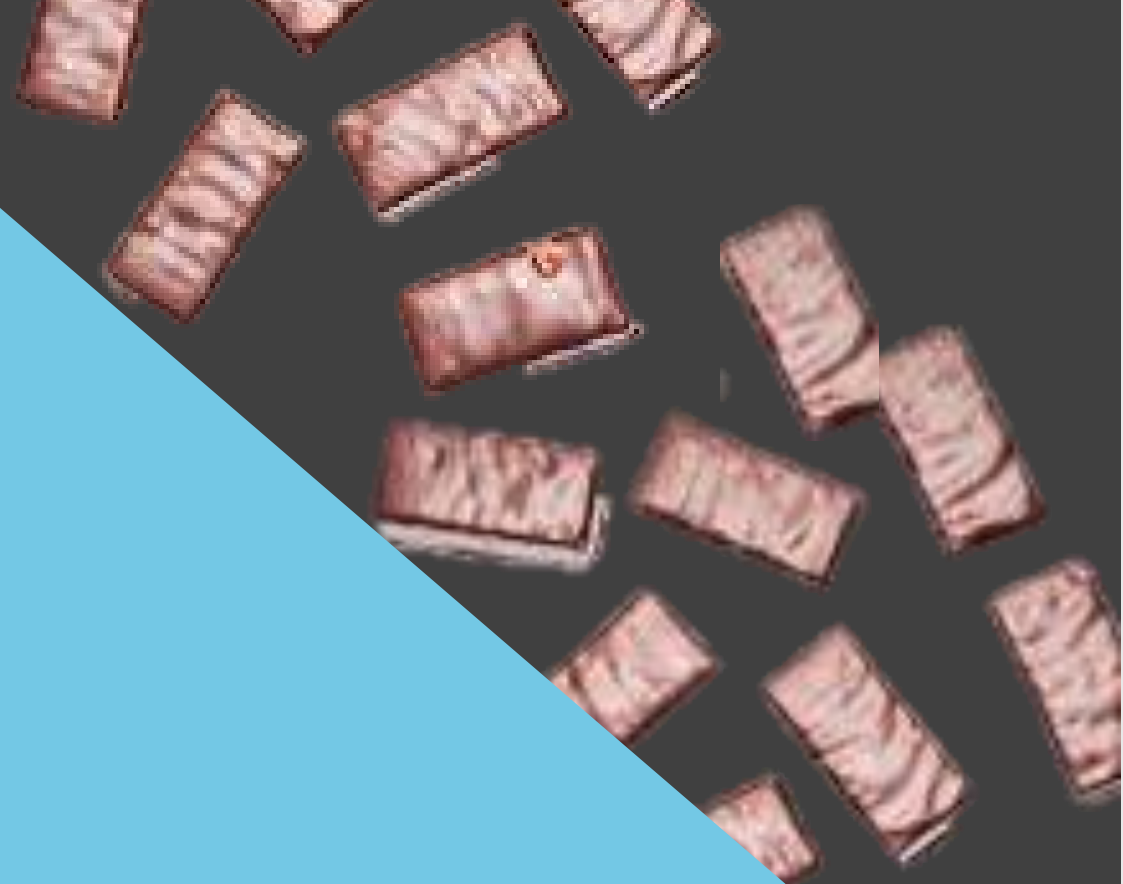




EXECUTIVE SUMMARY

EXPANDING OUR
CANDY BRAND



Executive summary

Problem → Design a new kind of bar for a supermarket chain in the Czech Republic (home brand)

- Supermarket's targets → **quality and price**
- Variables that are correlated with high perceived quality, are also correlated with high prices (good for quality, bad for price)

Solution?

Find the hidden gems → low price, high success.

How

Success correlates most with chocolate presence, bar shape and peanut-almond taste

Cheap prices correlate with fruity taste, hard texture or multi-packaging



Analysis

- Two candies are in the top quartiles for cheap price and success: Skittles original and Starbust
- The top 5 from rank analysis are: Reese's Miniatures, Starburst, Sour Patch Kids, Hershey's Kisses, Skittles original

Recommendations

- From the best ranked candies, there are only two that have chocolate (most correlated with success). Reese's Miniatures and Hershey's Kisses.
- Hershey's Kisses are culturally specific (since 1907) for the Czech market better Reese's



Conclusions

- All variables correlated with successful candies are correlated also with expensive prices.
- Chocolate is the most relevant variable concerning correlation with success (winpercent)
- From the analysis of rankings, 5 candies appear as most interesting:
 - Chocolate is present in 2 of them, which are also relatively low in sugar: **Reese's** and **Hershey's**
 - **Hershey's kisses** are kind of a cultural tradition in the US (since 1907). Problem of adaptation to the Czech market
 - **Sour patch kids** might be an option but similar to existing products (*kyselé žížalky* and *kyselé rybičky*)
 - **Skittles** and **Starbust** have the problem of TiO₂. Image and legal issues in the EU and Skittles with high sugar.

chocolate		
1	Reese's miniature	✓
2	Starbust	X
3	Sour Patch Kids	X
4	Hershey's kisses	✓
5	Skittles	X

Reese's miniature seems to be the winner
Best ranking overall
With chocolate
Relatively low sugar



Possible discussion

- In this model, the target variables to optimize have been cheapness and winpercent
- No weights have been given to the variables: a panel of experts or the management strategy might determine different weights for each variable:

$$target = W_{win} * winpercent + W_{cheap} * cheapness$$

- The management of the supermarket might be interested in the opposite price strategy: identify very expensive and very successful candies so that the home brand copies can be cheaper

Thank you!

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