

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

Sales of chips are primarily driven by specific customer segments, with Mainstream - young singles/couples and retirees contributing significantly to total sales.

These segments show a willingness to pay higher prices and have preferences for certain brands and pack sizes, indicating opportunities for targeted marketing strategies.

02

Task 2

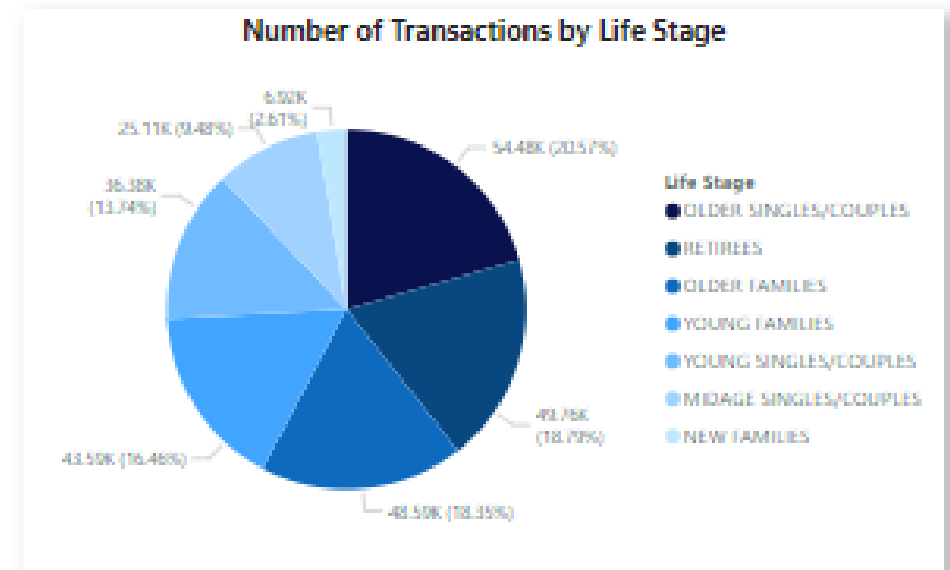
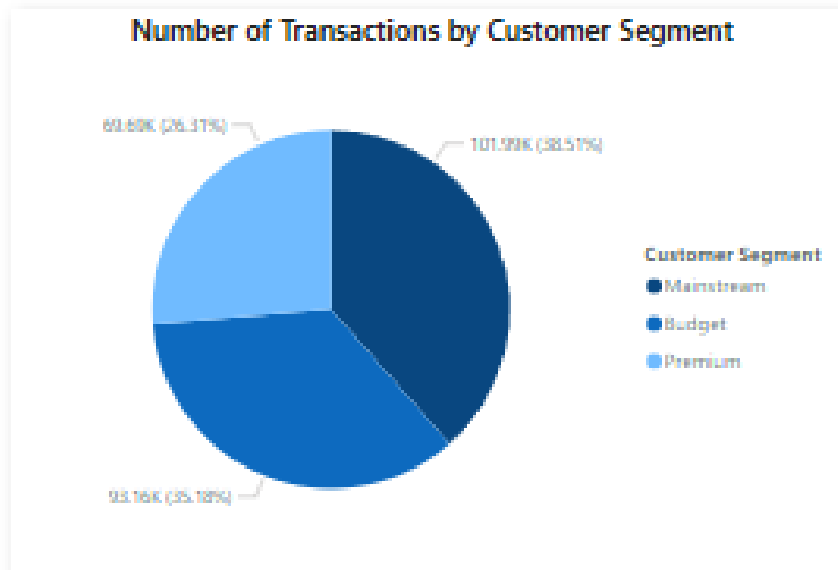
Based on the positive results in Stores 77 and 88, the new chip line shows promise for driving revenue growth. However, Store 86's differing outcome warrants further investigation. Overall, the trial demonstrated the product's sales-boosting potential. Continued rollout seems advisable after reviewing Store 86's experience.

The analysis provides strong evidence that the new chip line can increase stores' performance, with one store requiring closer examination.

01

Category

Overall Transactions
264.834K



Number of Transactions, Page 1

Mainstream young singles/couples and retirees emerge as pivotal segments, driving sales through both volume and a willingness to pay a premium for specific brands and pack sizes. This insight underscores the importance of targeted marketing and product placement strategies to cater to the preferences of these high-value customer groups.

Affluence and Its Effect on Consumer Buying for the Category of Chips

The data categorizes customers into three affluence levels:

- Budget: Customers focused on cost-saving and budget-friendly options.
- Mainstream: Customers with a moderate level of affluence and diverse spending patterns.
- Premium: Customers willing to invest in premium or high-quality chip products.

Affluence plays a critical role in shaping consumer buying behaviors within the chips category. Our analysis reveals that affluence, coupled with lifestyle factors, significantly impacts purchasing decisions. Mainstream young singles/couples, often characterized by a higher disposable income, exhibit a propensity to make impulse purchases and are willing to pay more for premium brands and specific pack sizes. This behavior contrasts with Budget families, who prioritize value for money and are more likely to purchase larger pack sizes that offer better value.

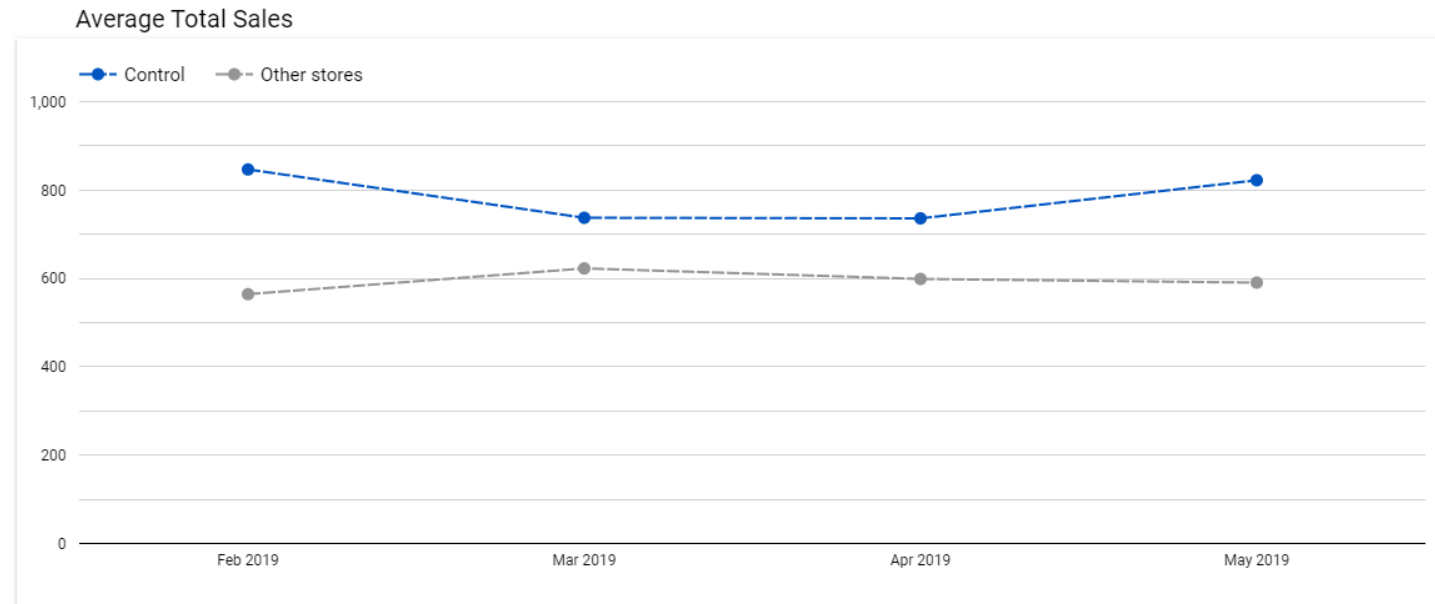
The effect of affluence extends beyond mere product choice to influence shopping locations and the frequency of purchases. Affluent customers, particularly those in the Mainstream segment, are more likely to shop in stores that align with their lifestyle choices, suggesting that store location and the in-store experience are also crucial factors in capturing this segment's spending.

Stretch: Try visualising the proportion of customers by affluence and life stage on this slide

02

Trial store performance

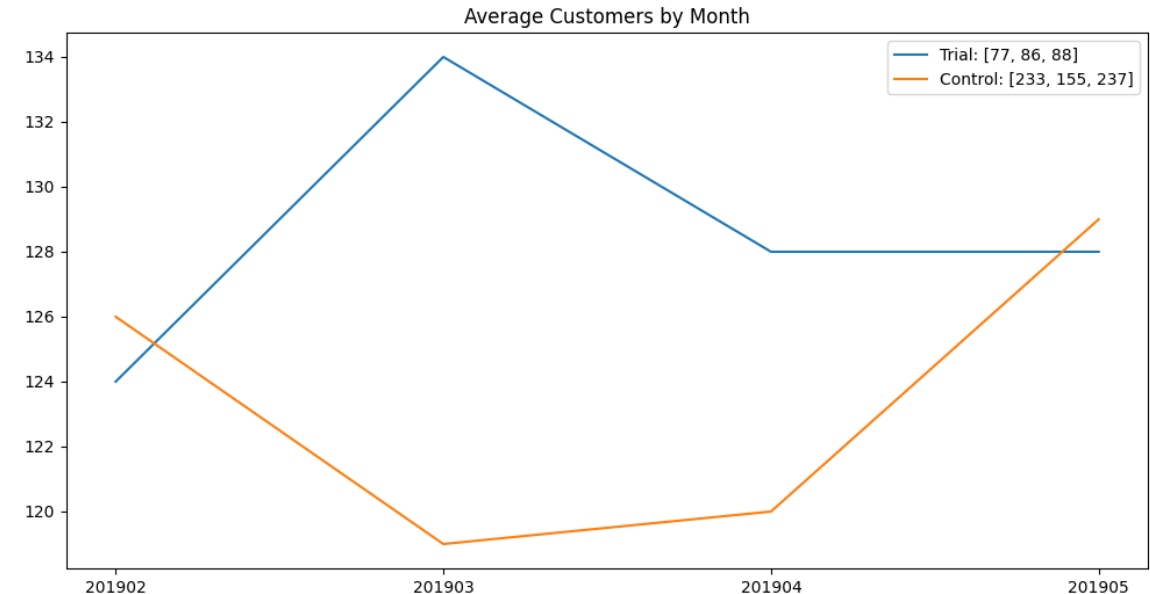
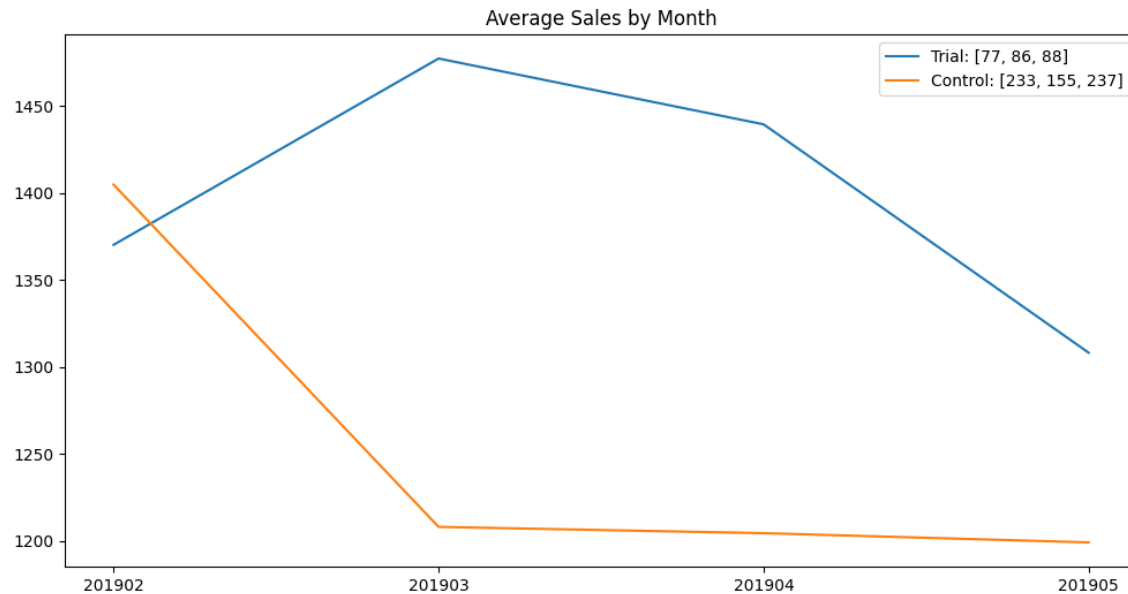
Control Store vs Other Stores



Control store (233, 155, 237) is a retail outlet chosen based on its similarity to the selected trial store (77, 86, and 88) during pre-trial period in various key metrics such as overall sales, customer count, and transaction patterns. The control store acts as a comparison group to assess the effectiveness of strategies implemented in the trial store. The process involves comparing the trial store's performance with that of potential control stores.

Other stores are those retail outlets that are not the focus of the trial or control comparison. These stores are not actively considered when selecting control stores or evaluating the trial's impact.

Trial Store Performance



The analysis of the trial stores revealed that stores 77 and 88 experienced a statistically significant increase in total sales and number of customers during the trial period. Store 86 saw a significant increase in the number of customers but did not show a significant rise in total sales compared to the control store during the trial period. Overall, the trial was deemed successful for stores 77 and 88, as they demonstrated a significant uplift in total sales during the trial period. However, store 86 did not exhibit a significant impact on total sales despite an increase in customer numbers.



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