

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

Customers' behaviour on Chip purchasing

- Sales have largely been driven by Budget shoppers in older families, Mainstream shoppers among young singles/couples and retirees.
- The significant spending on chips by mainstream young singles/couples and retirees.
- Older families and young families in general buy more chips per customer
- Midage and young singles and couples in the mainstream segment are also more likely to spend more per packet of chips, suggesting impulse buying behavior
- Young singles and couples in the mainstream segment are 23% more likely to buy Tyrrells chips than the general population.
- Mainstream young singles/couples are more likely to purchase a 270g pack of chips offered by Twisties brand compared to the rest of the population.

02

Trial store performance

- The control stores for trial stores 77, 86, and 88 are 233, 155, and 237, respectively.
- The results for trial stores 77 and 88 during the trial period reveal a significant difference in at least two of the three months, whereas this is not observed for trial store 86.
- Overall, the trial shows a significant increase in sales.

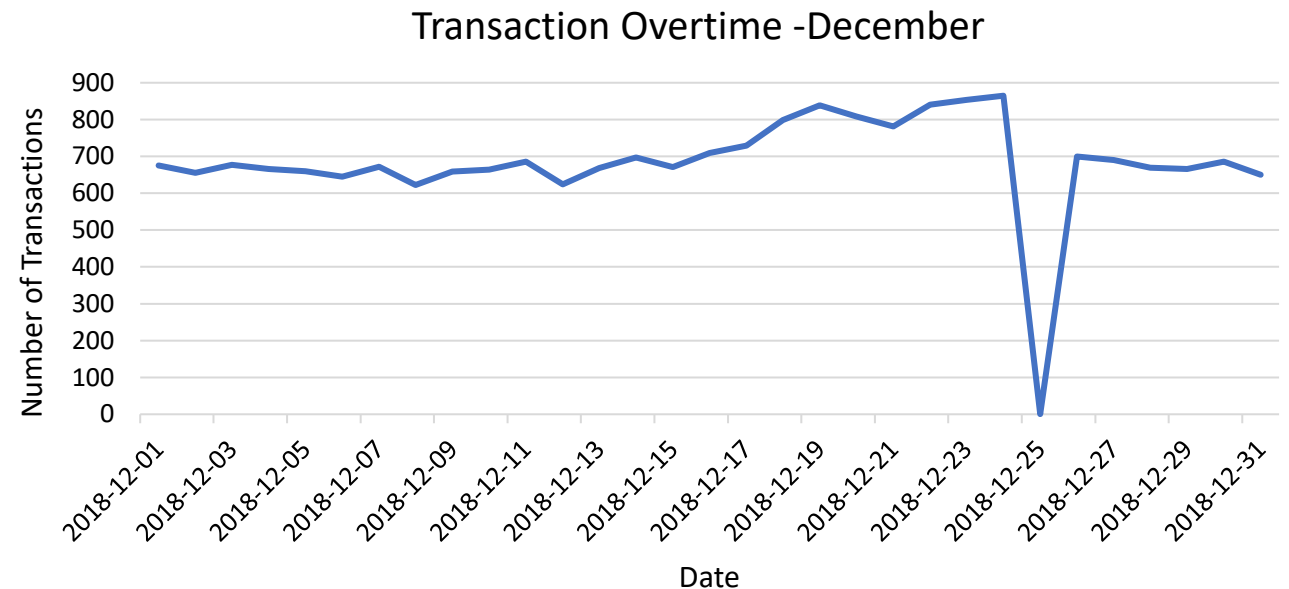
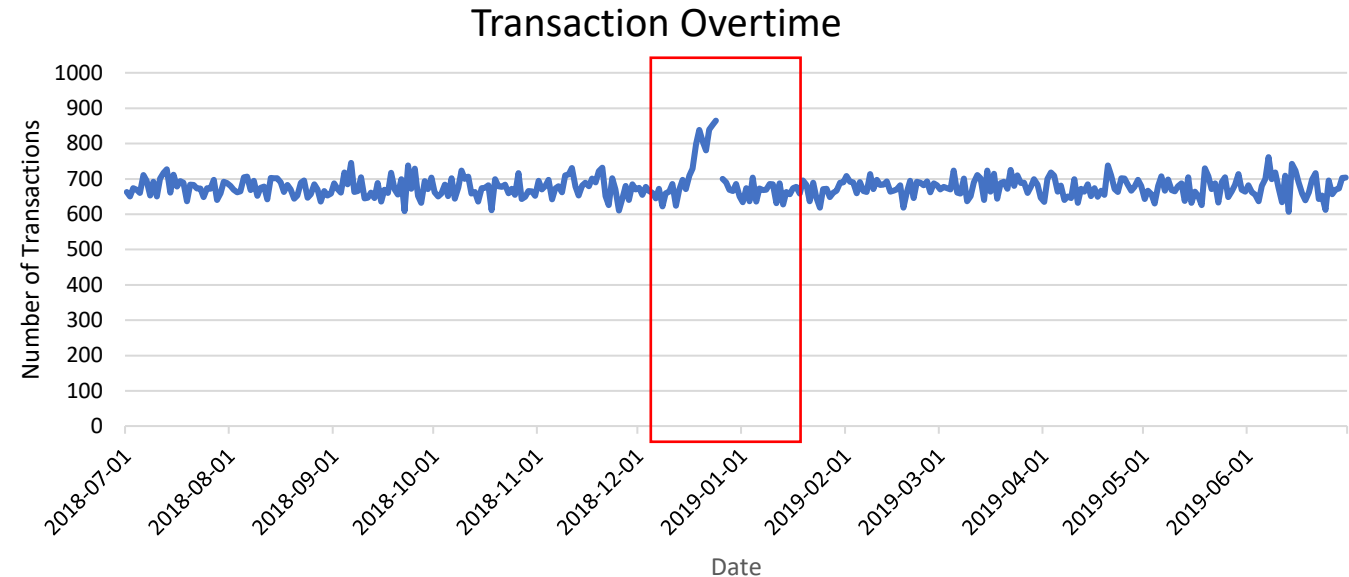
01

Customers' behaviour on Chip purchasing

Transaction overtime

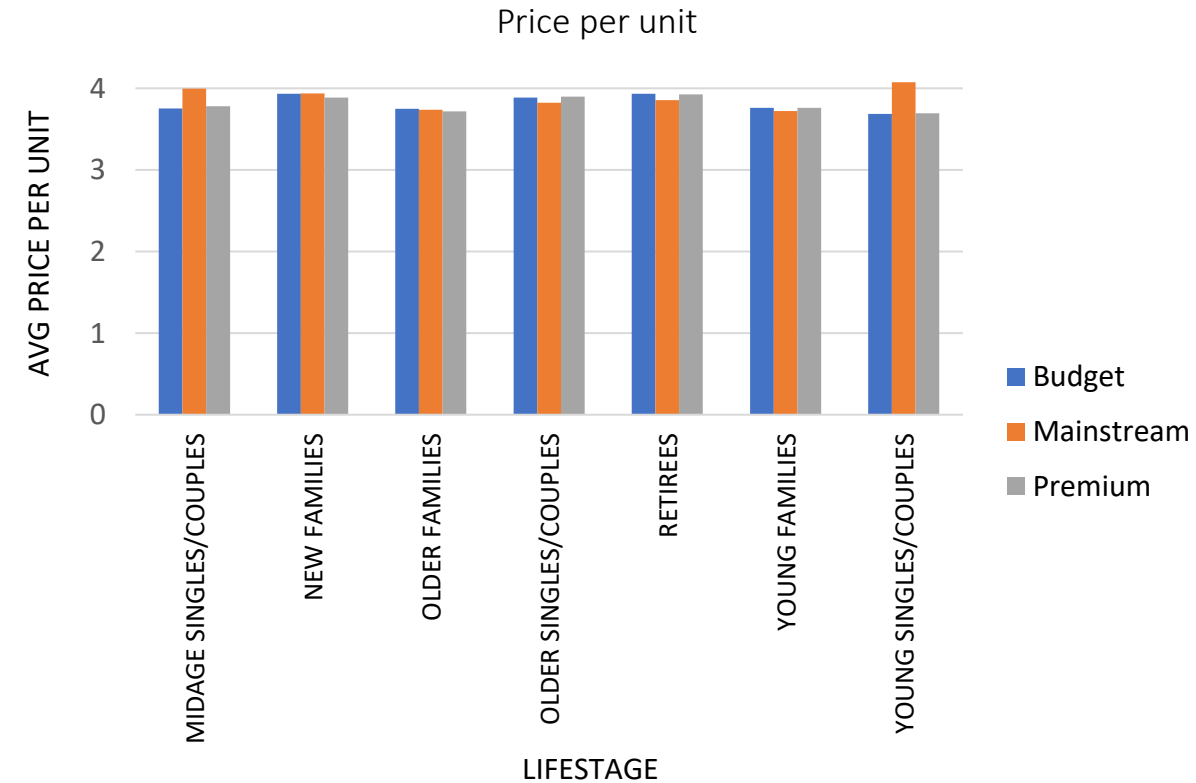
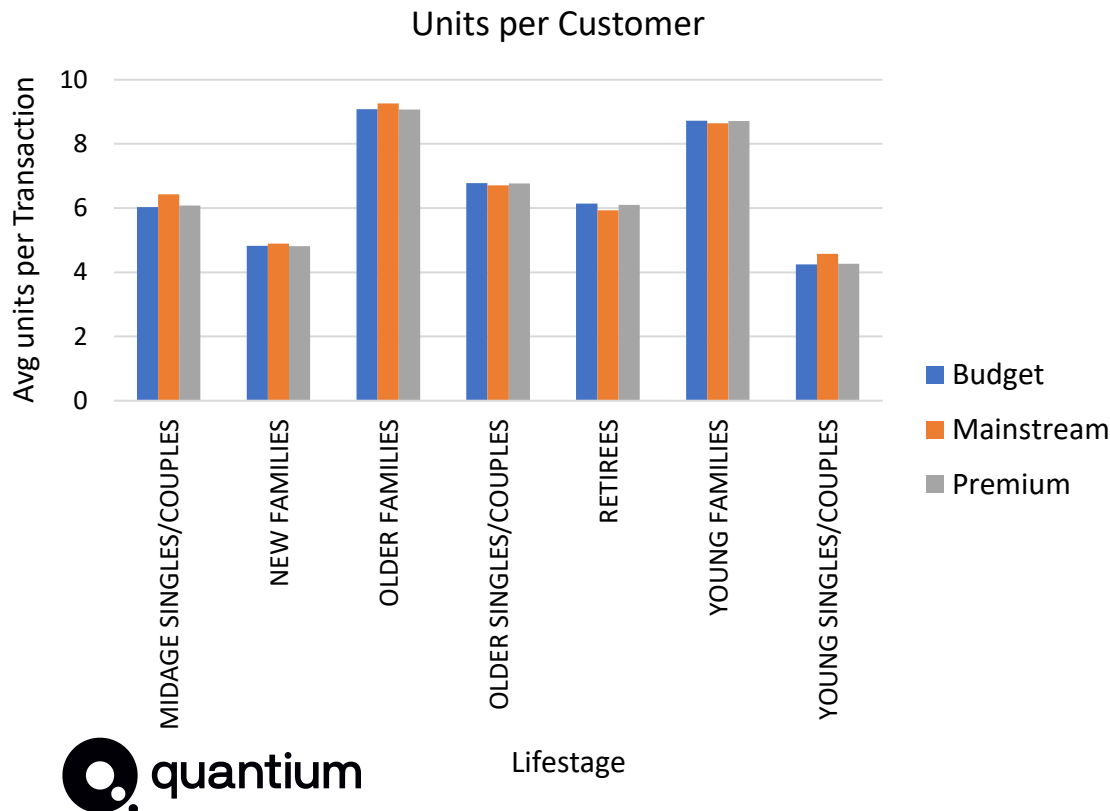
Transaction period - 2018.07.01 to
2019.06.30

Sales steadily increased until Christmas
day and dipped in sales on 25th December
due to the shop being closed and returned
to normal on new year



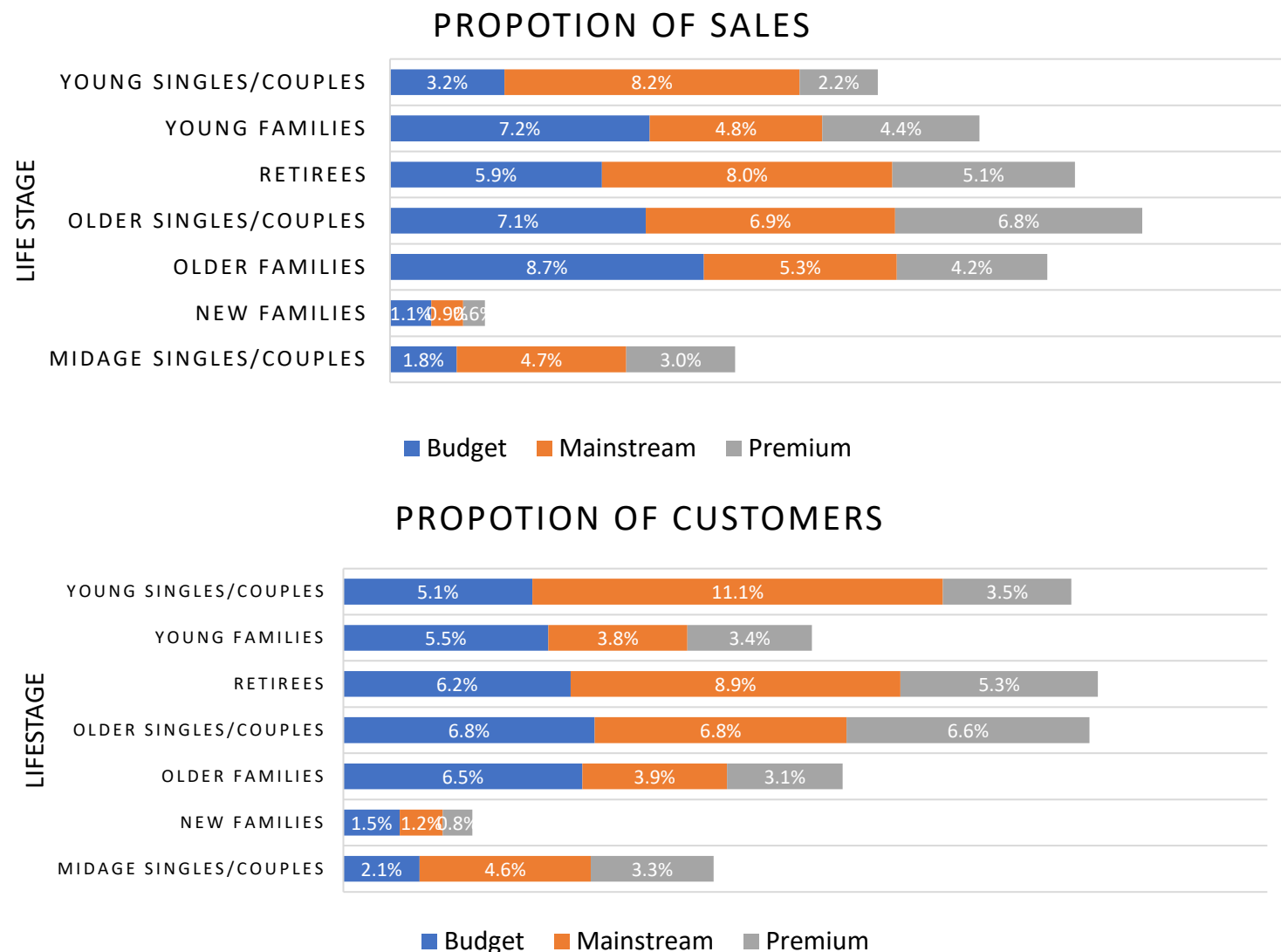
Analysis of how wealth impacts consumer purchasing decisions in the chips market.

- Older families and young families in general buy more chips per customer in all three customer segments
- Midage and young singles and couples in the mainstream segment are more willing to spend more per packet of chips than their budget and premium counterparts.



Distribution of customers based on wealth and life stage.

- Sales have largely been driven by Budget shoppers in older families, as well as Mainstream shoppers among young singles/couples and retirees.
- The significant spending on chips by mainstream young singles/couples and retirees is because they outnumber other buyer groups

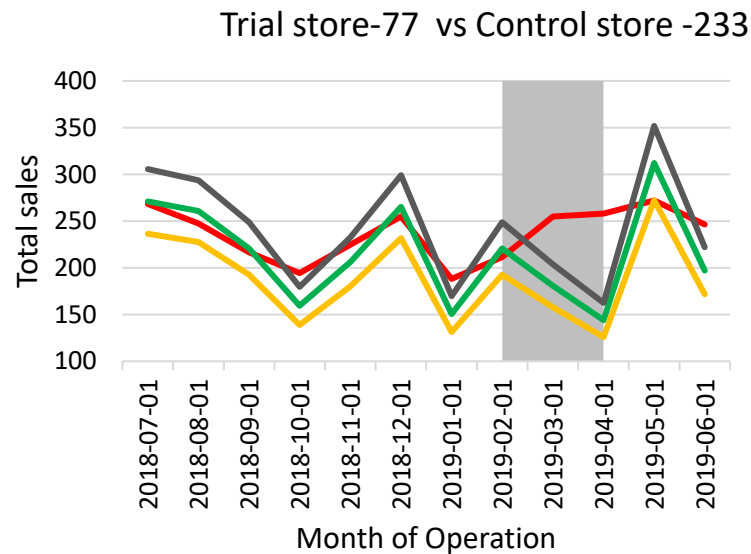


02

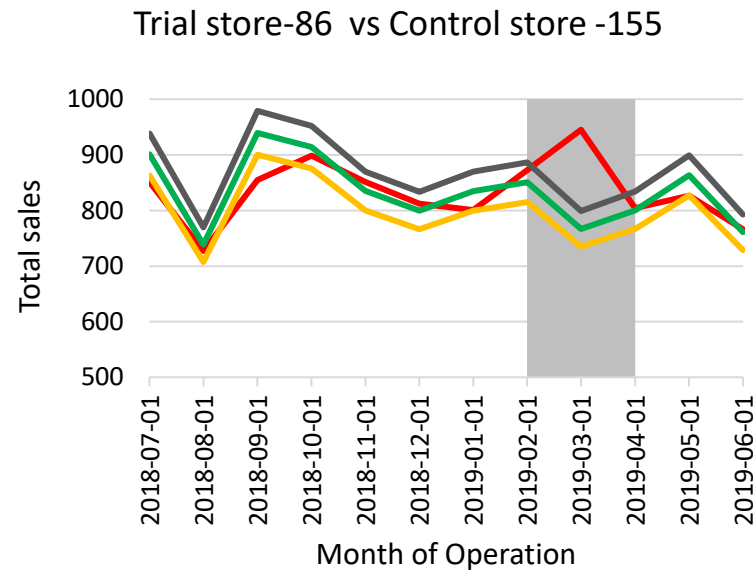
Trial store performance

Store Performance – Total sales by month

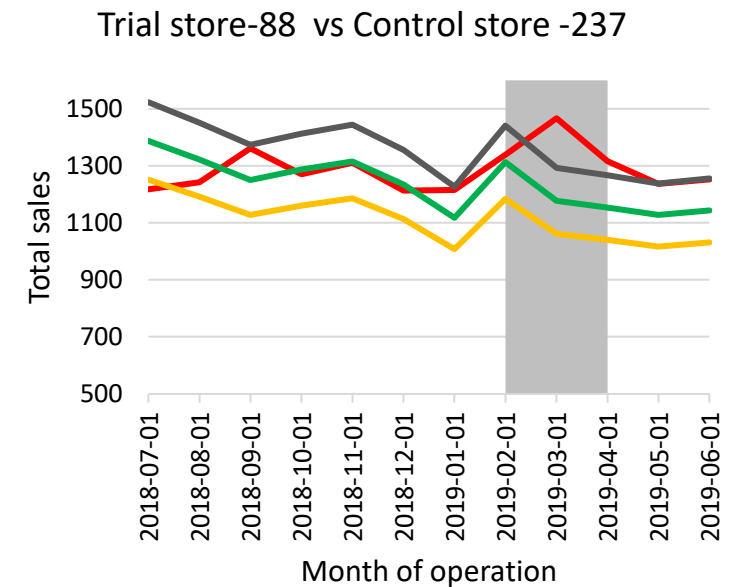
- The trial in store 77,86,88 is significantly different to its control store in the trial period starting from Feb 2019 to April 2019.
- The trial store performance lies outside of the 5% to 95% confidence interval of the control store in two of the three trial months.



Trial period
— Trial
— Control
— Control 95th % confidence interval
— Control 5th % confidence interval



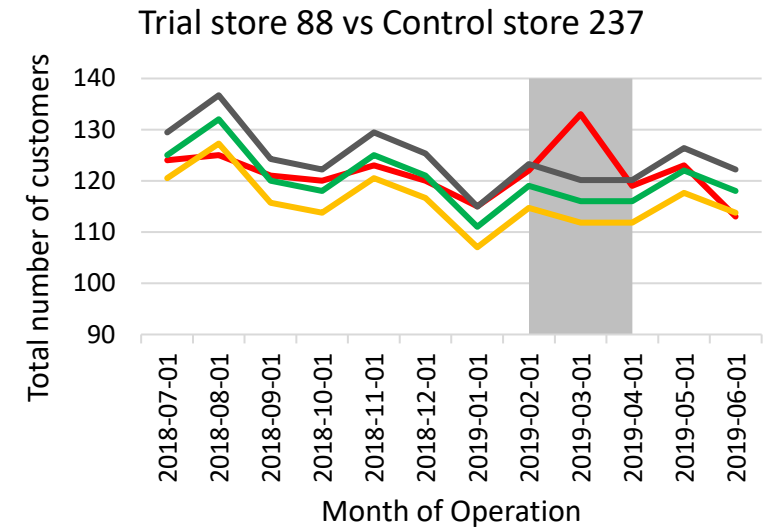
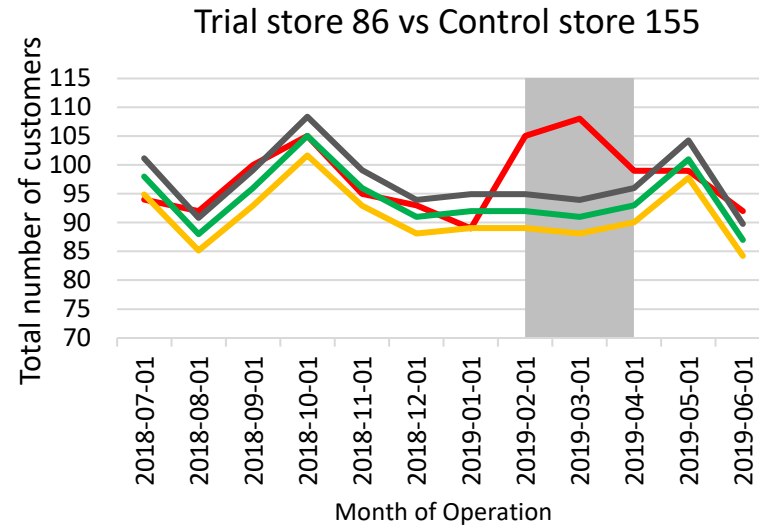
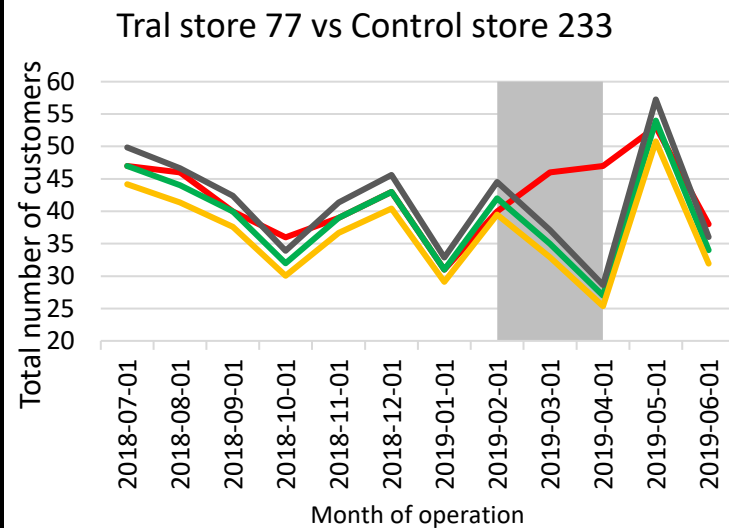
Trial period
— Trial
— Control
— Control 95th % confidence interval
— Control 5th % confidence interval



Trial period
— Trial
— Control
— Control 95th % confidence interval
— Control 5th % confidence interval

Store performance – Total number of customers by month

- The number of customers at all trial stores was notably greater than at the control store in two of the three months, although these differences fall outside the 5th and 95th percent confidence intervals.
- In trial store 86 the number of customers was higher in all three months. However, this increase in customer count did not correspond to relatively higher sales.



Conclusion

- Sales have largely been driven by Budget shoppers in older families, Mainstream shoppers among young singles/couples and retirees.
- The largest number of customers is found in the Mainstream-Young Single/Couples segment.
- Overall, the trial shows a significant increase in sales.

Recommendations

- Most customers prefer Tyrrells chips, and the 270g packs of chips from the Twisties brand should be more prominently displayed in the stores.
- Since the trial stores demonstrated an overall positive impact, the trial layout should be implemented across all stores.



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