

September 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

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 confidence nature of this document.

Executive summary

01

Task 1

Data Preparation and Customer Analytics

After analysing customer purchasing behaviour, we found three customer segments which we should target in order to increase the sales.

1. Budget – Older Families
2. Mainstream – Young Singles/Couples
3. Mainstream – Retirees

We should increase the visibility of Woolworths 190gm and Twisties 250gm & 270gm chips at stores, in order to increase the sales.

02

Task 2

Experimentation and Uplift Testing

After evaluating the performance of a store trial which was performed in stores 77, 86 and 88. We found the store trial was successful in significantly increasing the sales.

We also observed, significant increase in number of customers during the trial period i.e. from February 2019 to April 2019.

We can roll out the new store layout to other stores as well to increase the sales.

01

Category

- 1) Budget – Older Families, Mainstream – Young Singles/Couples, and Mainstream – Retirees contributes most to the sales.
- 2) Older Families purchases more chips per customer than all other segments.
- 3) Mainstream – Midage and Young Singles/Couples are willing to pay more price per packet of chips

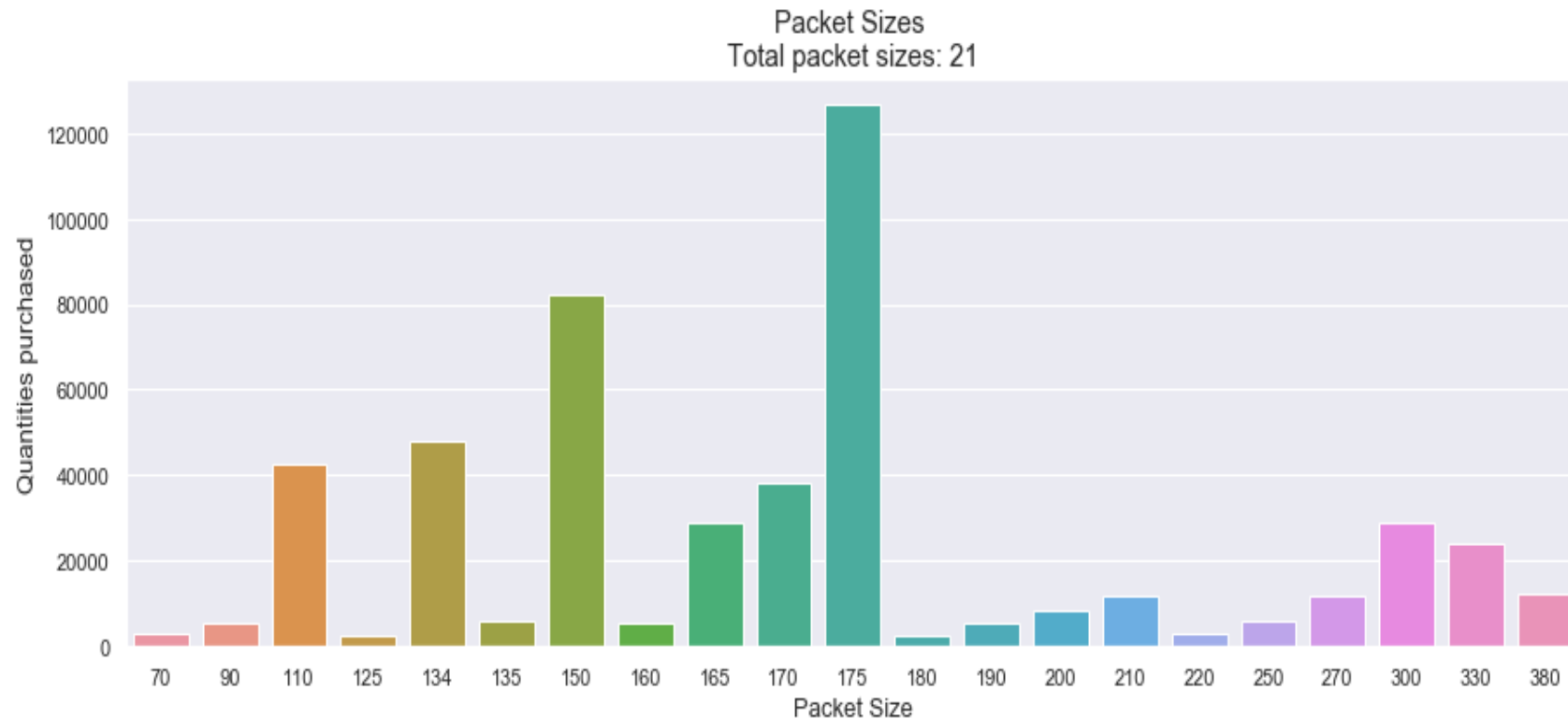
Some useful Insights

Mostly customers prefer to purchase 175gm and 150gm packs across all segments.

These packs are popular among customers because most of the customer prefers to buy medium size packs and many produces such packs.

39% and 19% of the brands produces 175gm and 150gm packs respectively.

We can see less quantity purchased for many pack sizes, this is because they are being produced by certain brands only and have their separate customer base.

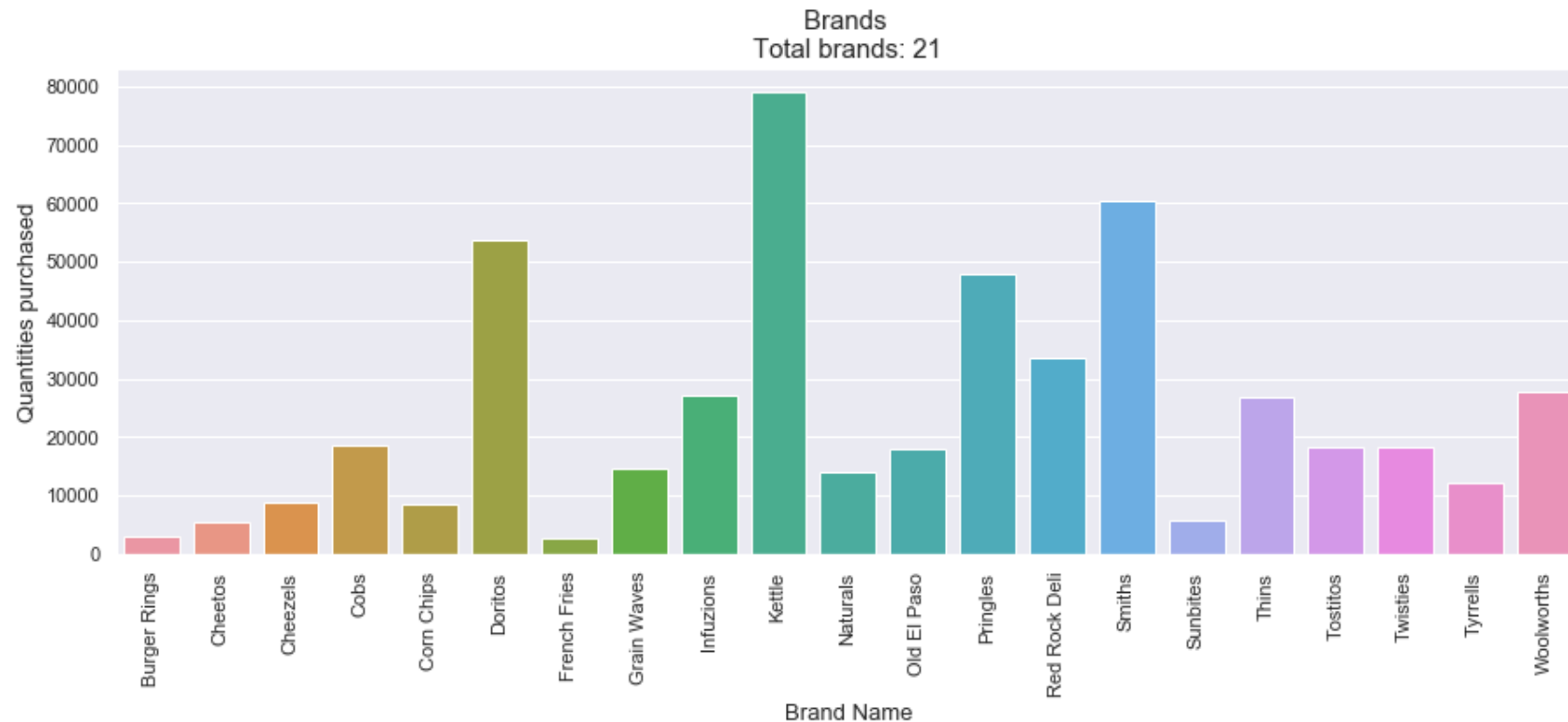


Some useful Insights

Mostly customers prefer to purchase chips from Kettle brand across all segments.

One possible reason is Kettle also produces 175gm and 150gm packs.

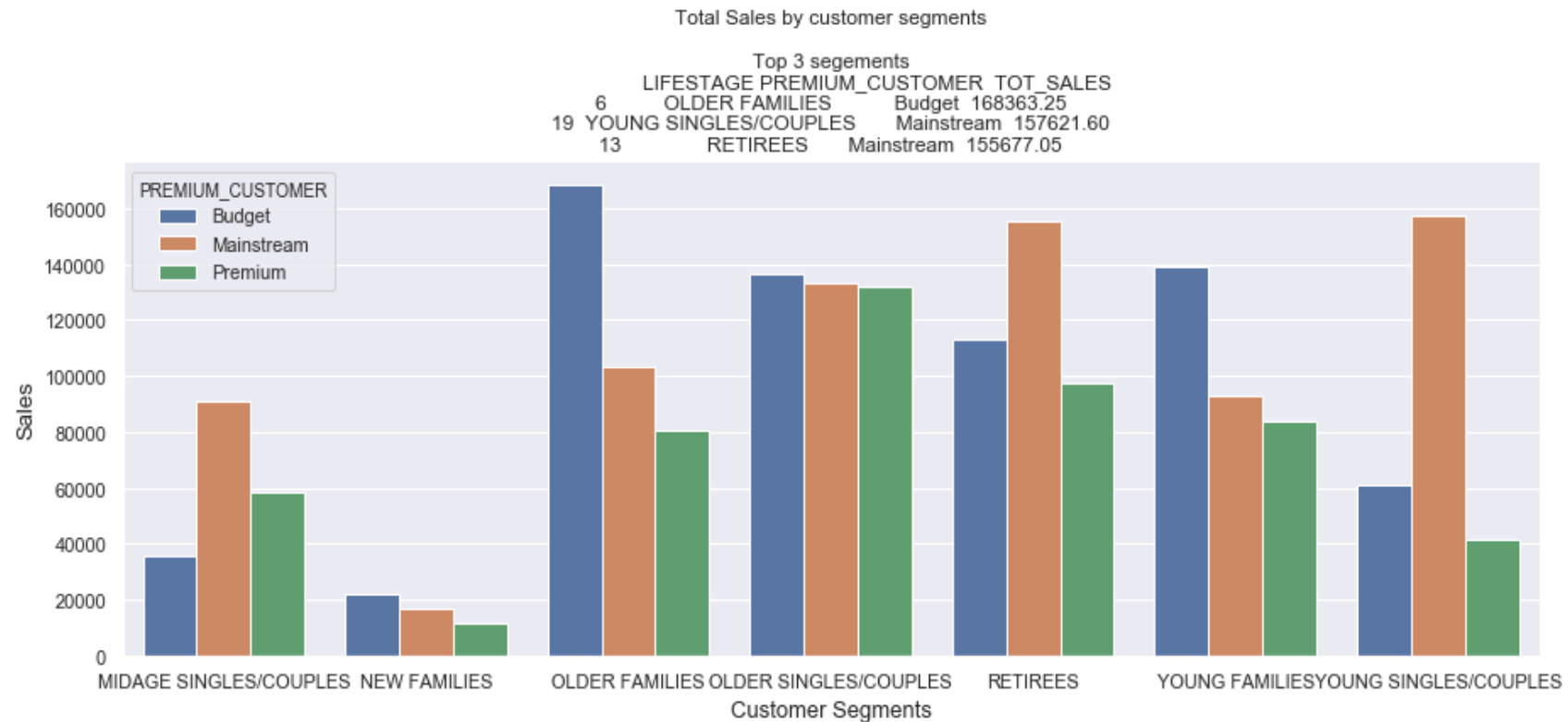
Pringles only sell 134gm packs and they were sold most.



Target Segments

It will be good to focus on segments which are contributing most to the sales, and we can see that Budget – Older Families, Mainstream – Young Singles/Couples, and Mainstream – Retirees are those segments.

It will be good to understand their purchasing behaviour to target them accordingly.



Proportion of customers

We can see that high sales in Mainstream – Young Singles/Couples, and Mainstream – Retirees is due to high number of customers in these segments. However, this does not seem to be a fair reason for Budget – Older Families.

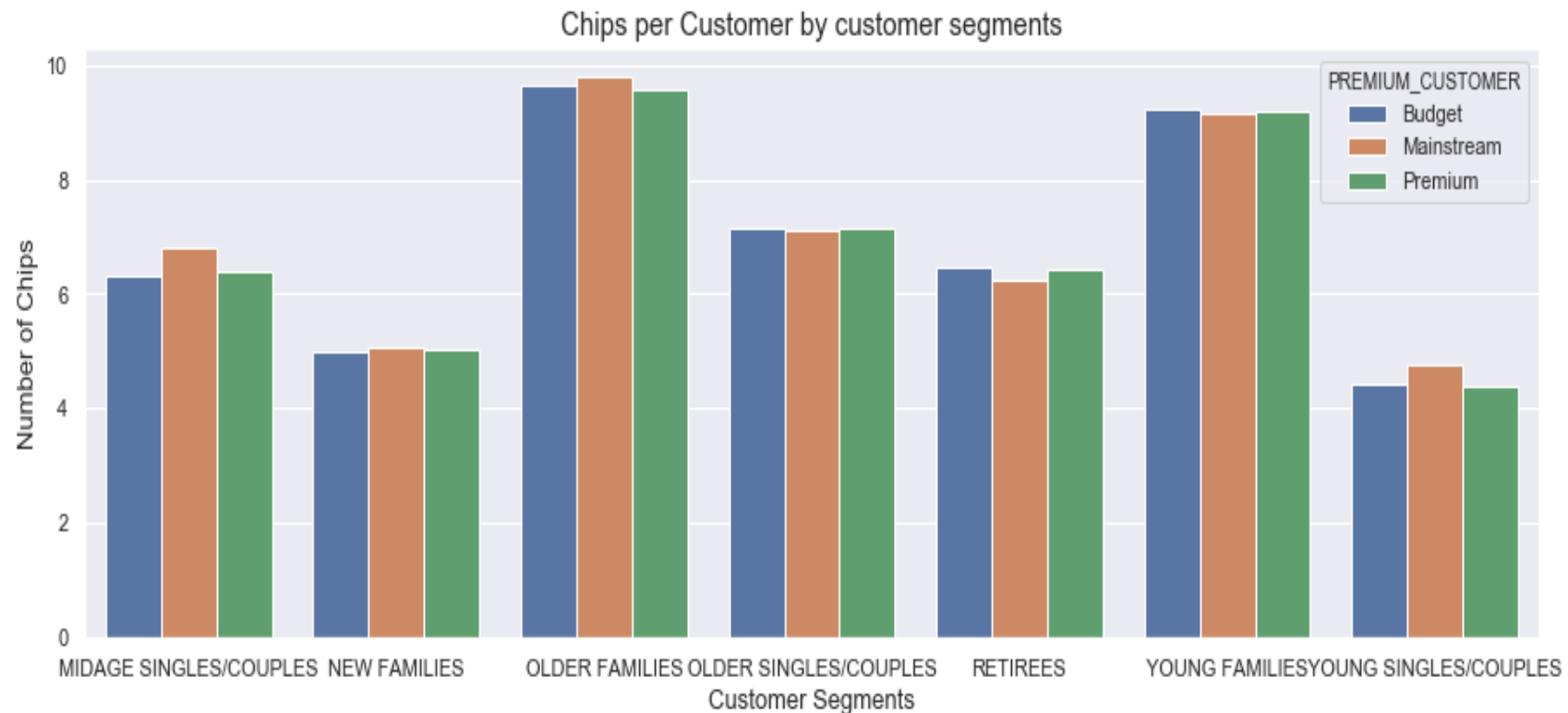


Chips per customer

We can see that Older Families are purchasing more chips per customer than any other segment, this is the reason they are contributing most to the sales.

In fact New Families purchasing more chips per customer than Young Singles/Couples beside contributing least to the overall sales.

In general, families are purchasing more chips per customer than any other segments, probably because families have more members and children.

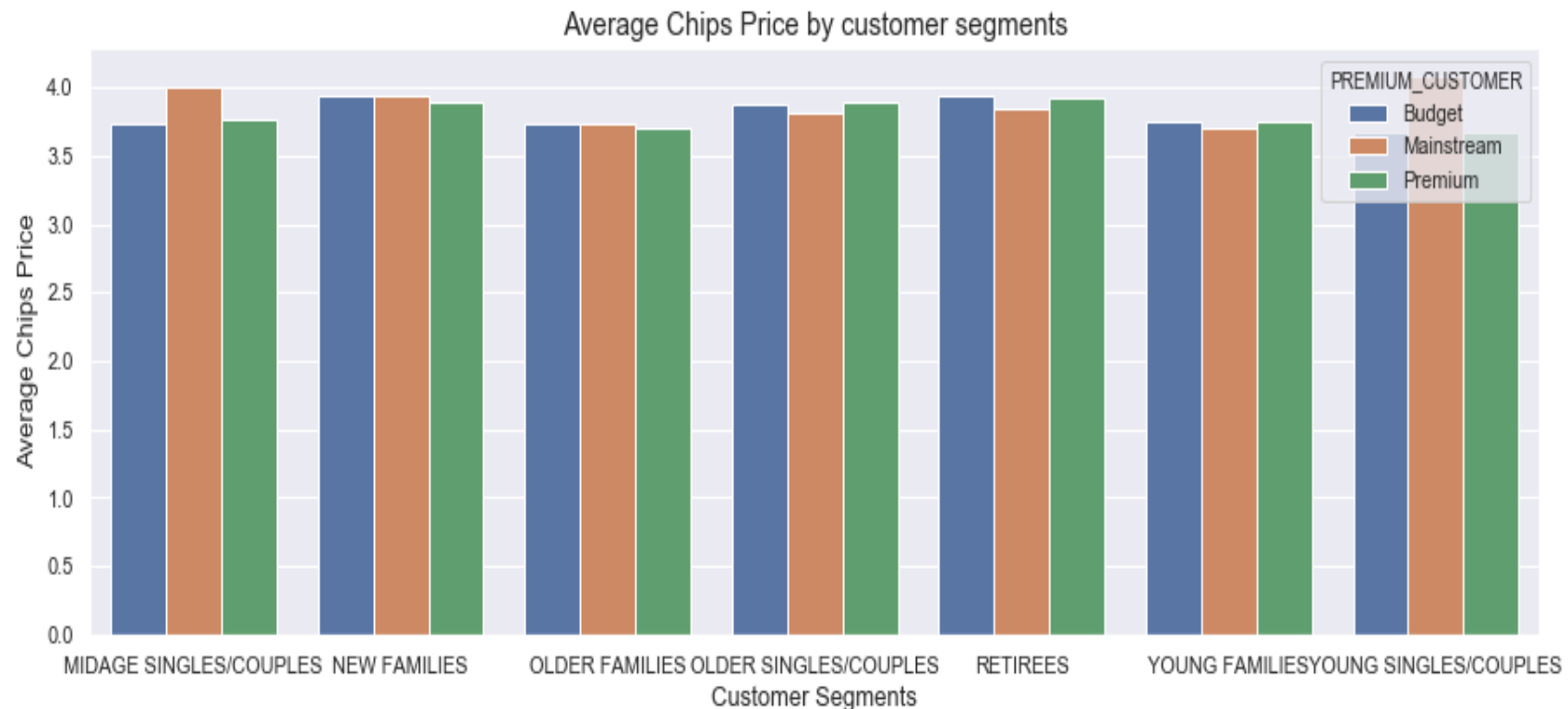


Price per packet of chips

When checking price per packet of chips, we can see that all segments are spending similar amount only.

But Mainstream – Midage and Young Singles/Couples are willing to pay more price per packet of chips compared to their budget and premium counterparts.

This may be due to premium customers being more likely to buy healthy snacks and when they buy chips, this is mainly for entertainment purposes rather than their own consumption.



Observations and Recommendation

- We should increase the stock of 175gm and 150gm packs at the stores, as they are purchased most across all segments
- We should increase the stock of Pringles and Kettle chips at all stores, because these are favorite brands among all segments.
- We found that Budget – Older Families are 18% more likely to purchase from Woolworths chips and 22% more likely to purchase 190gm packs than the rest of the population
- Mainstream – Young Singles/Couples are 23% more likely to purchase Twisties chips and 28% more likely to purchase 270 grams packs than the rest of the population
- Mainstream – Retirees are 5% more likely to purchase Twisties chips and 14% more likely to purchase 250 grams packs than the rest of the population

Therefore, we should increase the visibility of these chips at the stores, so that they are more likely to be purchased and resulting in more sales.

02

Trial Store Performance

- 1) Overall trial store performance boosted in the trial period. We saw significant increase in overall sales in trial period as compared to pre-trial period.
- 2) Trial store 77 and 88 showed significant increase in sales and number of customers in trial period vs. pre-trial period.
- 3) For trial store 86 there was no significant difference in sales, but there was significant increase in number of customers in trial period.

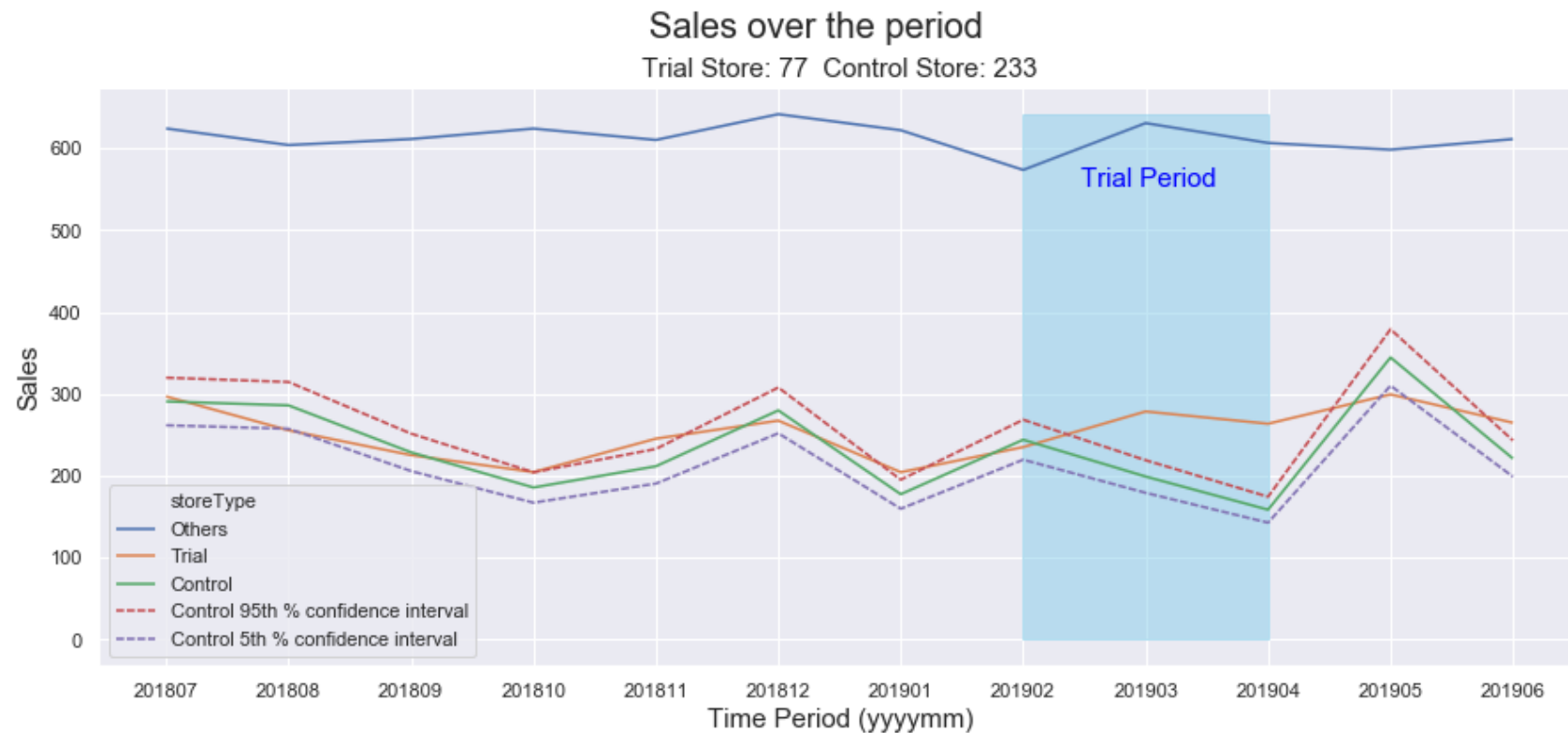
Performance of Trial Stores

For trial store 77 control store was 233.

We can see that the trial store performance was different in pre-trial and trial period.

In pre-trial period (Jul 2018 – Jan 2019), trial store performance was similar to control store.

However, in trial period (Feb 2019 – April 2019) trial store's sales increased significantly for two out of three trial months.



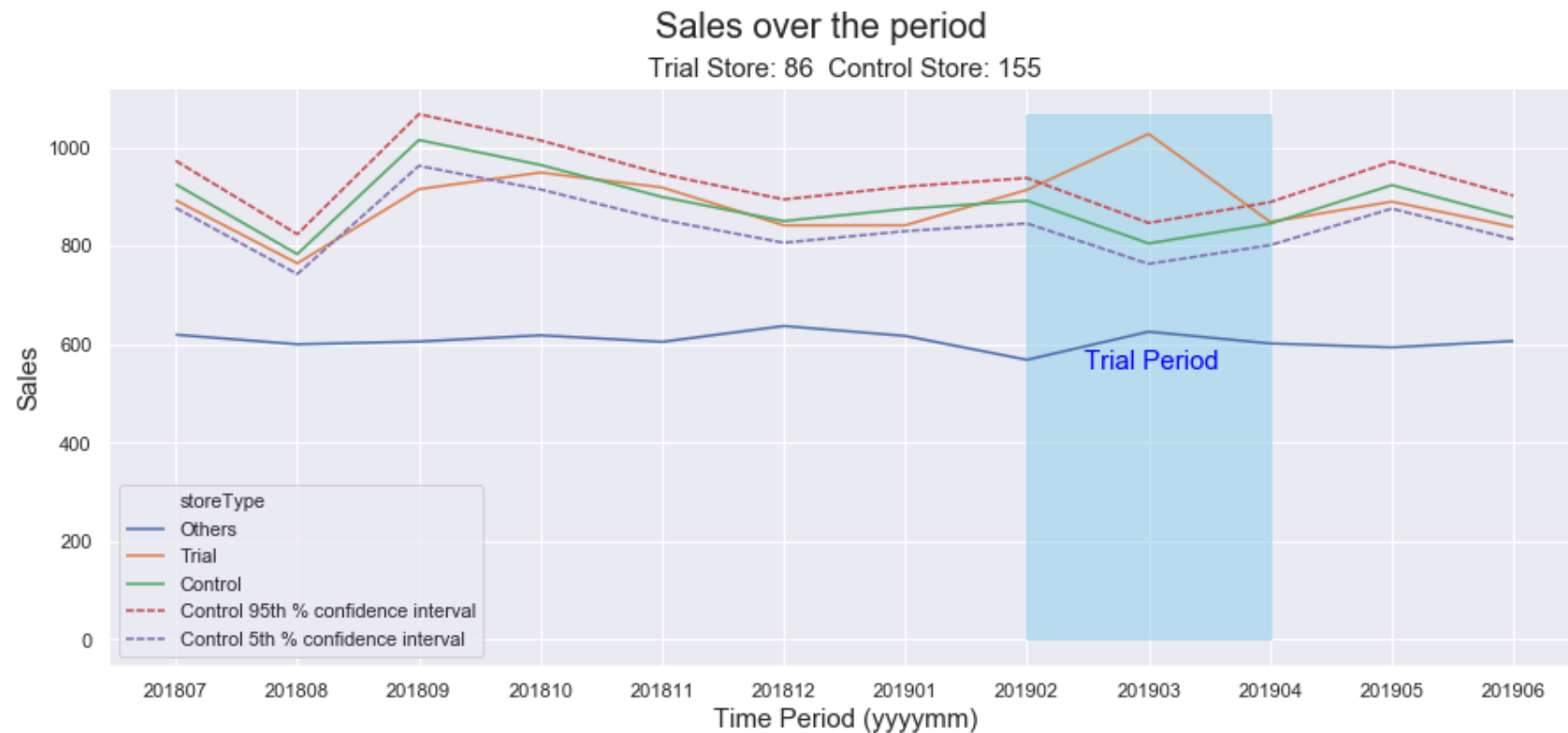
Performance of Trial Stores

For trial store 86 control store was 155.

We can see that there was no difference in trial store's performance in pre-trial and trial period.

In pre-trial period (Jul 2018 – Jan 2019), trial store's sales was similar to control store's sales.

In trial period (Feb 2019 – April 2019) trial store's sales was similar to control store's sales in two out of three trial months.



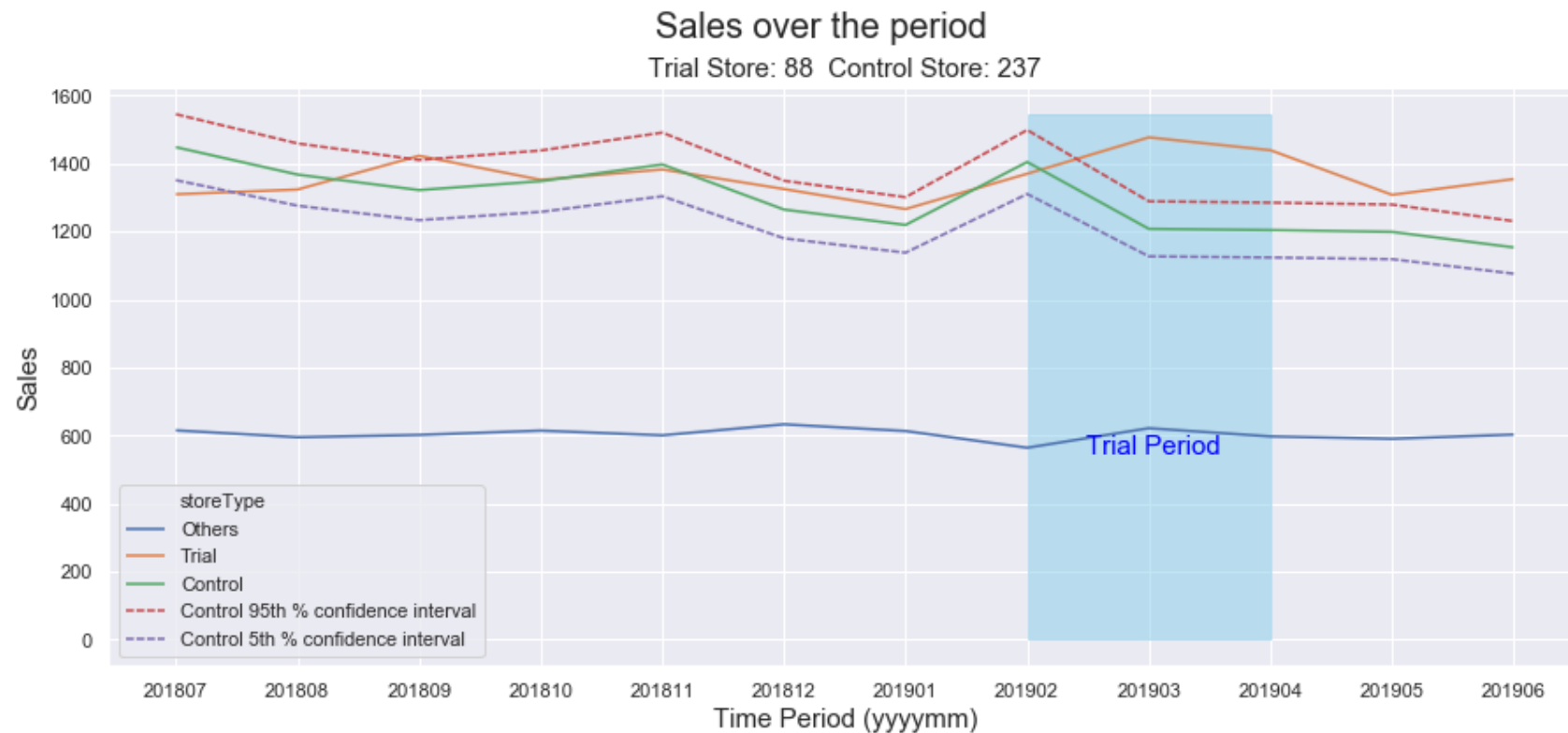
Performance of Trial Stores

For trial store 88 control store was 237.

We can see that the trial store performance was different in pre-trial and trial period.

In pre-trial period (Jul 2018 – Jan 2019), trial store's sales was similar to control store's sale.

However, in trial period (Feb 2019 – April 2019) trial store's sales increased significantly in two out of three trial months.

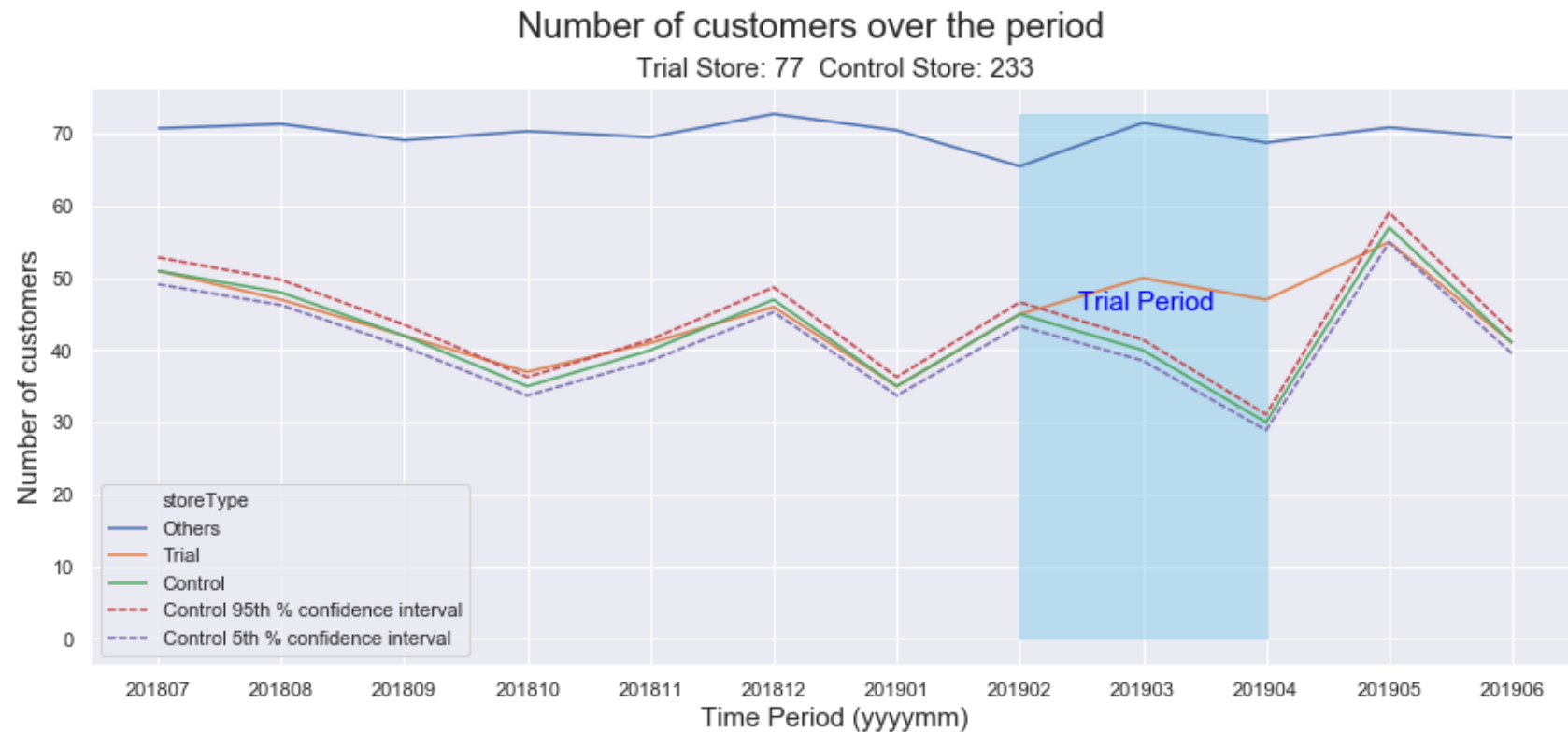


Call out of the performance in the Trial Store

We can observe that in trial store (77) number of customers increased significantly during the trial period, resulting in increased sales.

Number of customers increased significantly in two out of three trial months.

This shows, the new trial layout was successful in increasing the footfall and sales for the store.

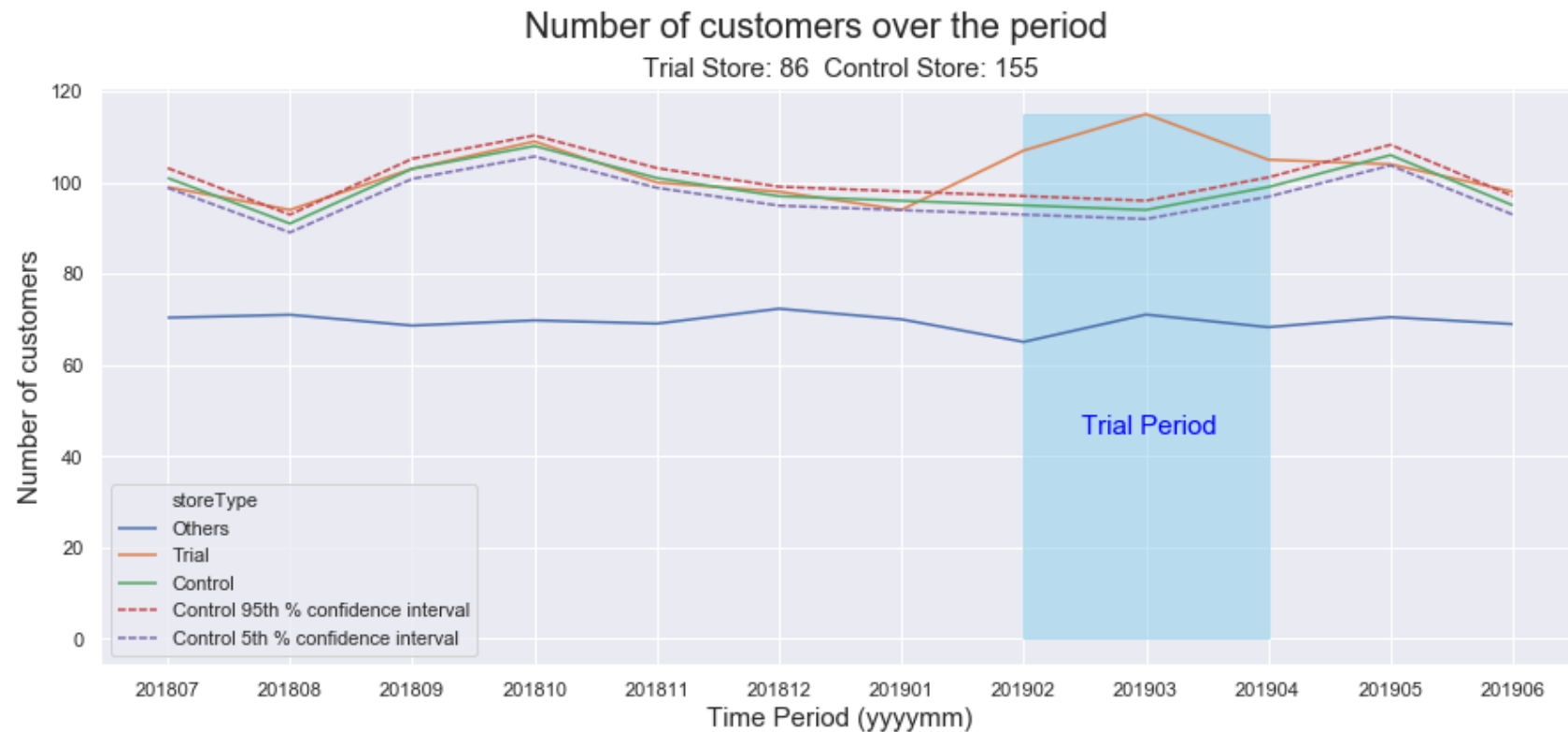


Call out of the performance in the Trial Store

We can observe that in trial store (86) number of customers increased significantly during the trial period, resulting in increased sales.

Number of customers increased significantly in all three trial months.

This shows, the new trial layout was successful in increasing the footfall for the store.

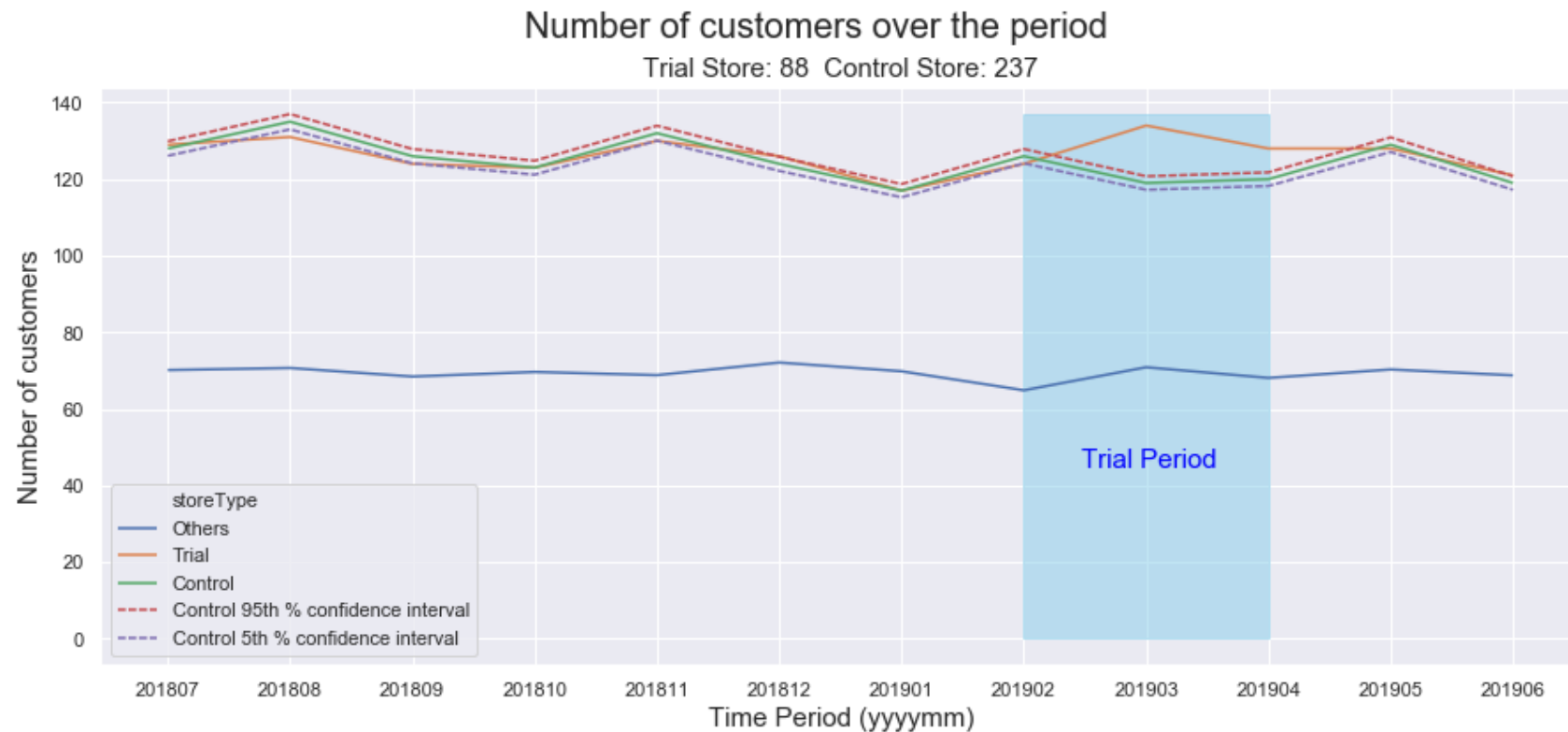


Call out of the performance in the Trial Store

We can observe that in trial store (88) number of customers increased significantly during the trial period, resulting in increased sales.

Number of customers increased significantly in two out of three trial months.

This shows, the new trial layout was successful in increasing the footfall and sales for the store.



Observations and Recommendation

- Overall, store trial was successful in increasing the sales
- We can roll out the trial layout in all stores in order to increase the sales and monitor store performance afterwards
- We need to check with the Category Manager, if some different strategy was implemented in trial store 86, because in this store number of customers increased significantly however sales did not.



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