

# Swire Coca-Cola Delivery Standardization

## Business Problem

Swire Coca-Cola has a very large and varied customer base. In order to optimize their business, they are looking to identify potentially high-performing customers in order to create a symbiotic relationship where the customer's growth fuels more business for Swire Coca-Cola. Currently, Swire Coca-Cola utilizes a rule-of-thumb threshold of 400 gallons a year to identify which customers to focus their "red truck" direct ordering, delivery, and support efforts on, and they consider switching customers below that threshold to "white truck" third-party ordering/delivery.

The objective of this analysis is to determine what characteristics signal a customer with high growth potential. This will be used to ensure customers under the 400 gallon threshold are not moved to "white truck" delivery if they are expected to grow over the threshold in the future.

## Benefit of a Solution

A more nuanced approach to analyzing the future growth of customers will help Swire in several ways. Understanding which characteristics indicate high growth potential will allow Swire Coca-Cola to:

- boost revenue by focusing efforts and spending on high-return-on-investment customers;
- reduce delivery costs by switching customers which order low quantities and are low potential for growth to "white truck" delivery methods;
- foster business growth of customers, demonstrating its commitment to community and small business development; and
- attract more customers due to positive word-of-mouth from existing customers.

## Analytics Approach

To identify high growth potential customers, we will develop a classification model to categorize customers. This model will allow us to predict customer growth potential while also providing variable importance scores, helping Swire Coca-Cola understand which characteristics contribute most to high performance.

We will focus on creating a model that is both accurate in its classification as well as highly interpretable through feature importance analysis. The analysis and model creation will be completed in R.

## Success Criteria and Deliverables

The benchmark for success on this project will be to identify key characteristics that indicate which customers have high growth potential. The deliverables will include the classification model and list of the most important features which indicate high growth potential.

## Scope and Details

The scope of this project will initially be limited to the classification and characteristics of high growth potential customers. As the analysis proceeds, the scope may be expanded to include providing recommendations on a new threshold to replace the existing 400 gallons per year rule-of-thumb threshold.

## Project Team

The project will be executed by Andy Spendlove, Dan Powell, Jessica Kersey, Melissa Messervy, and Tommaso Pascucci.

## Timeline

- Exploratory Data Analysis: February 16.
- Initial modeling: March 9.
- Initial results (for review): April 6.
- Final presentation (to Swire Coca-Cola): April 16.