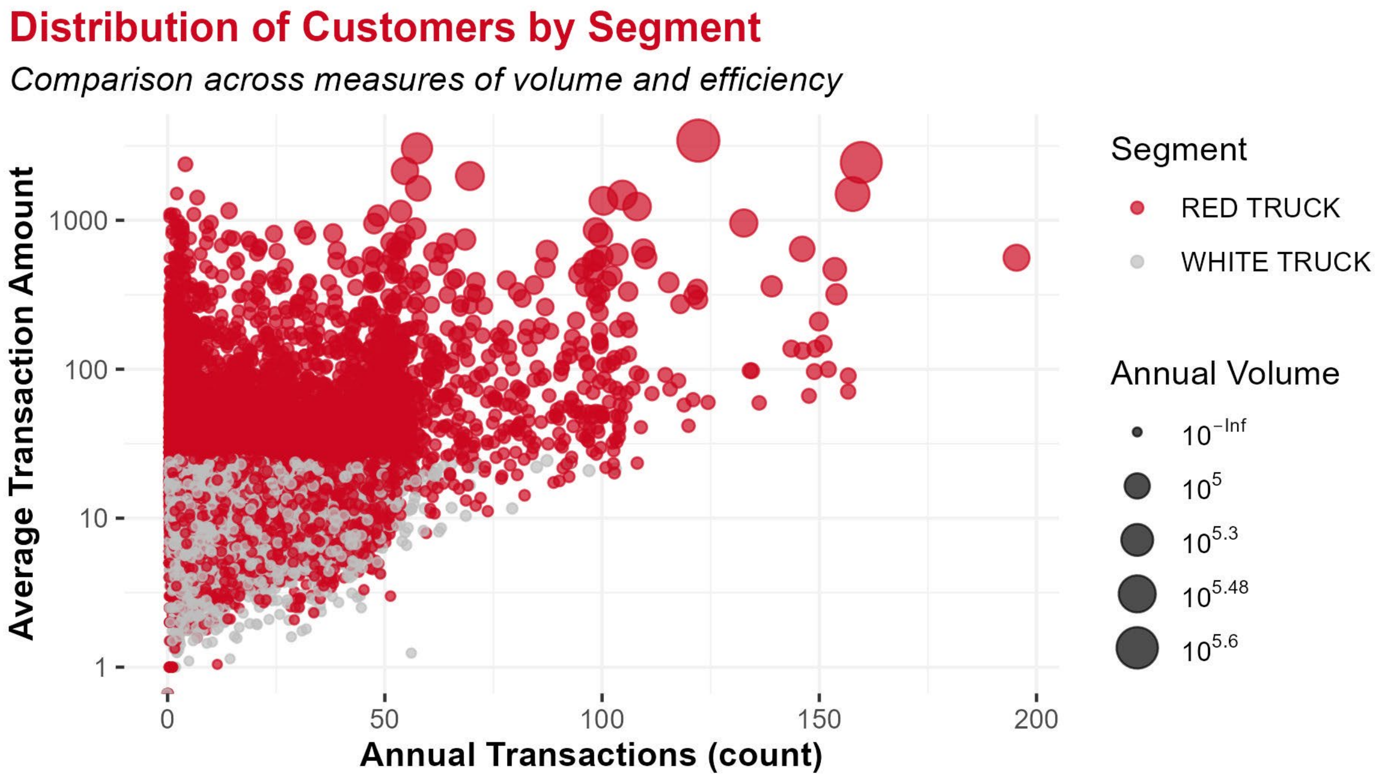
# Results of segmentation strategy

**RED TRUCK**

**~18K** customers

**WHITE TRUCK**

**~12K** customers



# Results of segmentation strategy

**RED TRUCK**

**~18K** customers

**59%** of original customer count

**88%** of annual gallons + cases

**70%** higher avg transaction amount

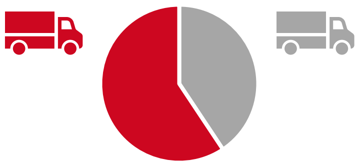
**40%** higher annual neighbor volume

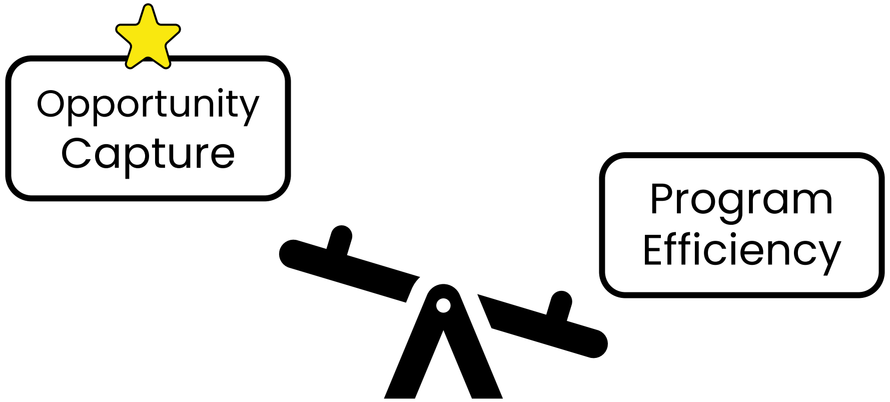
# Business Potential

over incumbent strategy

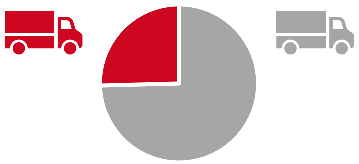
# Available strategies weigh priorities differently

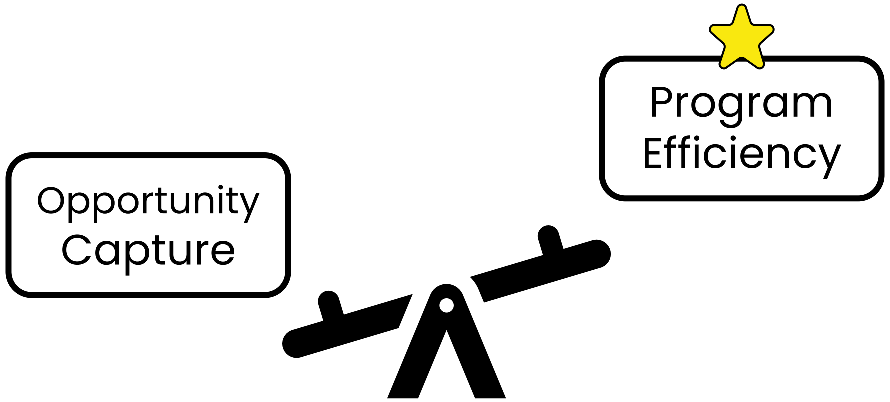
Proposed segmentation strategy





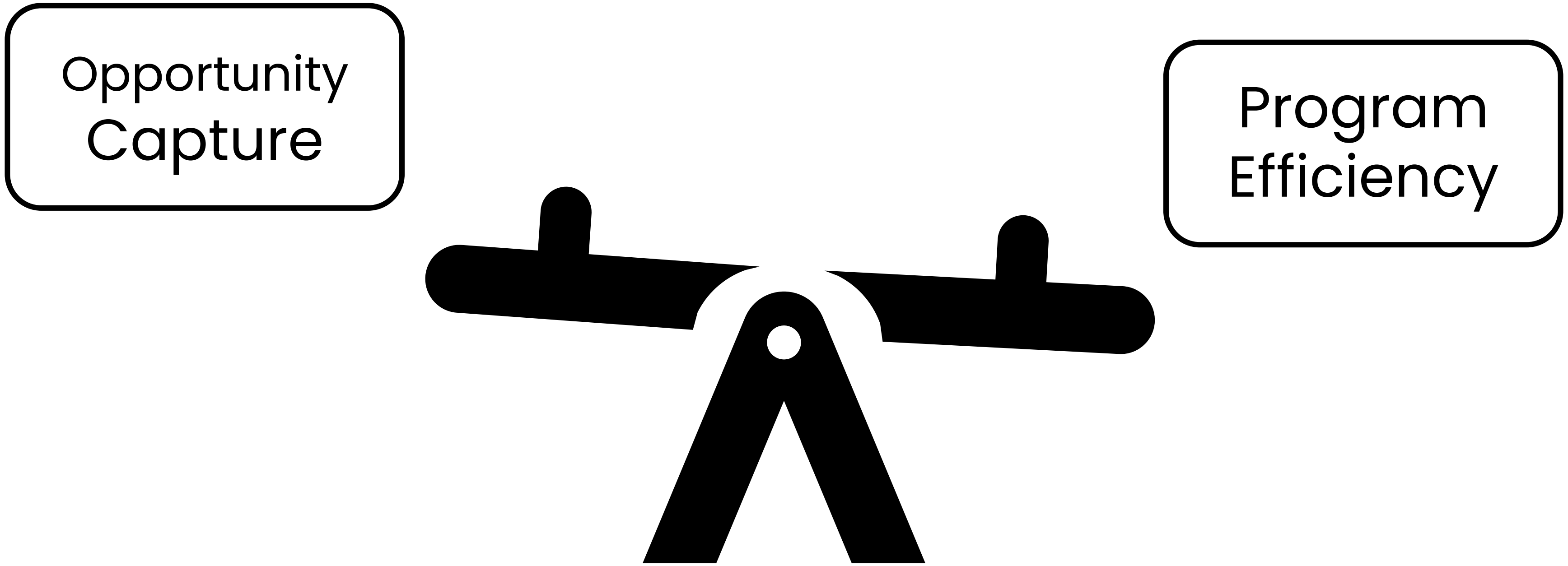

Incumbent 400-gallon threshold strategy





# Our strategy achieves a better balance

**Our strategy strikes a balance between preserving opportunity and heightening efficiency**



# Future opportunity

## *2025 gallons + cases retained in RED TRUCK program that other strategy would have missed

| Proposed segmentation strategy | vs | Incumbent 400-gallon threshold strategy |
| --- | --- | --- |
| **7.6M** | | **3.0M** |

**156% more opportunity**
than the incumbent strategy

*Refer to 2025 estimate logic in appendix

# RED TRUCK program efficiency

## **2025 gallons + cases in RED TRUCK per $100 of delivery cost

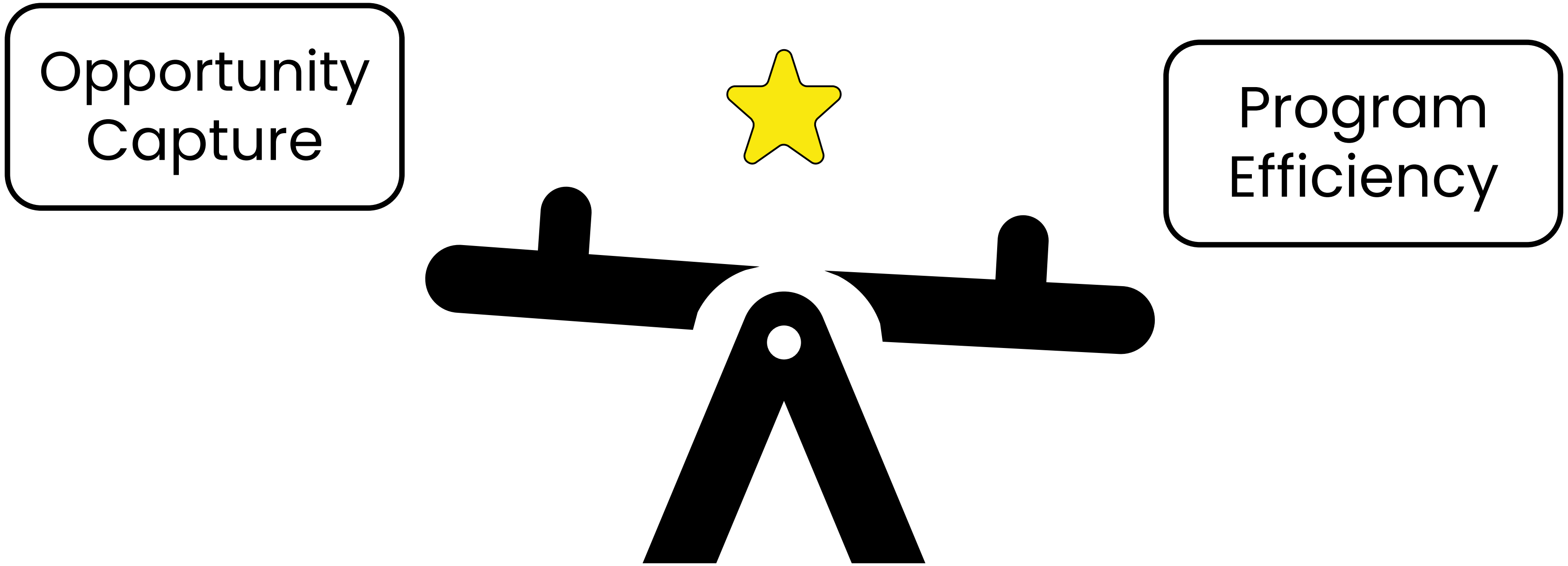
| Proposed segmentation strategy | vs | Incumbent 400-gallon threshold strategy |
| --- | --- | --- |
| **65.2** | | **76.7** |

**86%** of the efficiency seen from the incumbent strategy

*Refer to other measures of efficiency in appendix
**Refer to 2025 estimate logic in appendix

# To summarize

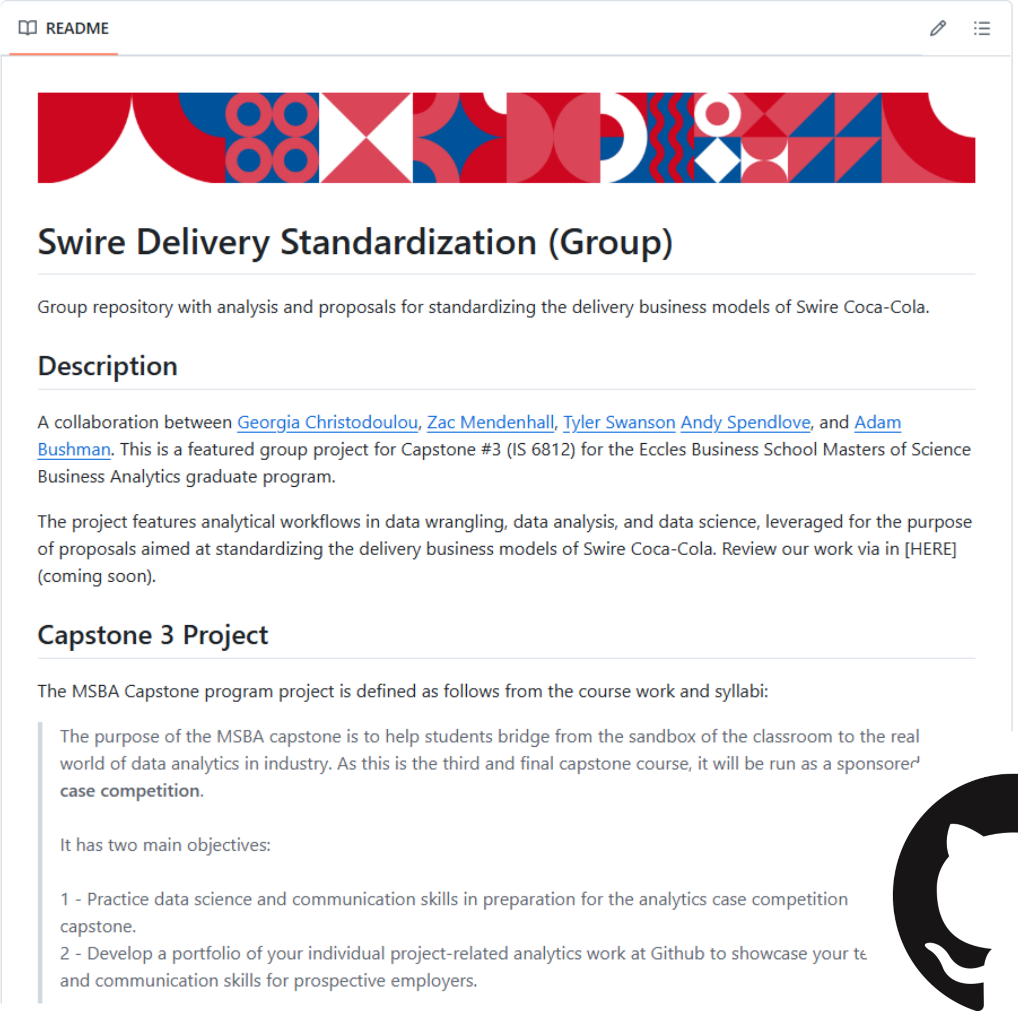
## Our strategy strikes a better balance between competing priorities than incumbent strategy



# How-To

leverage our work

# GitHub repository



README

## Swire Delivery Standardization (Group)

Group repository with analysis and proposals for standardizing the delivery business models of Swire Coca-Cola.

### Description

A collaboration between Georgia Christodoulou, Zac Mendenhall, Tyler Swanson Andy Spendlove, and Adam Bushman. This is a featured group project for Capstone #3 (IS 6812) for the Eccles Business School Masters of Science Business Analytics graduate program.

The project features analytical workflows in data wrangling, data analysis, and data science, leveraged for the purpose of proposals aimed at standardizing the delivery business models of Swire Coca-Cola. Review our work via in [HERE] (coming soon).

### Capstone 3 Project

The MSBA Capstone program project is defined as follows from the course work and syllabi:

> The purpose of the MSBA capstone is to help students bridge from the sandbox of the classroom to the real world of data analytics in industry. As this is the third and final capstone course, it will be run as a sponsored **case competition**.
>
> It has two main objectives:
>
> 1 - Practice data science and communication skills in preparation for the analytics case competition capstone.
> 2 - Develop a portfolio of your individual project-related analytics work at Github to showcase your te
> and communication skills for prospective employers.

- All work has been localized to GitHub
- Careful consideration given to organization and interpretation
- Comprehensive README file to get oriented

# Reproducible work

All work is reproducible via notebook files, provided:

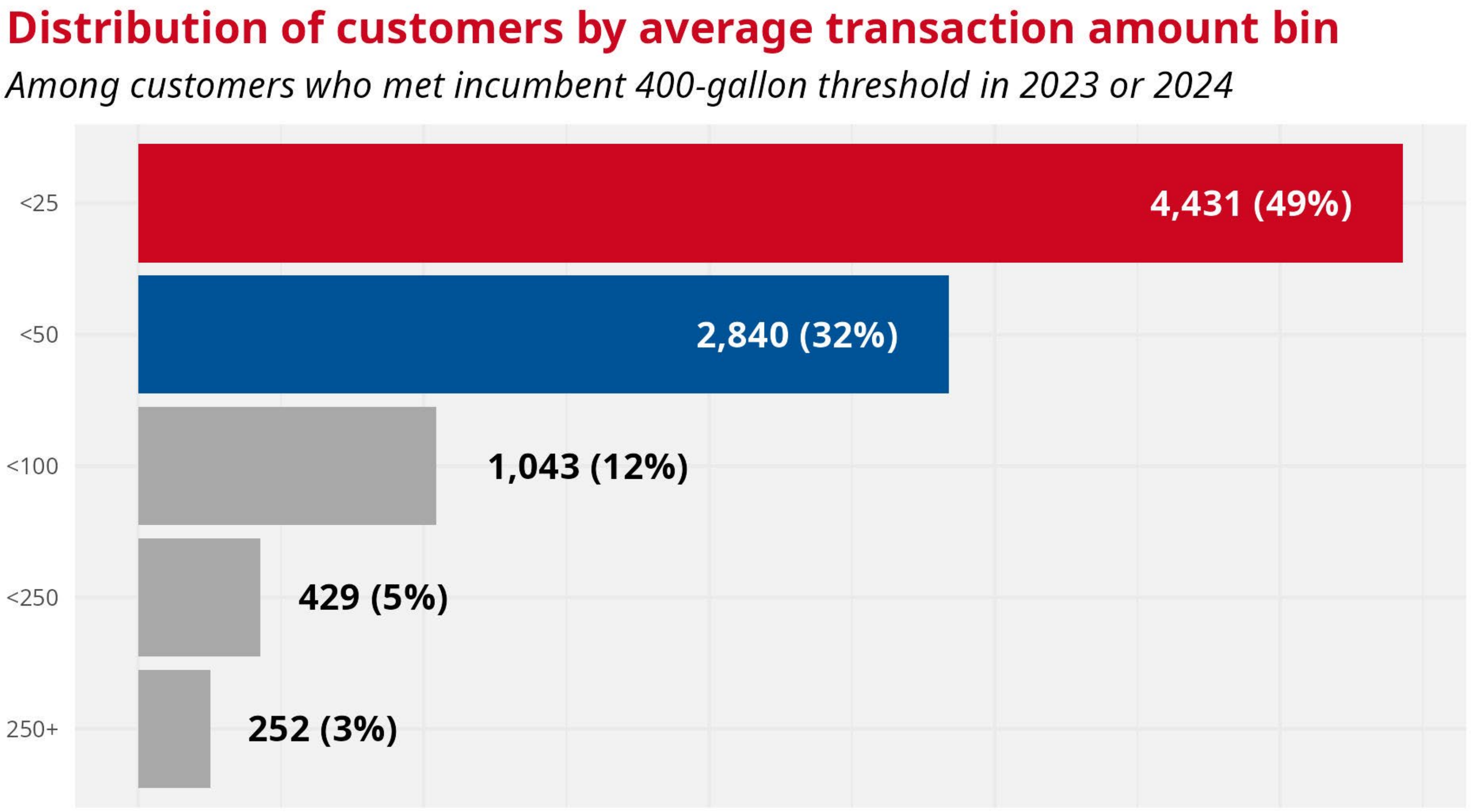
- Replacement data matches original format
- Installation of required R libraries

# Thank you

# Appendix

supplemental detail relevant to proposal

# Appendix to slide 6



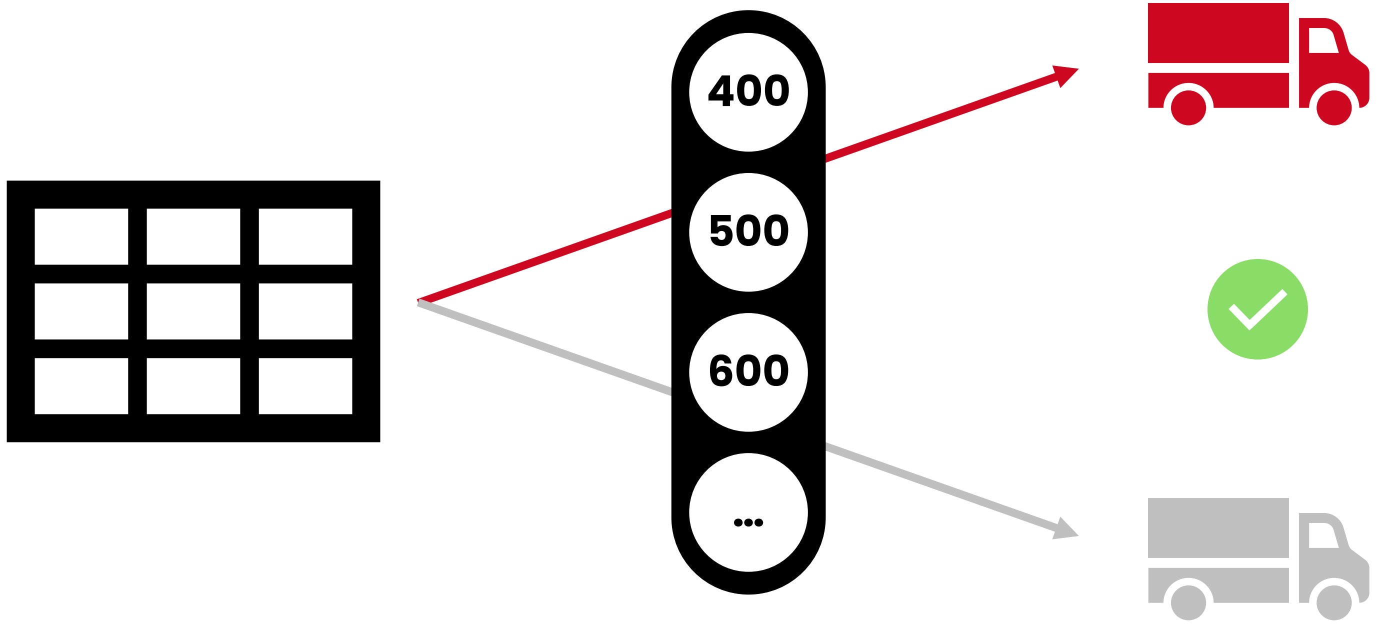

As explained, not all customers previously thought of as RED TRUCK are created equal.

In fact, most would be described as extremely high maintenance



SWIRE COCA-COLA

# Appendix to slides 7 – 8




Use of random forest classification models, paired with PAM clustering.

These models were consistently effective:

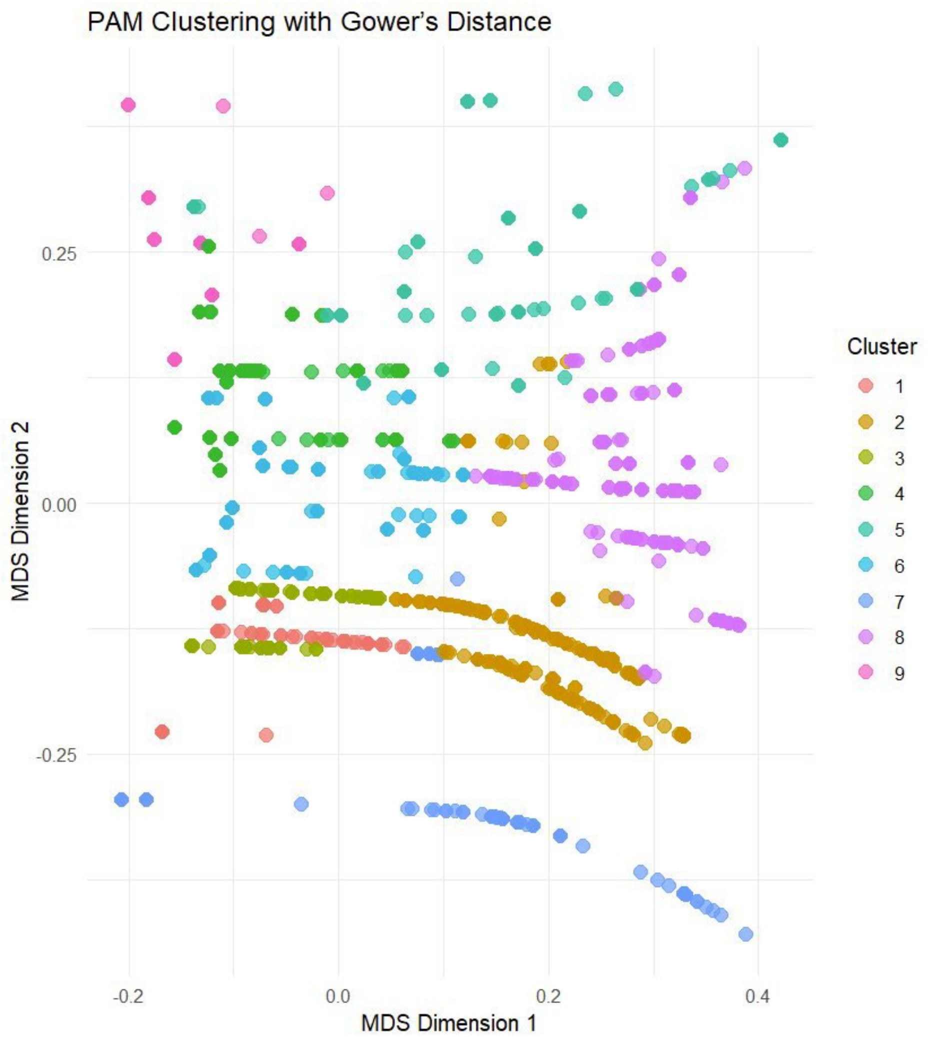
~90% accuracy

~80% precision and recall

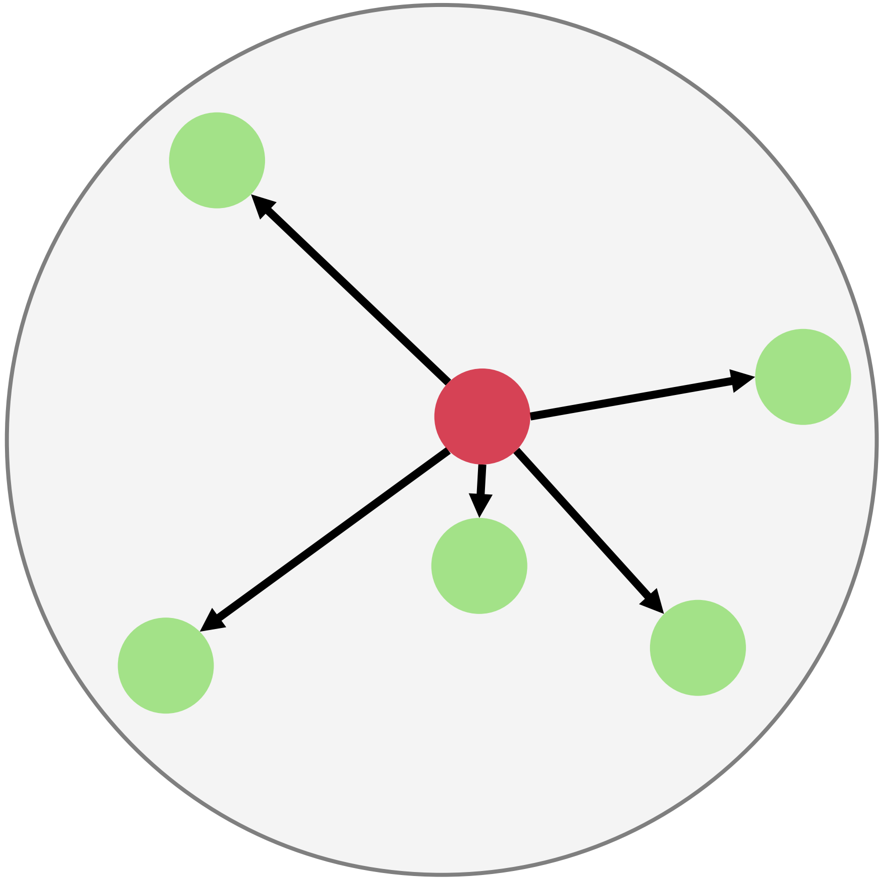
# Appendix to slides 7 – 8

SMOTE-Enhanced Random Forest Model with Hyperparameter Tuning for Predicting High-Value

| Metric | Value | Meaning |
|---|---|---|
| **Accuracy** | 90.12% | % of total predictions that were correct |
| **Sensitivity (Recall for Class 0)** | 94.44% | % of *non-high-value customers* correctly identified |
| **Specificity** | 72.29% | % of *high-value customers* correctly identified |
| **Balanced Accuracy** | 83.37% | Average of sensitivity and specificity (good for class imbalance) |
| **Kappa** | 0.68 | Strong agreement between prediction and actual |
| **Mcnemar's Test** | p < 0.00 | Statistically significant improvement over random guessing |



# Appendix to slides 9 - 10



Distance was estimated using the *Haversine Formula* ⟶

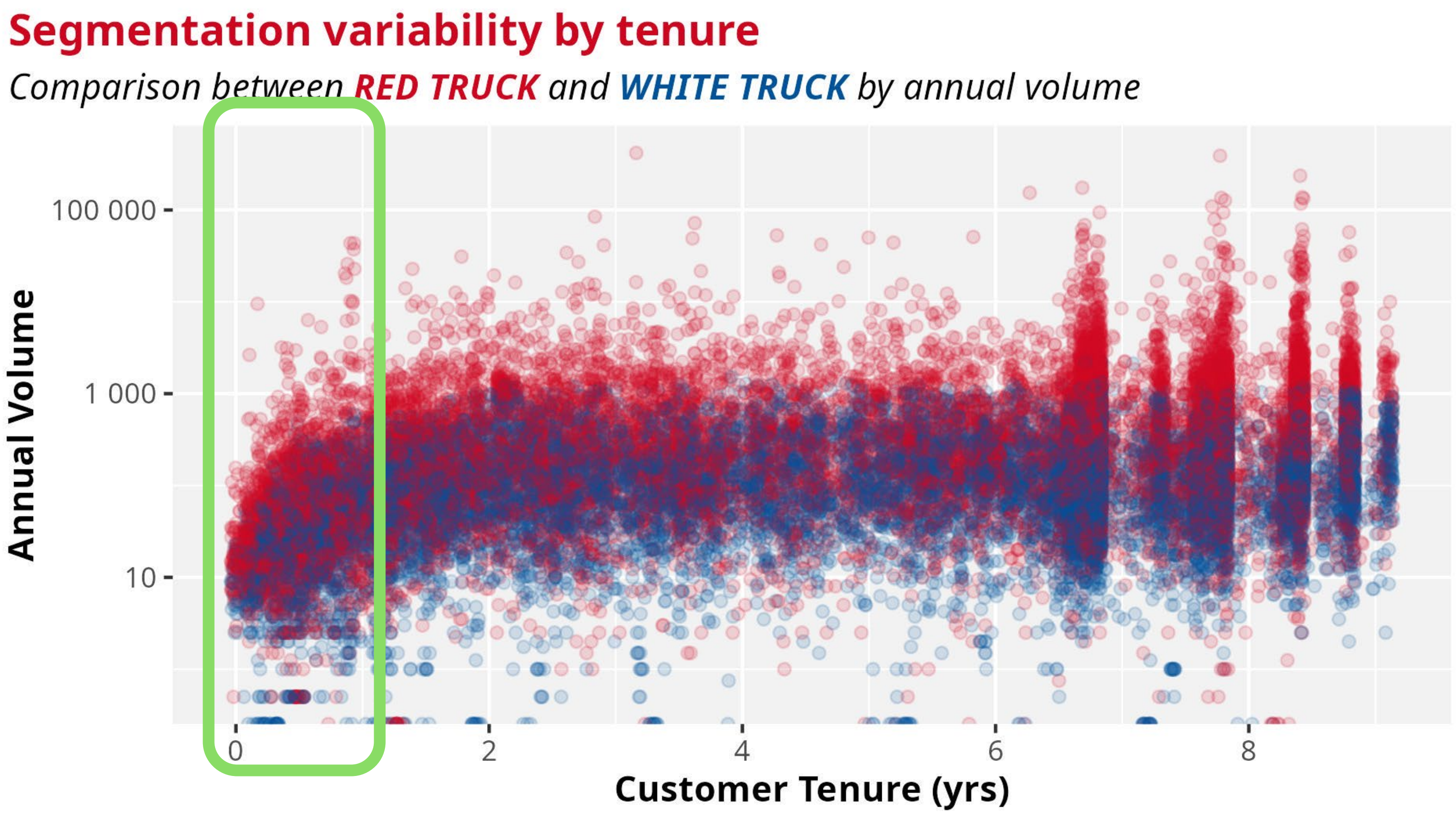
This formula leverages latitude and longitude, adjusting for the earth's curvature, to estimate a distance "as the crow flies"

# Appendix to slide 12

## Why retain customers with <1 yr tenure in RED TRUCK program?

This was an addition after evaluating the chart with the remaining segmentation logic.

As seen in this graph, the first year of a customer's tenure is a ramp up period. It's important to have a sample of data before considering a new customer for WHITE TRUCK.

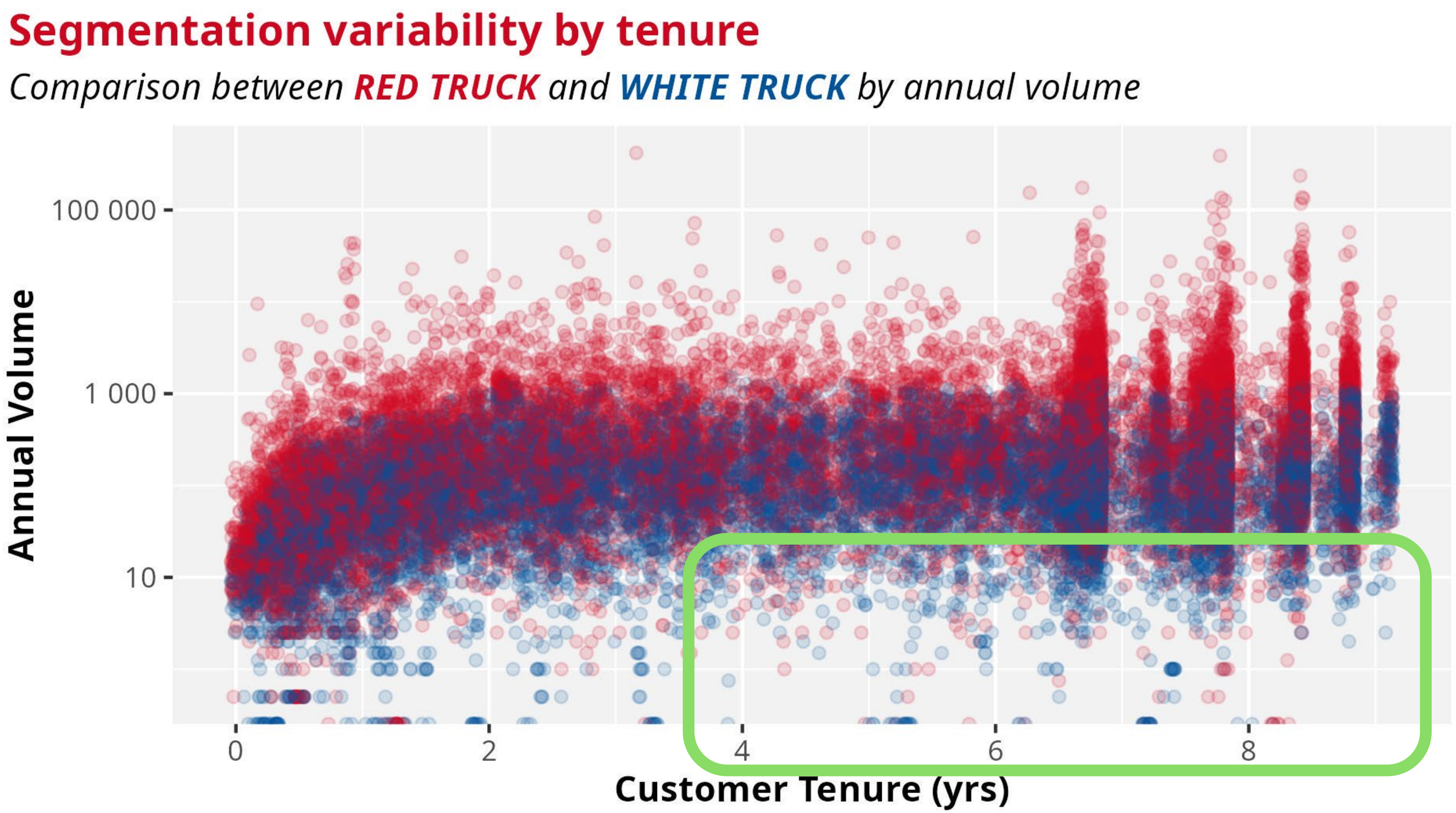


# Appendix to slide 32

## Why retain high tenure, low annual volume customers in RED TRUCK?

Segmented customers in this region are estimated to still be RED TRUCK material thanks to:

- Negligible costs for servicing
- Qualified thanks to a strong market
- Little is known of their performance prior to 2023; Swire could address this blind spot






SWIRE COCA-COLA

# Appendix to slide 12 – 14

```r
swire_segmentation ←
    swire_cust_enriched ▷
    mutate(
        # CRITERIA
        # Automatically white truck
        avoid = (
            trade_channel %in% c("SPECIALIZED GOODS", "PROFESSIONAL SERVICES", "VEHICLE CARE", "MOBILE RETAIL", "OUTDOOR ACTIVITIES")
            & avg_transaction_amt < 9
        ),
        # Automatically red truck
        fairly_new = customer_tenure_yrs ≤ 1,
        # "Growth conducive customer profiles"
        big_box = (
            trade_channel %in% c("SUPERSTORE", "BULK TRADE", "GENERAL RETAILER")
            & frequent_order_type %in% c("EDI", "SALES REP")
        ),
        niche_outlets = (
            trade_channel %in% c("RECREATION", "TRAVEL")
            & frequent_order_type %in% c("SALES REP", "EDI", "MYCOKE LEGACY")
        ),
        convenience_staples  = (
            trade_channel %in% c("FAST CASUAL DINING", "GENERAL")
            & frequent_order_type %in% c("EDI", "MYCODE LEGACY", "SALES REP", "OTHER")),
        # "Growth condusive markets"
        avg_tx_amt_flag = avg_transaction_amt ≥ 25,
        larger_neighbors_flag = avg_neighbor_transaction_amt ≥ 25,

        # SEGMENTATION LOGIC
        segment = case_when(
            avoid ~ "WHITE TRUCK",
            fairly_new ~ "RED TRUCK",
            ((big_box + niche_outlets + convenience_staples) > 0
            | (avg_tx_amt_flag + larger_neighbors_flag)) > 0 ~ "RED TRUCK",
            TRUE ~ "WHITE TRUCK"
        )
    )
```

R code matching the segmentation logic described earlier in the deck.

Also found in GitHub repository.



SWIRE COCA-COLA

# Appendix to slides 12 – 14

- These attributes define **RED** vs **WHITE** truck
  - Cluster
  - Order and Channel Type
  - Tenure & Frequency
  - Neighbor Patterns
  - Order Size

- These “lenses” improve your understanding of the customer base
  - Capturing hidden behavioral groupings
  - Differentiating between strategic and transactional ordering behaviors
  - Highlighting customer maturity and growth potential
  - Surfacing local market dynamics that influence buying behavior

# Appendix to slides 12 – 14

## Customer characteristic combinations found to be helpful predictors of RED TRUCK material

Top 10 Most Important Features for Predicting order_over_500

| | Feature | MeanDecreaseAccuracy | MeanDecreaseGini |
|---|---|---|---|
| **neighbor_avg_order_transaction_std_2024** | neighbor_avg_order_transaction_std_2024 | 200.55 | 2207.39 |
| **neighbor_avg_dist_km** | neighbor_avg_dist_km | 183.65 | 2182.84 |
| **neighbor_avg_order_transactions_2024** | neighbor_avg_order_transactions_2024 | 180.65 | 2022.98 |
| **neighbor_avg_ordered_total_2024** | neighbor_avg_ordered_total_2024 | 177.91 | 2101.18 |
| **cluster** | cluster | 170.49 | 4817.82 |
| **customer_tenure** | customer_tenure | 134.36 | 4184.83 |
| **neighbor_avg_return_freq** | neighbor_avg_return_freq | 111.47 | 562.86 |
| **order_type** | order_type | 97.54 | 1357.02 |
| **neighbor_local_market_partners** | neighbor_local_market_partners | 87.05 | 721.95 |
| **return_frequency** | return_frequency | 82.09 | 840.76 |

Red Truck vs White Truck Segments: High-Value Order Behavior by Category

| Feature | Category | Total | High-Value Orders | % High-Value | Segment |
|---|---|---|---|---|---|
| trade_channel | SUPERSTORE | 168 | 162 | 96.4 | Red Truck (High-Performing) |
| trade_channel | BULK TRADE | 187 | 144 | 77.0 | Red Truck (High-Performing) |
| trade_channel | TRAVEL | 205 | 140 | 68.3 | Red Truck (High-Performing) |
| trade_channel | GENERAL | 2240 | 1315 | 58.7 | Red Truck (High-Performing) |
| trade_channel | ACTIVITIES | 553 | 238 | 43.0 | Red Truck (High-Performing) |
| trade_channel | ACADEMIC INSTITUTION | 760 | 325 | 42.8 | Red Truck (High-Performing) |
| trade_channel | DEFENSE | 230 | 96 | 41.7 | Red Truck (High-Performing) |
| trade_channel | HEALTHCARE | 880 | 366 | 41.6 | Red Truck (High-Performing) |
| trade_channel | RECREATION | 1461 | 571 | 39.1 | Red Truck (High-Performing) |
| trade_channel | PUBLIC SECTOR (NON-MILITARY) | 659 | 230 | 34.9 | Red Truck (High-Performing) |
| trade_channel | COMPREHENSIVE DINING | 8827 | 1862 | 21.1 | White Truck (Low-Performing) |
| trade_channel | ACCOMMODATION | 2307 | 476 | 20.6 | White Truck (Low-Performing) |
| trade_channel | GENERAL RETAILER | 5418 | 1075 | 19.8 | White Truck (Low-Performing) |
| trade_channel | OTHER DINING & BEVERAGE | 4639 | 680 | 14.7 | White Truck (Low-Performing) |
| trade_channel | INDUSTRIAL | 347 | 42 | 12.1 | White Truck (Low-Performing) |
| trade_channel | PROFESSIONAL SERVICES | 1446 | 122 | 8.4 | White Truck (Low-Performing) |
| trade_channel | EDUCATION | 1255 | 105 | 8.4 | White Truck (Low-Performing) |
| trade_channel | MOBILE RETAIL | 652 | 48 | 7.4 | White Truck (Low-Performing) |
| trade_channel | LICENSED HOSPITALITY | 2768 | 203 | 7.3 | White Truck (Low-Performing) |
| trade_channel | PHARMACY RETAILER | 104 | 4 | 3.8 | White Truck (Low-Performing) |
| trade_channel | SPECIALIZED GOODS | 1135 | 31 | 2.7 | White Truck (Low-Performing) |
| trade_channel | VEHICLE CARE | 3363 | 48 | 1.4 | White Truck (Low-Performing) |
| trade_channel | LARGE-SCALE RETAILER | 1 | 0 | 0.0 | White Truck (Low-Performing) |
| order_type | EDI | 1739 | 846 | 48.6 | Red Truck (High-Performing) |
| order_type | OTHER | 917 | 169 | 18.4 | White Truck (Low-Performing) |
| order_type | CALL CENTER | 19174 | 2548 | 13.3 | White Truck (Low-Performing) |
| order_type | null | 1032 | 135 | 13.1 | White Truck (Low-Performing) |
| order_type | MYCOKE360 | 1243 | 108 | 8.7 | White Truck (Low-Performing) |
| frequent_order_type | OTHER | 10221 | 2214 | 21.7 | White Truck (Low-Performing) |
| frequent_order_type | MYCOKE LEGACY | 1675 | 354 | 21.1 | White Truck (Low-Performing) |
| frequent_order_type | EDI | 668 | 128 | 19.2 | White Truck (Low-Performing) |
| frequent_order_type | MYCOKE360 | 3927 | 349 | 8.9 | White Truck (Low-Performing) |
| frequent_order_type | CALL CENTER | 2442 | 133 | 5.4 | White Truck (Low-Performing) |
| cluster | 2 | 5091 | 3531 | 69.4 | Red Truck (High-Performing) |
| cluster | 7 | 3322 | 1399 | 42.1 | Red Truck (High-Performing) |
| cluster | 1 | 27386 | 6045 | 22.1 | White Truck (Low-Performing) |
| cluster | 5 | 1693 | 260 | 15.4 | White Truck (Low-Performing) |
| cluster | 8 | 929 | 91 | 9.8 | White Truck (Low-Performing) |
| cluster | 3 | 11759 | 1004 | 8.5 | White Truck (Low-Performing) |
| cluster | 9 | 1114 | 65 | 5.8 | White Truck (Low-Performing) |
| cluster | 4 | 3405 | 180 | 5.3 | White Truck (Low-Performing) |

Categorical Combinations with >50% Probability of High-Value Orders (order_over_500)

| Trade Channel | Order Type | Frequent Order Type | Cluster | Total | High-Value Orders | % High-Value | % of Total Customers | % of High-Value Customers |
|---|---|---|---|---|---|---|---|---|
| SUPERSTORE | EDI | OTHER | 1 | 32 | 32 | 100.0 | 0.1 | 0.3 |
| GENERAL RETAILER | EDI | SALES REP | 2 | 105 | 103 | 98.1 | 0.2 | 0.8 |
| GENERAL RETAILER | EDI | SALES REP | 7 | 159 | 155 | 97.5 | 0.3 | 1.2 |
| HEALTHCARE | SALES REP | SALES REP | 2 | 35 | 34 | 97.1 | 0.1 | 0.3 |
| GENERAL | MYCOKE LEGACY | SALES REP | 2 | 118 | 109 | 92.4 | 0.2 | 0.9 |
| RECREATION | MYCOKE LEGACY | SALES REP | 2 | 45 | 41 | 91.1 | 0.1 | 0.3 |
| GENERAL | CALL CENTER | SALES REP | 2 | 33 | 29 | 87.9 | 0.1 | 0.2 |
| OUTDOOR ACTIVITIES | SALES REP | SALES REP | 2 | 87 | 76 | 87.4 | 0.2 | 0.6 |
| GENERAL | SALES REP | SALES REP | 2 | 142 | 124 | 87.3 | 0.3 | 1.0 |
| GENERAL | SALES REP | SALES REP | 7 | 93 | 81 | 87.1 | 0.2 | 0.6 |
| RECREATION | SALES REP | SALES REP | 2 | 31 | 27 | 87.1 | 0.1 | 0.2 |
| ACTIVITIES | SALES REP | SALES REP | 2 | 46 | 40 | 87.0 | 0.1 | 0.3 |
| HEALTHCARE | SALES REP | SALES REP | 7 | 36 | 31 | 86.1 | 0.1 | 0.2 |
| FAST CASUAL DINING | MYCOKE LEGACY | MYCOKE LEGACY | 2 | 149 | 127 | 85.2 | 0.3 | 1.0 |
| HEALTHCARE | MYCOKE LEGACY | SALES REP | 7 | 32 | 27 | 84.4 | 0.1 | 0.2 |
| GENERAL RETAILER | EDI | SALES REP | 1 | 220 | 179 | 81.4 | 0.4 | 1.4 |
| GENERAL | MYCOKE LEGACY | SALES REP | 7 | 65 | 52 | 80.0 | 0.1 | 0.4 |
| OUTDOOR ACTIVITIES | MYCOKE LEGACY | SALES REP | 2 | 85 | 68 | 80.0 | 0.2 | 0.5 |
| FAST CASUAL DINING | MYCOKE LEGACY | SALES REP | 2 | 549 | 437 | 79.6 | 1.0 | 3.4 |
| FAST CASUAL DINING | MYCOKE LEGACY | OTHER | 2 | 287 | 226 | 78.7 | 0.5 | 1.8 |
| COMPREHENSIVE DINING | MYCOKE LEGACY | SALES REP | 2 | 194 | 150 | 77.3 | 0.3 | 1.2 |
| BULK TRADE | MYCOKE LEGACY | SALES REP | 1 | 30 | 23 | 76.7 | 0.1 | 0.2 |
| GOURMET FOOD RETAILER | SALES REP | SALES REP | 7 | 37 | 28 | 75.7 | 0.1 | 0.2 |
| ACCOMMODATION | SALES REP | SALES REP | 2 | 53 | 40 | 75.5 | 0.1 | 0.3 |
| ACADEMIC INSTITUTION | SALES REP | SALES REP | 2 | 59 | 44 | 74.6 | 0.1 | 0.3 |
| COMPREHENSIVE DINING | SALES REP | SALES REP | 2 | 265 | 197 | 74.3 | 0.5 | 1.5 |
| COMPREHENSIVE DINING | MYCOKE LEGACY | OTHER | 2 | 51 | 37 | 72.5 | 0.1 | 0.3 |
| FAST CASUAL DINING | SALES REP | SALES REP | 2 | 190 | 133 | 70.0 | 0.3 | 1.0 |
| OTHER DINING & BEVERAGE | MYCOKE LEGACY | OTHER | 2 | 40 | 28 | 70.0 | 0.1 | 0.2 |
| ACCOMMODATION | MYCOKE LEGACY | SALES REP | 2 | 66 | 46 | 69.7 | 0.1 | 0.4 |
| OTHER DINING & BEVERAGE | MYCOKE LEGACY | SALES REP | 2 | 94 | 65 | 69.1 | 0.2 | 0.5 |
| GENERAL | MYCOKE LEGACY | SALES REP | 1 | 328 | 221 | 67.4 | 0.6 | 1.7 |
| OTHER DINING & BEVERAGE | SALES REP | SALES REP | 2 | 57 | 38 | 66.7 | 0.1 | 0.3 |
| FAST CASUAL DINING | MYCOKE LEGACY | SALES REP | 7 | 152 | 98 | 64.5 | 0.3 | 0.8 |
| GENERAL RETAILER | SALES REP | SALES REP | 2 | 116 | 74 | 63.8 | 0.2 | 0.6 |
| OUTDOOR ACTIVITIES | SALES REP | SALES REP | 7 | 92 | 58 | 63.0 | 0.2 | 0.5 |
| GENERAL | MYCOKE LEGACY | OTHER | 1 | 94 | 59 | 62.8 | 0.2 | 0.5 |
| ACADEMIC INSTITUTION | SALES REP | SALES REP | 7 | 53 | 33 | 62.3 | 0.1 | 0.3 |

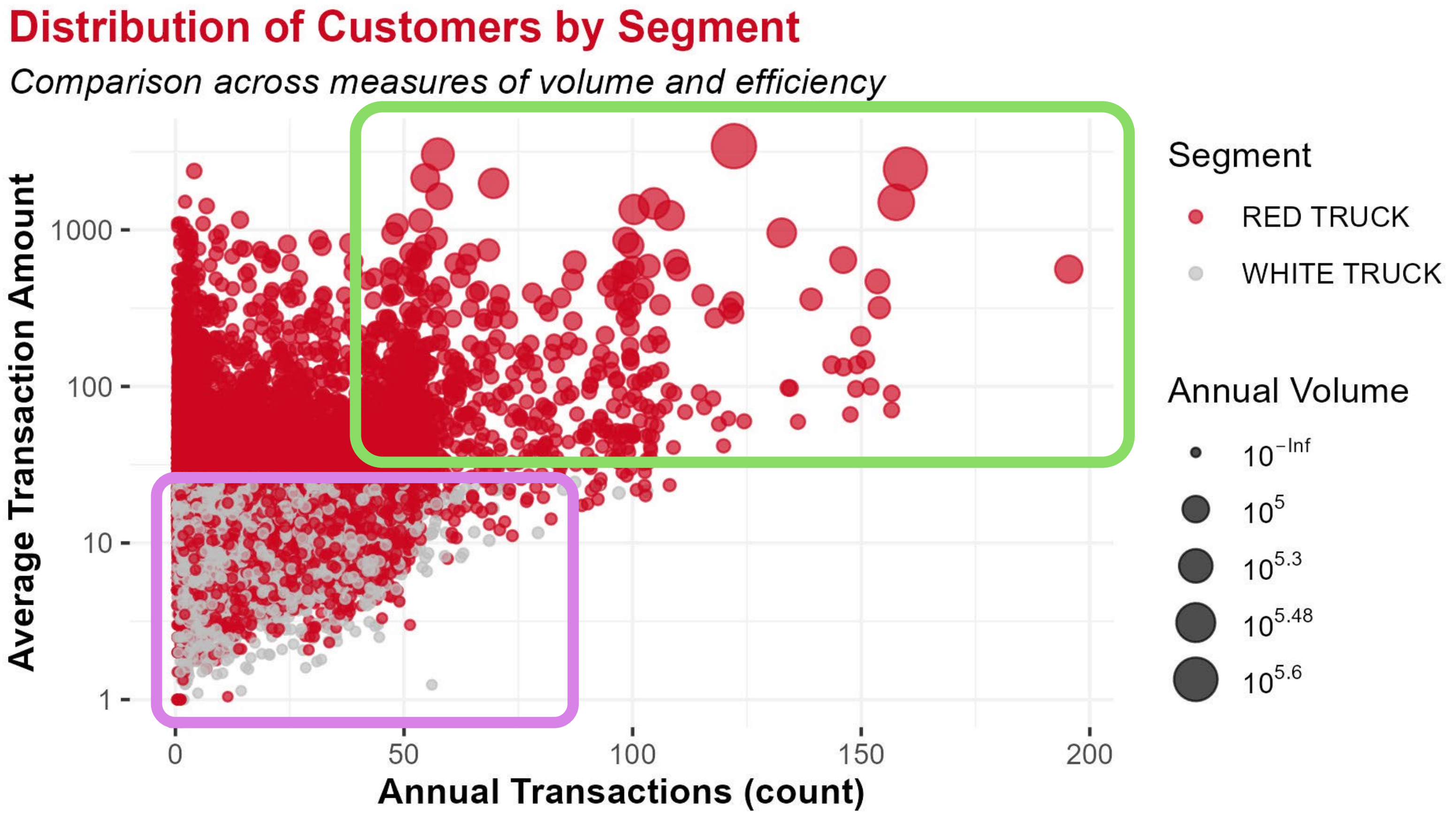
Categorical Combinations with <23% Probability of High-Value Orders (order_over_500)

| Trade Channel | Order Type | Frequent Order Type | Cluster | Total | High-Value Orders | % High-Value | % of Total Customers | % of High-Value Customers |
|---|---|---|---|---|---|---|---|---|
| COMPREHENSIVE DINING | CALL CENTER | OTHER | 4 | 80 | 0 | 0.0 | 0.1 | 0.0 |
| EDUCATION | null | SALES REP | 1 | 36 | 0 | 0.0 | 0.1 | 0.0 |
| FAST CASUAL DINING | MYCOKE360 | MYCOKE360 | 3 | 45 | 0 | 0.0 | 0.1 | 0.0 |
| FAST CASUAL DINING | MYCOKE360 | SALES REP | 3 | 30 | 0 | 0.0 | 0.1 | 0.0 |
| FAST CASUAL DINING | SALES REP | SALES REP | 9 | 41 | 0 | 0.0 | 0.1 | 0.0 |
| GENERAL RETAILER | CALL CENTER | SALES REP | 4 | 64 | 0 | 0.0 | 0.1 | 0.0 |
| GENERAL RETAILER | MYCOKE LEGACY | MYCOKE360 | 3 | 104 | 0 | 0.0 | 0.2 | 0.0 |
| GENERAL RETAILER | MYCOKE LEGACY | MYCOKE360 | 4 | 33 | 0 | 0.0 | 0.1 | 0.0 |
| GENERAL RETAILER | MYCOKE LEGACY | OTHER | 3 | 42 | 0 | 0.0 | 0.1 | 0.0 |
| GENERAL RETAILER | MYCOKE LEGACY | OTHER | 4 | 31 | 0 | 0.0 | 0.1 | 0.0 |
| GENERAL RETAILER | MYCOKE LEGACY | SALES REP | 4 | 76 | 0 | 0.0 | 0.1 | 0.0 |
| LICENSED HOSPITALITY | CALL CENTER | OTHER | 4 | 33 | 0 | 0.0 | 0.1 | 0.0 |
| LICENSED HOSPITALITY | CALL CENTER | SALES REP | 4 | 63 | 0 | 0.0 | 0.1 | 0.0 |
| LICENSED HOSPITALITY | SALES REP | SALES REP | 4 | 30 | 0 | 0.0 | 0.1 | 0.0 |
| OTHER DINING & BEVERAGE | CALL CENTER | CALL CENTER | 3 | 43 | 0 | 0.0 | 0.1 | 0.0 |
| OTHER DINING & BEVERAGE | MYCOKE LEGACY | MYCOKE LEGACY | 1 | 61 | 0 | 0.0 | 0.1 | 0.0 |
| OTHER DINING & BEVERAGE | MYCOKE LEGACY | MYCOKE LEGACY | 3 | 59 | 0 | 0.0 | 0.1 | 0.0 |
| OUTDOOR ACTIVITIES | MYCOKE LEGACY | MYCOKE LEGACY | 1 | 40 | 0 | 0.0 | 0.1 | 0.0 |
| PROFESSIONAL SERVICES | CALL CENTER | OTHER | 4 | 32 | 0 | 0.0 | 0.1 | 0.0 |
| PROFESSIONAL SERVICES | MYCOKE LEGACY | OTHER | 8 | 34 | 0 | 0.0 | 0.1 | 0.0 |
| PROFESSIONAL SERVICES | MYCOKE LEGACY | SALES REP | 3 | 50 | 0 | 0.0 | 0.1 | 0.0 |
| SPECIALIZED GOODS | CALL CENTER | CALL CENTER | 1 | 30 | 0 | 0.0 | 0.1 | 0.0 |
| SPECIALIZED GOODS | CALL CENTER | OTHER | 1 | 44 | 0 | 0.0 | 0.1 | 0.0 |
| SPECIALIZED GOODS | CALL CENTER | SALES REP | 4 | 34 | 0 | 0.0 | 0.1 | 0.0 |
| SPECIALIZED GOODS | MYCOKE LEGACY | MYCOKE360 | 3 | 60 | 0 | 0.0 | 0.1 | 0.0 |
| SPECIALIZED GOODS | MYCOKE LEGACY | MYCOKE360 | 4 | 50 | 0 | 0.0 | 0.1 | 0.0 |
| VEHICLE CARE | CALL CENTER | CALL CENTER | 3 | 98 | 0 | 0.0 | 0.2 | 0.0 |
| VEHICLE CARE | CALL CENTER | CALL CENTER | 4 | 133 | 0 | 0.0 | 0.2 | 0.0 |

# Appendix to slide 15

Our segmentation strategy correctly captures the highest value customers.

It also captures a mix of customers with potential for long term RED TRUCK partnership while avoiding similar customers without such potential.






SWIRE COCA-COLA

# Appendix slide to 21

## Opportunity cost of *2025 gallons + cases routed to white truck program

| Proposed segmentation strategy | vs | Incumbent 400-gallon threshold strategy |
|---|---|---|
| **2.4M** | | **2.9M** |

**81%** of the efficiency seen from the incumbent strategy

*Refer to 2025 estimate logic in appendix

# Appendix slide to 21

## *2025 delivery costs avoided via white truck program

Proposed segmentation strategy

vs

Incumbent 400-gallon threshold strategy

**$9.0M**

**$13.7M**

**64%** of the efficiency seen from the incumbent strategy

*Refer to 2025 estimate logic in appendix



SWIRE COCA-COLA

# Appendix slide to 21

## *2025 labor hours recouped via white truck program

Proposed segmentation strategy

vs

Incumbent 400-gallon threshold strategy

**161K**

**210K**

**73%** of the efficiency seen from the incumbent strategy

*Refer to staff hour assumptions in appendix



Swire Coca-Cola

# Appendix to slides 20 – 21, 38 – 40

The logic for deriving 2025 volume estimates follows the following rules:

- Growth rate from '23 to '24 by trade channel
  - No sales in '23 defaults to overall growth rate
- 2024 order volumes multiplied by growth rate
- Costs were assumed to linearly increase at same rate as order volumes

Overall results align with observed growth from prior year:

- Growth rate from '23 to '24 across all customers: **5.2%**
- Growth rate from '24 to '25 across all customers: **6.3%**

**RECOMMEND:** replacing this naïve growth logic with more robust forecasting methods given Swire's greater longitudinal data sets

# Appendix to slide 40

"Labor hours" seeks to estimate the annual hours sales & customer service staff members expend to service an account.

ChatGPT 4o suggested these benchmark ranges:

| TIER | ANNUAL HOURS PER CUSTOMER |
|---|---|
| Enterprise | 60 - 120 |
| Mid-market | 25 - 50 |
| SMB | 4 - 20 |

Swire customers were assigned to these groups based on percentiles across two features (as prescribed by ChatGPT):

Annual Volume

Customers in Primary Group

The resulting count of customers from each tier were multiplied by the minimum hours in the respective tier, and summed for WHITE TRUCK, comparing the two segmentation strategies.

**RECOMMEND:** replacing these heuristic values with Swire's internal understanding for an improved estimate