



Revenue Recommendation 21/22

SuperFoodsMax

7th April 2021

Agenda:



- Background:
 - SuperFoodsMax revenue initiative & working questions
 - Dataset used
- Analysis:
 - Revenue trend
 - Average revenue per loyalty group
 - Top commodities to support revenue growth
 - High value customer
- Conclusion:
 - Recommendations

To increase sales revenue by 5% over the next two years

- *increasing an average spend of loyal customers*
- *converting first-time customer into loyal customers*



SuperFoodsMax Business Challenge



Working questions:

- How are we tracking on revenue currently?
- What is our average spend amongst the loyalty groups?
- What commodities can support the drive for growth?
- What are the characteristics of our high value customers?

Dataset behind the analysis



Internal customer, transaction, and product records over 41 months from **January 2017 - May 2020**:

- **3,249** customers
- **3,479** transactions
- **1.07** basket per customer
- **9,484** products



Cleaning criteria:

- Validity
- Accuracy
- Completeness
- Consistency
- Uniformity

Approach: Drop the record

Tools: SQL and Python

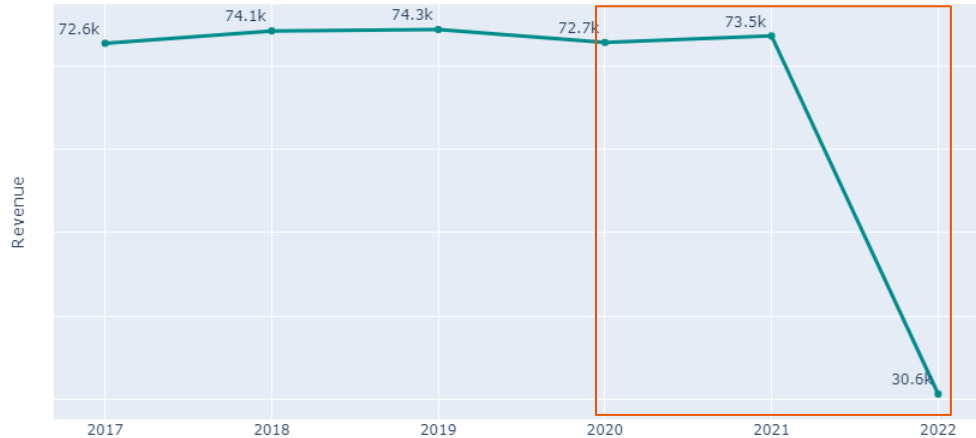


Legal & Ethical obligations*:

- Privacy Act 1988 & GDPR
- Identity & shared data
- Privacy
- Transparency
- Bias
- Honesty

Analysis - Current revenue trajectory

Yearly revenue trend



Through the use of historical data as our learning model and forecast into the upcoming 24 months:

SuperFoodsMax overall revenue **is forecasted to plateau** over the next two years.

Analysis - Average revenue per loyalty group



Promiscuous group **drives the highest revenue**, of \$77.

No further analysis is performed due to the limited number of records of the First Time Buyer.

Regardless of the loyalty group, the **19-24 age group appears to be of highest value.**

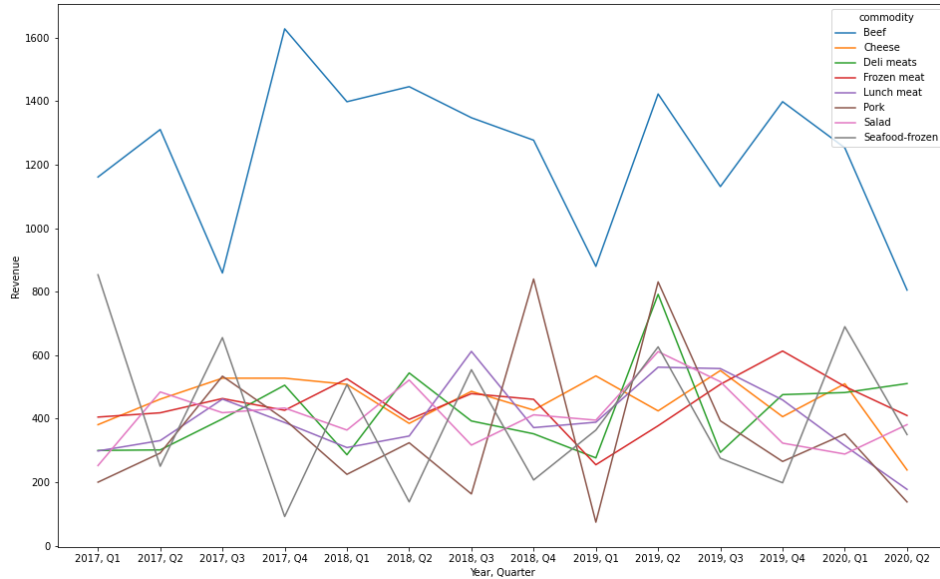
Analysis - Average basket per loyalty group



The data reveals that the **Loyalist** is the least likely to be a repeat purchaser, which is contradicting to the general perception of what a loyal customer is.

A review of loyalty group labelling **is recommended** here before we can draw any further conclusion.

Analysis - Commodities to support growth initiative



Beef has consistently been our top commodity, bringing in average of \$1.2k per quarter* which represents 7% of average quarter revenue*.

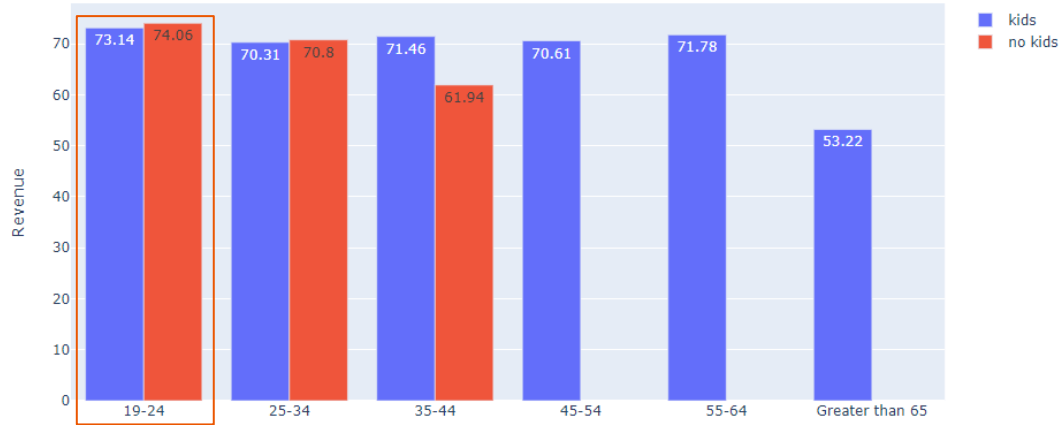
When part of a basket, the average basket value is of **+13% higher**.

Around 3 out of 5 baskets containing Beef currently.

*The 2020, Q2 is excluded from the calculation due to an incomplete quarter

Analysis - Characteristics of new acquisition

Average basket revenue per Demographic



The high revenue per basket of the 19-24, regardless of having children or not, represents the lowest hanging fruit for future revenue growth.

Conclusions - Observations & recommendations

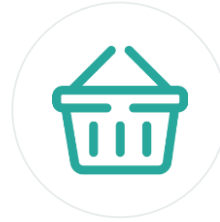


Without any intervention, the revenue is **forecasted to be stagnant** over the next 24 months.



Review the loyalty data: how it is being captured and establish a definition for each group.

Once complete, the revenue model and further analysis can be re-run.



Encourage the purchase of beef by stimulate a demand for our current customers who are beef novices or increase the frequency of purchase by those already enjoy beef.



Attract new customers who share similar demographic and traits with our current high value clients based on SuperFoodsMax's historical data.

Thank you.

sjpinijkarn@

