

BEYOND THE THRESHOLD: CUSTOMER INSIGHTS TO GUIDE DELIVERY STRATEGY



BUSINESS PROBLEM



**Systematic
Customer
Segmentation**



**Understanding
Growth
Opportunities**



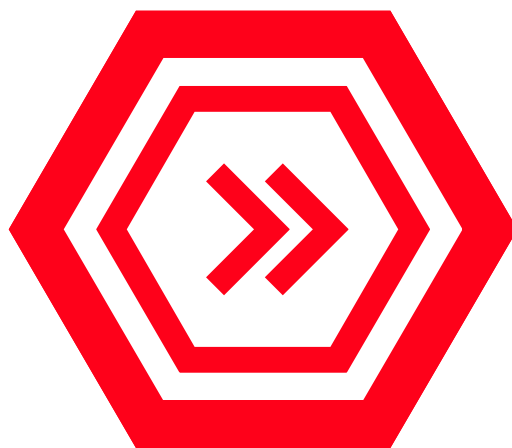
**Route
Optimization**

GROUPING WITH PURPOSE



**Low Volume
High Growth**

Orders < 400
YOY Growth $\geq 10\%$



**Low Volume
Low Growth**

Orders < 400
YOY Growth < 10%



**High Volume
High Growth**

Orders ≥ 400
YOY Growth $\geq 5\%$



**High Volume
Low Growth**

Orders ≥ 400
YOY Growth < 5%



**Transitional
Growing**

2023 Orders < 400
2024 Orders ≥ 400

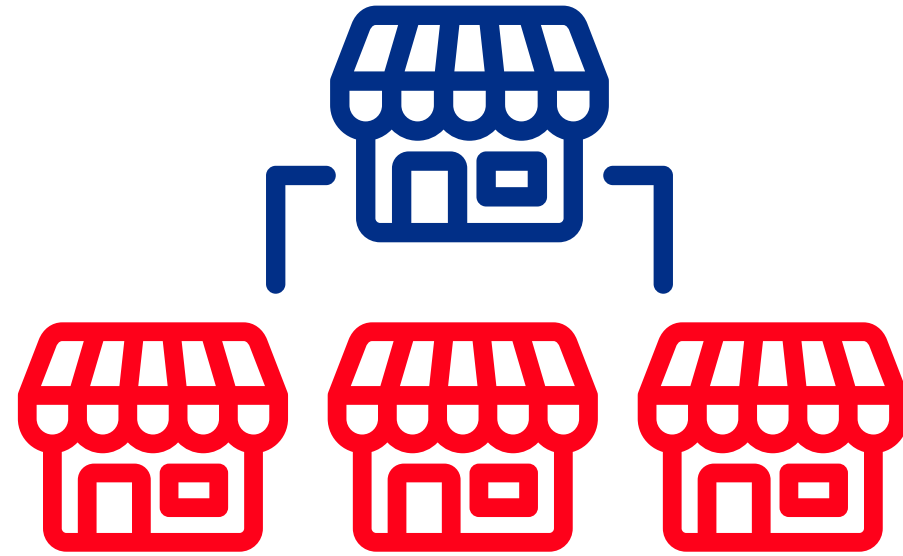


**Transitional
Declining**

2023 Orders ≥ 400
2024 Orders < 400

ACTING WITH PRECISION

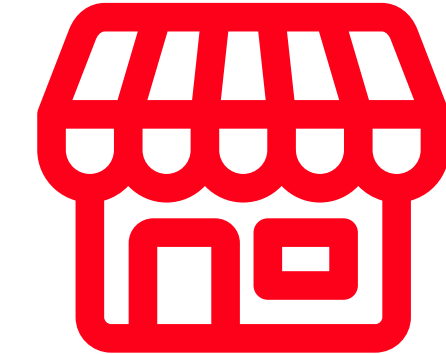
ONE SIZE DOES NOT FIT ALL



➤ Higher baseline order volume

➤ Retailer Level Features

➤ Coordinated Strategy

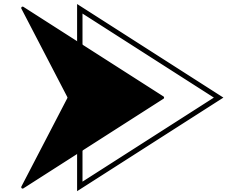


➤ Lower baseline order volume

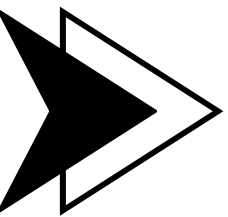
➤ Retailer Features Unapplicable

➤ Individual Strategy

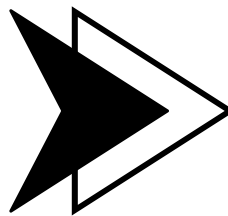
MULTILEVEL MODELING: WHAT AND WHY



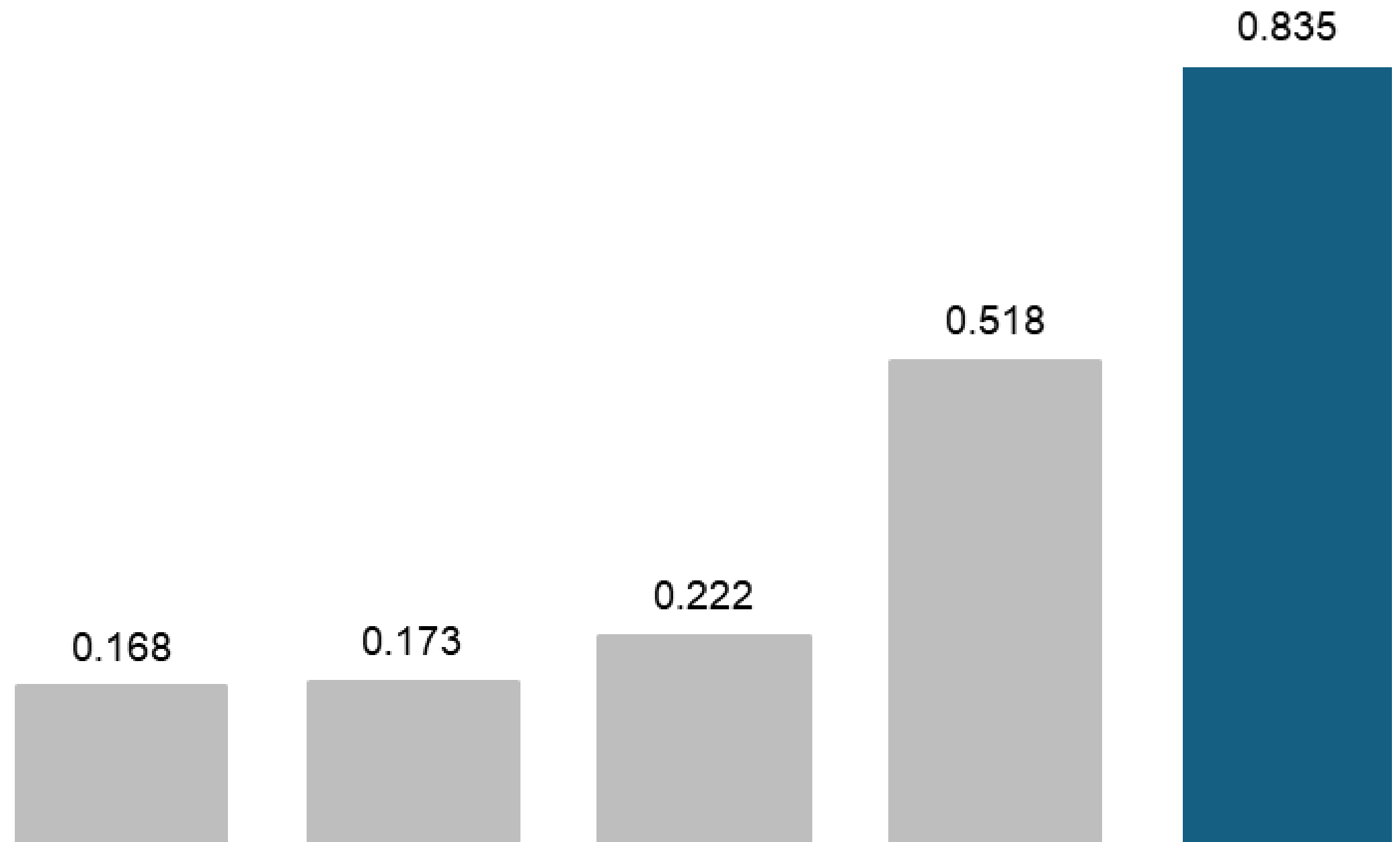
Segmentation created nested structure - Customers Grouped by performance



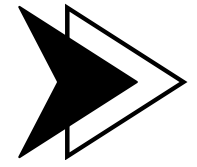
Random Effects unrelated to explanatory variables



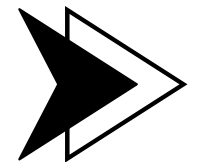
Higher level of accuracy achieved



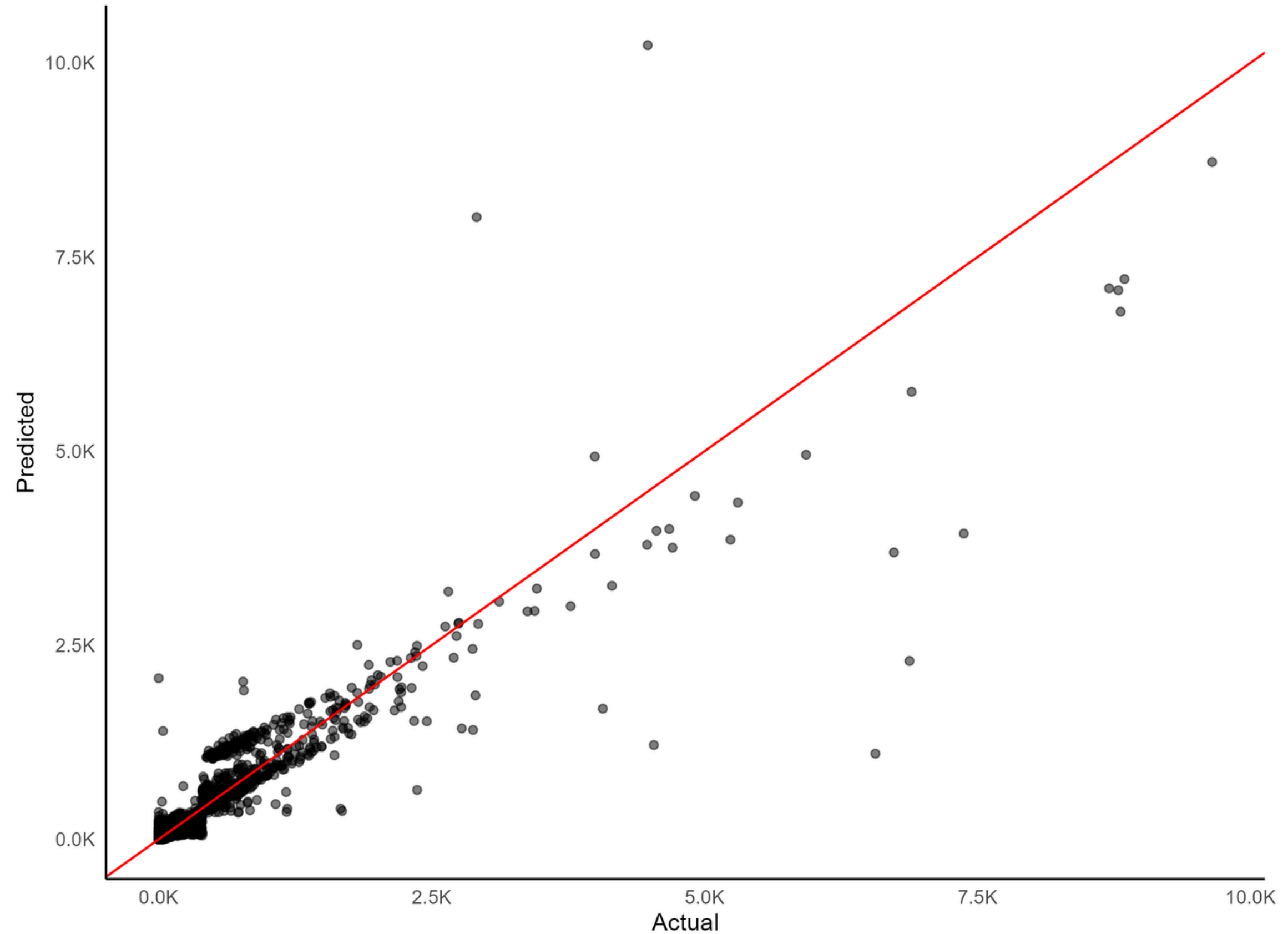
NON-RETAILER



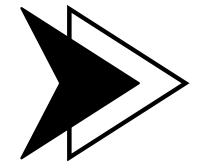
Most important features
related to order volume



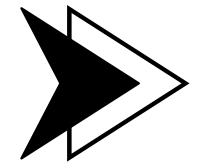
Customer segmentation
improved predicatability



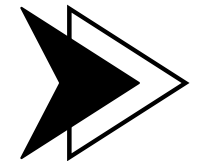
RETAILER



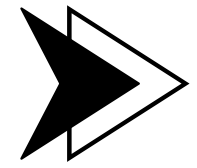
Retailer-specific features



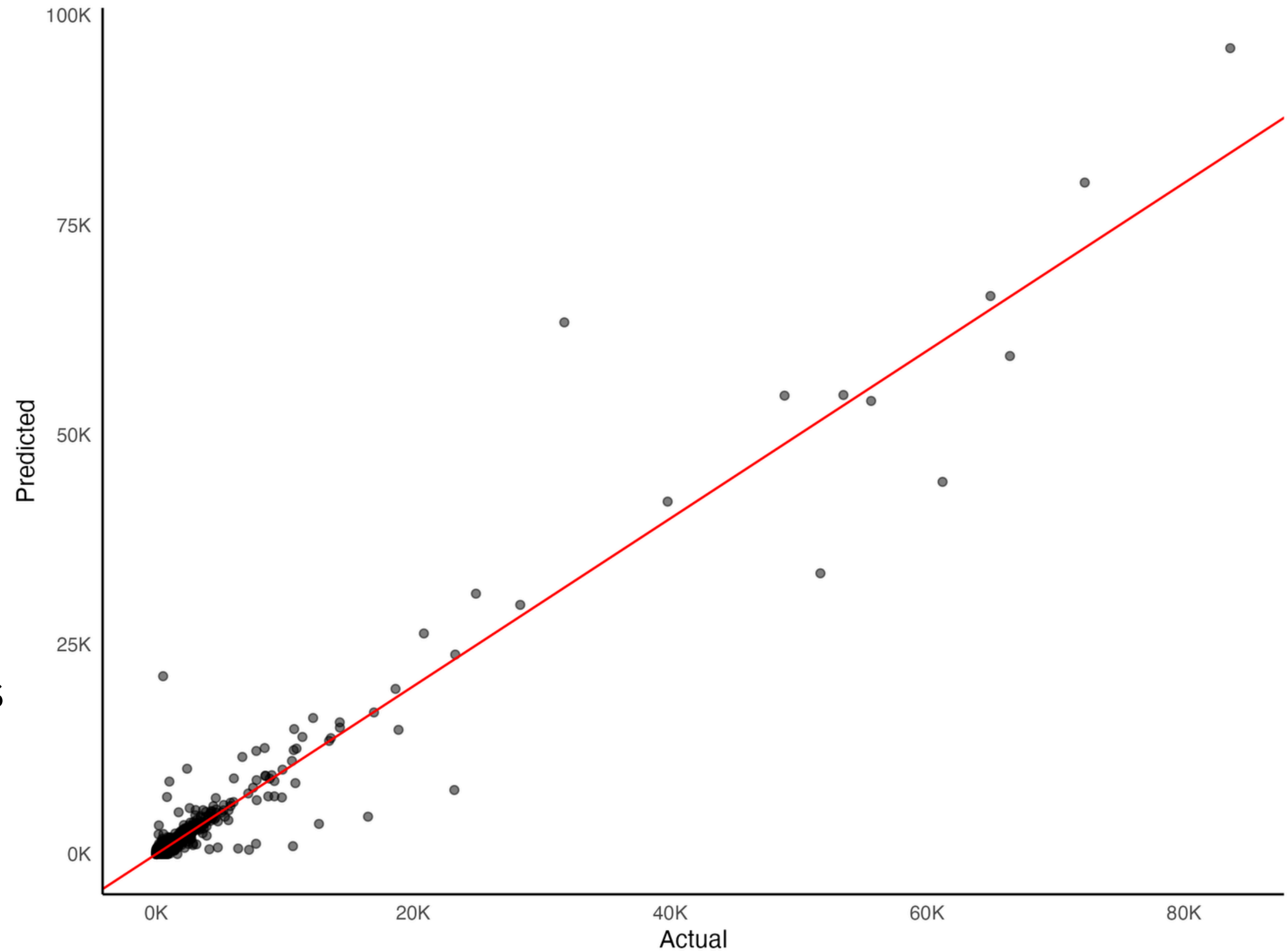
Outlet count alone isn't enough



Segmentation boosted model power



Strength of Random Effects



PREVENTING VOLUME LOSS

563

Emerging Customers Identified

693,952

Gallons at Risk

FUTURE ENHANCEMENTS



**Additional
Historical
Data**



**Compounded
Annual
Growth Rate**



**Financial
Analysis**



**Increased
Customer
Insights**

Questions?

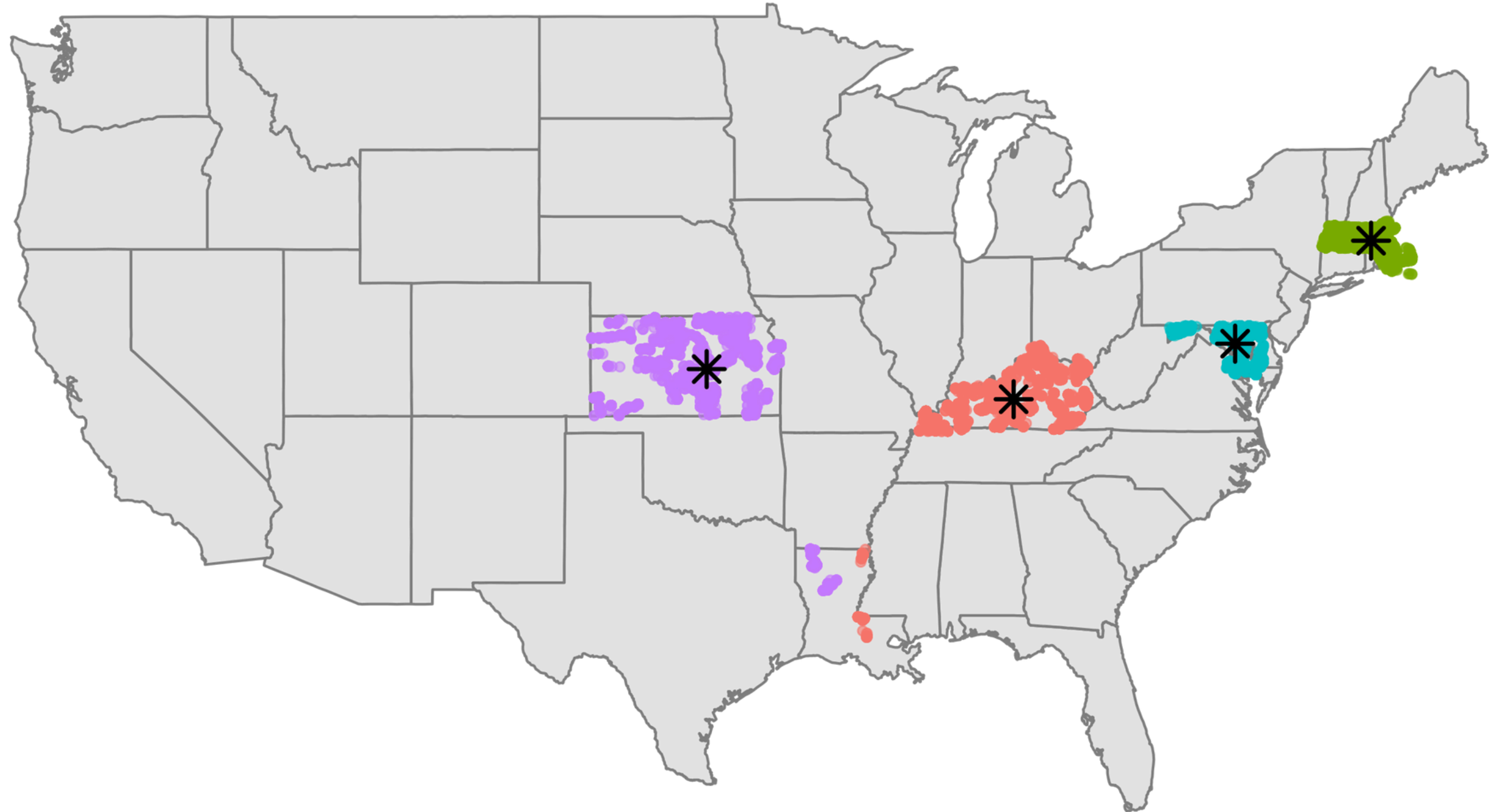


Appendix:

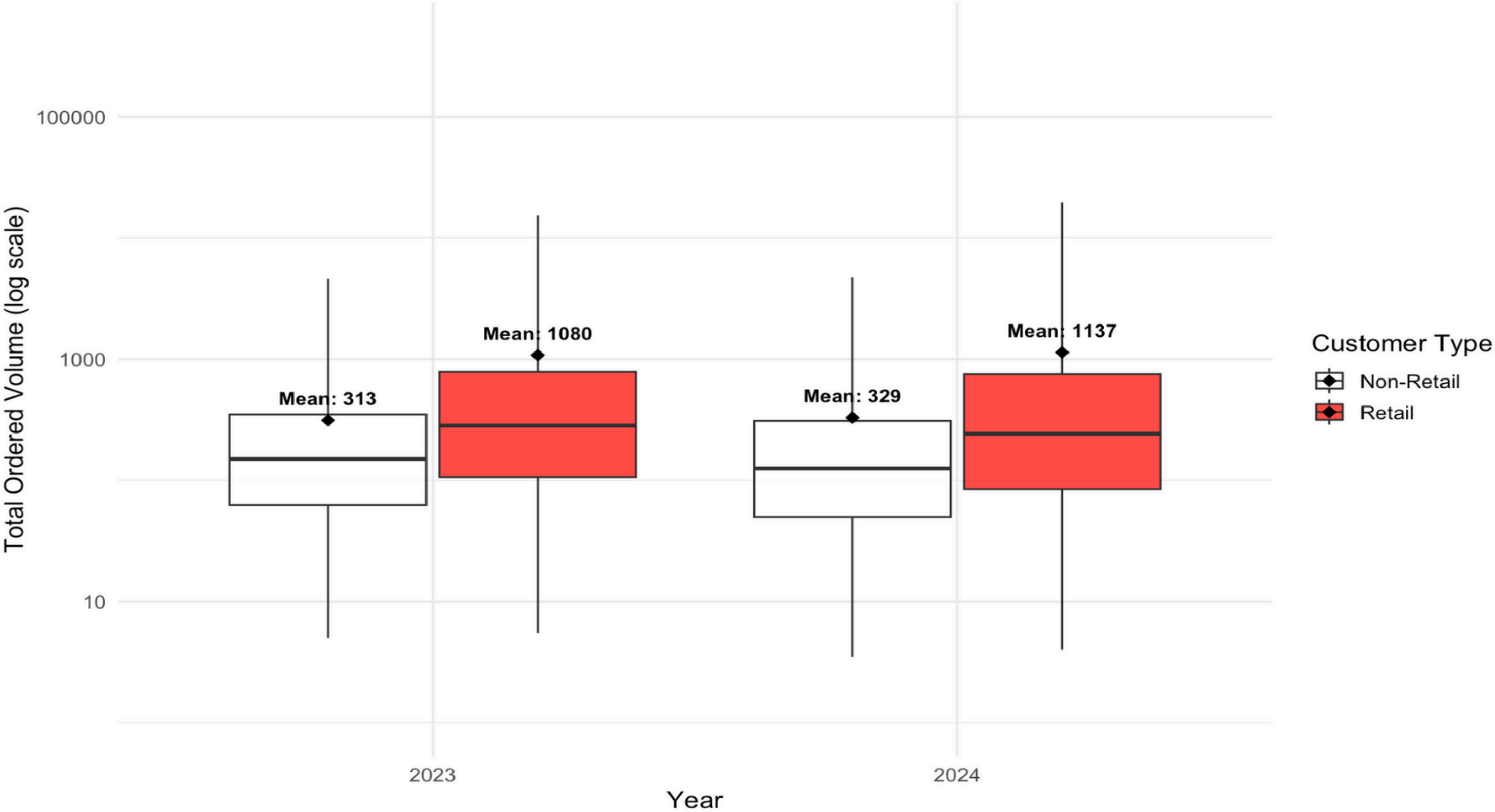


CUSTOMER LOCATION ANALYSIS

- Developed centroids of customer groups based on latitude and longitude distribution
- Customers fall into four distinct location clusters
- Clusters have little impact on ordering behavior



Total Ordered Volume: Retail vs Non-Retail (2023 vs 2024)
Means shown (log scale): Retail customers order ~3.5x more on average



SEASONALITY

