

June 2020

# Category review: Chips

Retail Analytics



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 commercial in confidence nature of this document.

# Executive summary

01

Task 1

Chips are considered a basic food item, mainly appreciated by cost-conscious families and everyday consumers without the obligations of providing for a family.

02

Task 2

The trial layout boosted chip sales by attracting more customers from February to April 2019.

# 01

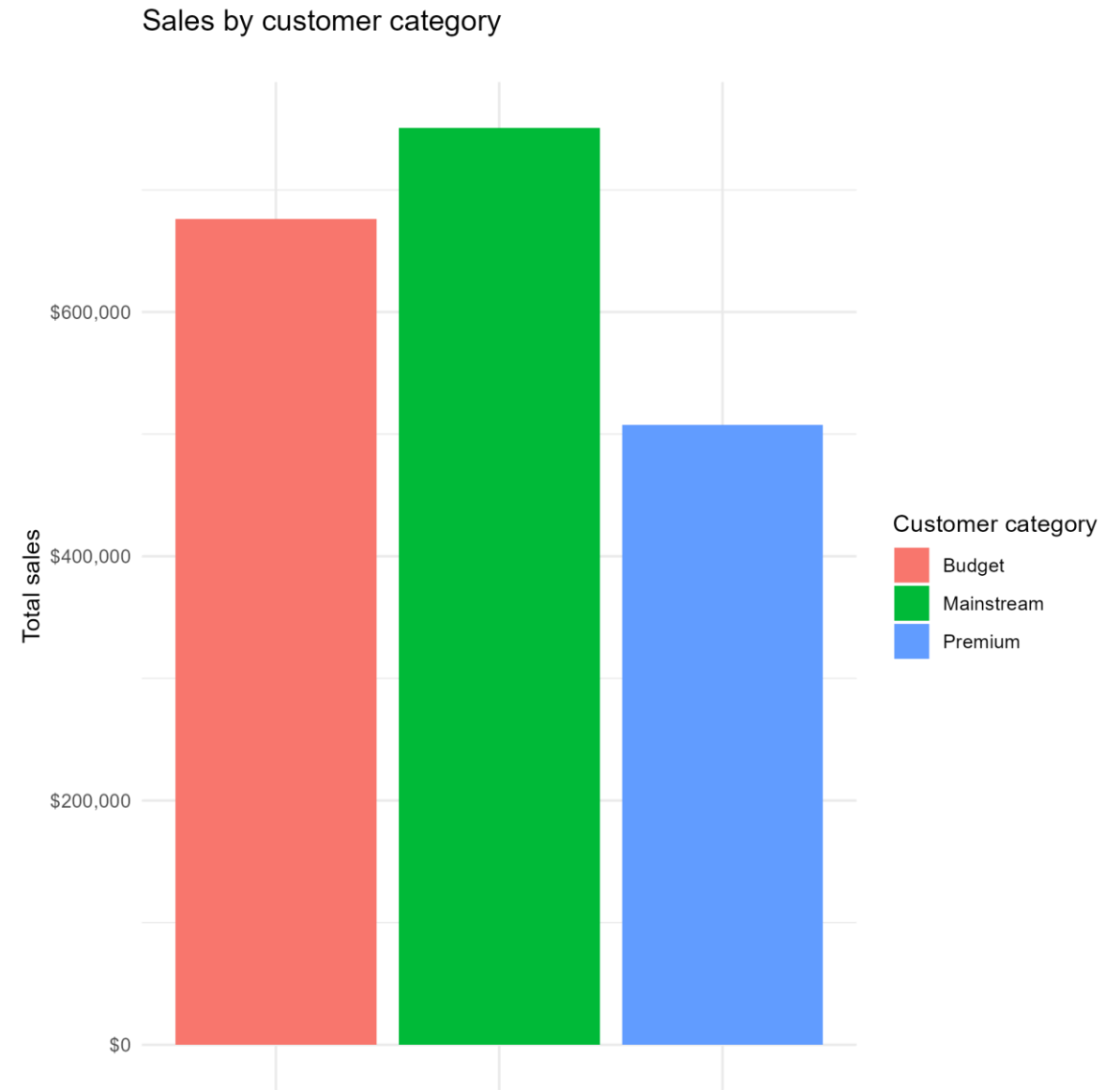
## Category

Overview: For some families, chips represent a cost-effective option, while others have the means to spend more.

Chip sales are not predominantly influenced by premium consumers.

In fact, budget-conscious and mainstream shoppers each account for a larger share of sales compared to premium buyers, suggesting that chips are not considered a luxury product.

Since affluent customers do not largely contribute to chip sales, any marketing efforts should focus on appealing to the more price-sensitive demographic.



The majority of chips bought by families across all life stages fall into the budget customer segment.

In contrast, the singles and couples who primarily purchase chips are from the mainstream category.

Families with premium status tend to buy fewer chips compared to those in the budget category.



# 02

## Trial store performance



During the trial period, while many other stores reported stagnant or decreasing sales, the trial stores enjoyed a rise in sales driven by a boost in customer traffic. Although other stores faced a decline in customer numbers, the new layouts in the trial stores facilitated a higher volume of chip purchases, resulting in increased sales, even though the overall quantity and frequency of purchases remained relatively stable.

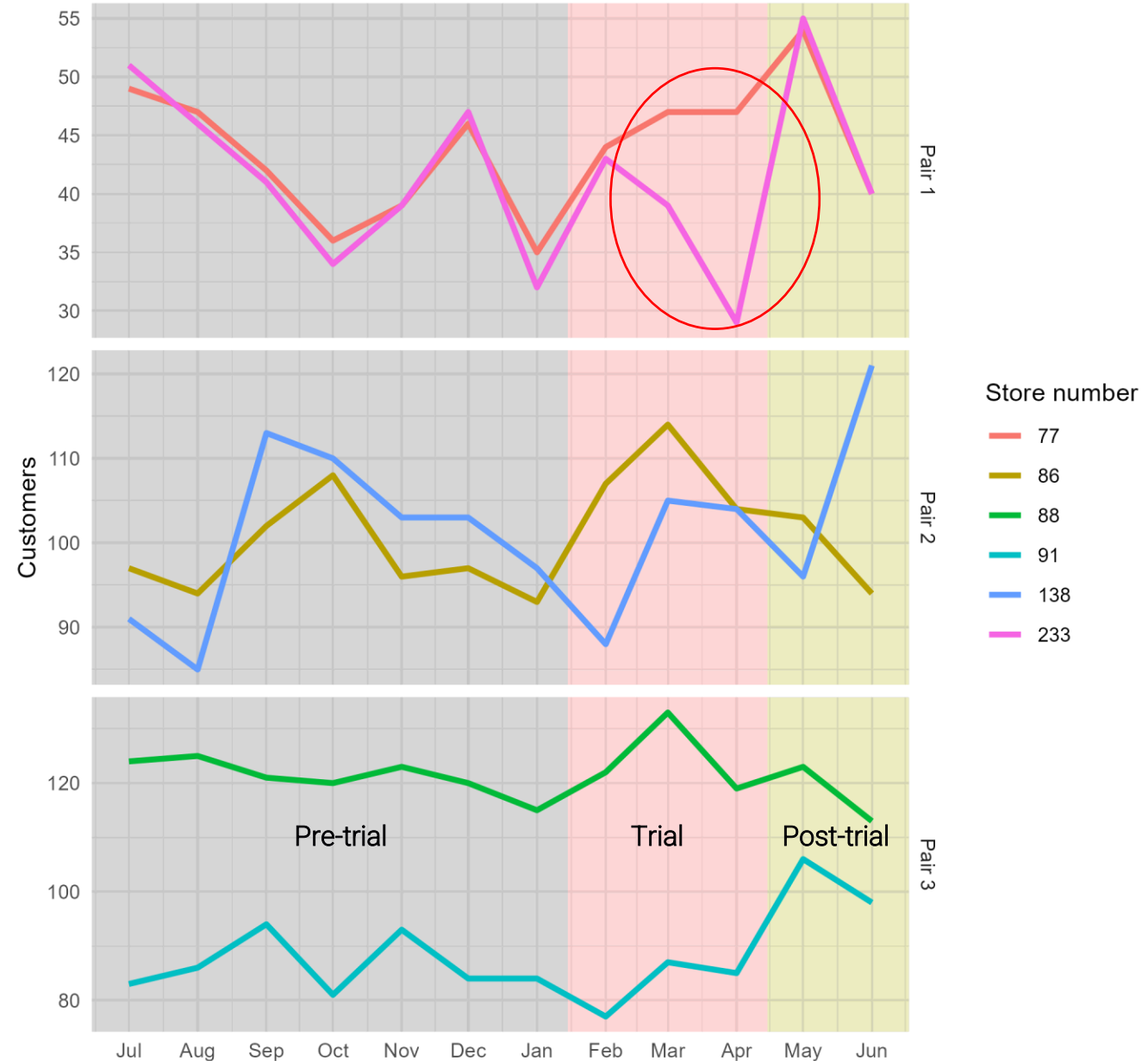
Monthly store sales metrics for trial and control stores

	Pre-trial	Trial	Percent change
Trial store 77			
product quantity per customer	1.61	1.65	+0.02%
total sales	235.43	248.80	+0.06%
number of transactions per customer	1.06	1.04	-0.02%
number of customers	42.00	46.00	+0.10%
Trial store 86			
product quantity per customer	2.50	2.47	-0.01%
total sales	849.49	909.00	+0.07%
number of transactions per customer	1.26	1.24	-0.02%
number of customers	98.14	108.33	+0.10%
Trial store 88			
product quantity per customer	2.41	2.51	+0.04%
total sales	1 261.83	1 374.53	+0.09%
number of transactions per customer	1.21	1.26	+0.04%
number of customers	121.14	124.67	+0.03%

The trial layout proved effective, leading to a rise in customer traffic at the trial stores compared to those without any layout modifications. This significant increase is most evident in the initial pairing, although a positive impact is observed across all three pairings.

### Monthly customers by store

Comparison stores were picked based on similarity during the Pre-trial period





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