Swire Coca-Cola Business Problem Statement

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Business Problem

Swire Coca-Cola (SCCU) is optimizing its logistics by transitioning low-volume customers to an Alternate Route to Market (ARTM) or white truck delivery to reduce costs. However, this strategy presents a challenge—some of these customers may have the potential to grow into high-volume accounts. Moving them to ARTM prematurely could hinder revenue growth by reducing direct interactions and limiting opportunities for business expansion. Currently, there is no systematic approach to identify high-growth potential customers, increasing the risk of misclassification and missed revenue opportunities. A secondary goal of this project would be to re-examine whether the 400 gallons per year threshold is the most optimal solution for Swire.

Benefit of a Solution

- Data-driven definition of a consumption threshold to determine delivery methods and logistics efficiency.
- Effective and understandable customer segmentation to support the established threshold and identify exceptions.
- Development of a demand forecasting model to support the threshold and its exceptions.
- Evaluation of the potential impact of the established processes on SCCU's costs and revenues.
- Insights on how to drive volume and market share growth with high-potential, growth-ready customers.

Analytics Approach

We will use historical transactional data, customer profiles, and delivery cost data to develop predictive models that differentiate between low- and high-growth customers. By analyzing factors such as purchase patterns, order frequency, and customer attributes, we aim to establish a data-backed threshold for transitioning customers to ARTM. This model will guide strategic decision-making to ensure that SCCU does not prematurely transition high-potential accounts. Some of the modeling techniques we will *likely* use include clustering, gradient boosting, and regression. These techniques are subject to change as we progress through the analysis.

Success Metrics

The project's success will be measured by:

- Improved Customer Classification: Accurately identifying high-growth customers and reducing misclassification rates.

- Optimized Volume Threshold: Establishing a statistically validated sales volume threshold for ARTM transitions.
- Revenue Impact: Ensuring that customers with strong potential remain on direct delivery routes, leading to higher retention and revenue growth.

Again, these metrics and insights are subject to change as we progress through the project and find out more about what's truly valuable to the business.

Scope

The analysis will focus on two distinct customer groups:

- Local Market Partners Buying Fountain Only – Customers who purchase only fountain drinks, with no CO2, cans, or bottles.
- All Customers – The broader customer base, including those who purchase various product types.

The deliverable will include a predictive model and actionable recommendations for integrating growth potential insights into SCCU's logistics strategy. Future iterations may refine the model to account for additional customer attributes and evolving market conditions.

Details

The project will be completed by Group 5: Andrew Delis, Joonas Tahvanainen, Kleyton Polzonoff, and Nidal Arain as part of the MSBA Capstone class.

Key Milestones:

- February 16, 2025 – Completed EDA and full understanding of the data.
- March 9, 2025 – Machine learning model or analytics method completed and ready for implementation.
- April 2, 2025 – Project in a near-final state.
- April 9, 2025 – Final presentation prepared.
- April 16, 2025 – Project delivered to stakeholders.