

April 2021

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 Category

- ◆ Annually, the increase in sales occurs in the lead-up to Christmas, a good time for sales promotion.
- ◆ Kettle products the most popular chips, while 175g is the best-selling size.
- ◆ Sales are coming mainly from Budget - Older Families, Mainstream - Young Singles/Couples, and Mainstream – Retirees.
- ◆ The high sales is mostly driven by the large number of customers in the latter two segments, the higher average purchase quantity of young and older families, and the high average purchase price of Mainstream midage and young singles/couples.

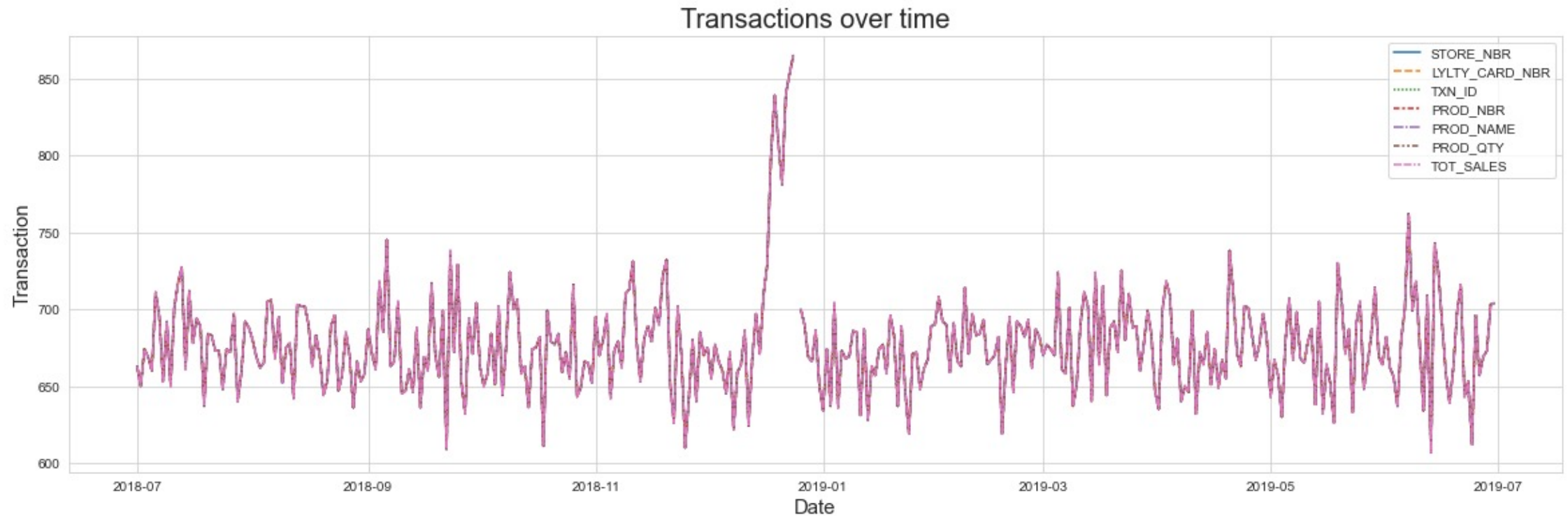
02 Task 2 Trial store performance

- ◆ The results for trial stores 77 and 88 during the trial period show a significant difference in at least two of the three trial months but this is not the case for trial store 86.
- ◆ But overall, the trial shows a significant increase in sales.

01

Category

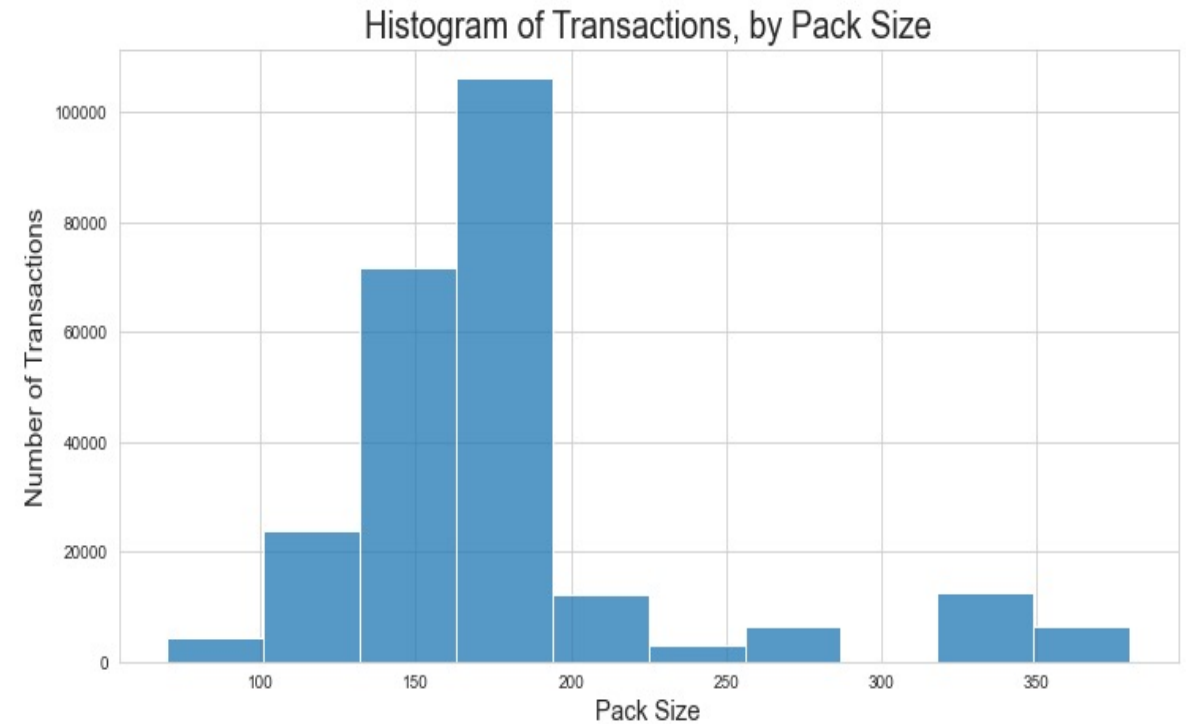
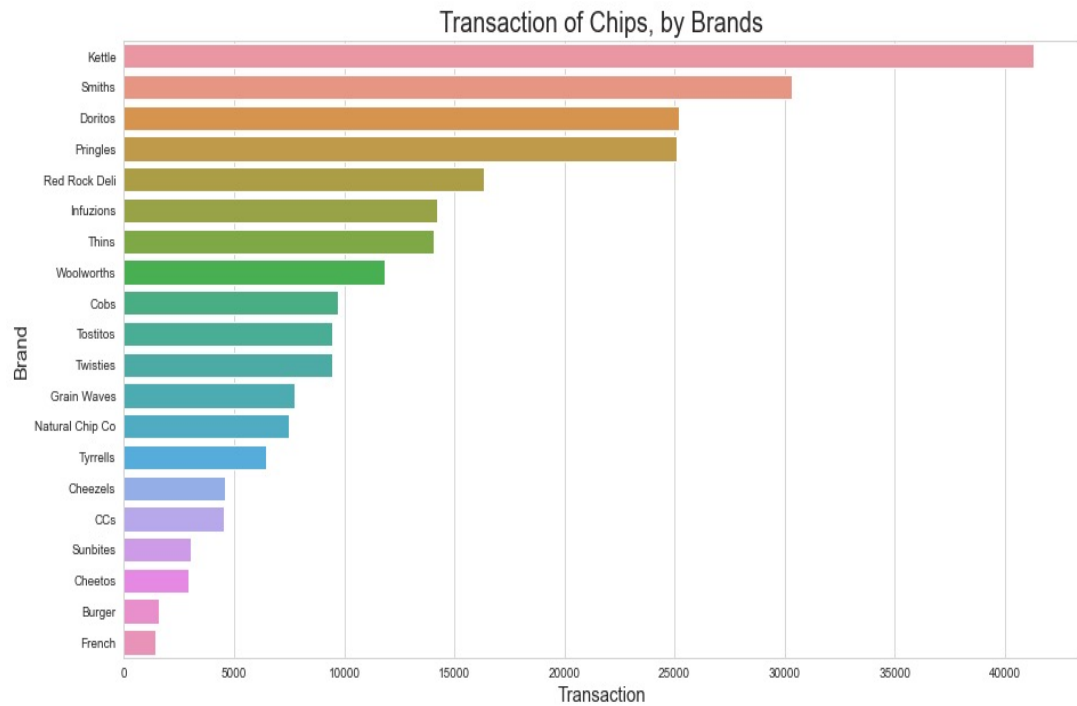
Overview : Transactions over time



In an annual sales cycle, the transactions of chips is stable around between 650 and 700, but in **December** is there a sharp increase in sales during the **Christmas period**.

p.s. The zero sales on Christmas day itself is due to shops being closed on Christmas day.

Overview : Popular Brands and Package Size



Best-selling brand and package size are **Kettle** and **175g** respectively.

Affluence and its effect on consumer buying for the category of chips

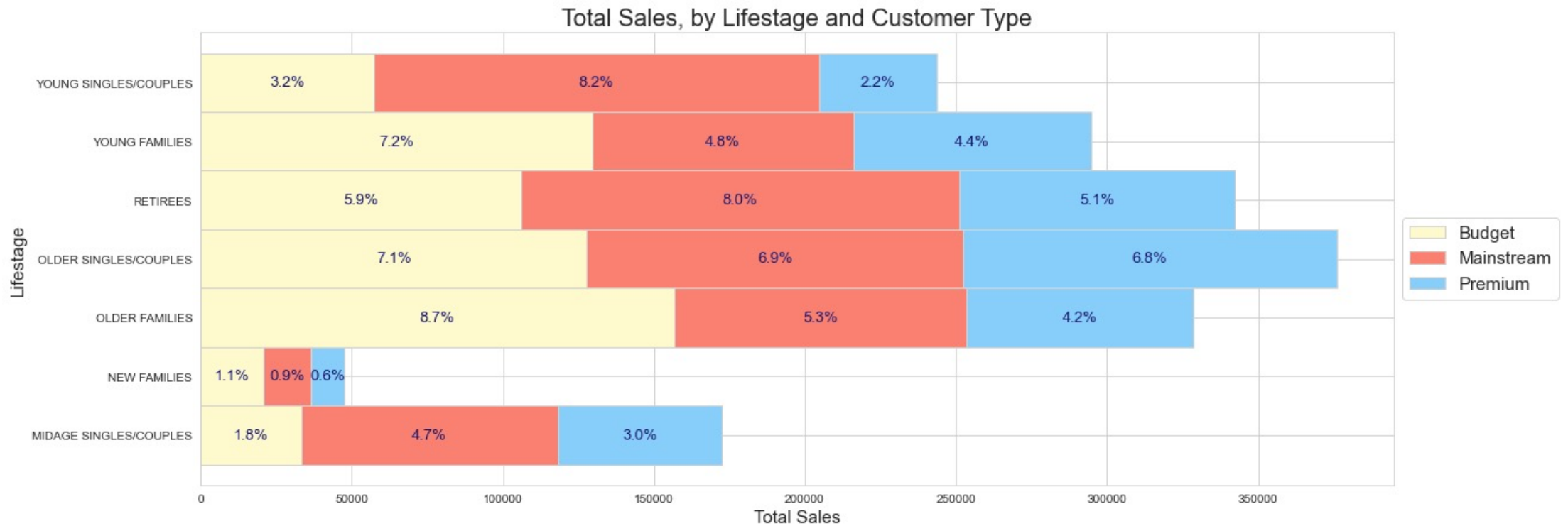
Total Sales - Top 3 sales driver segments :

- Budget - Older Families
- Mainstream - Young Singles/Couples
- Mainstream - Retirees

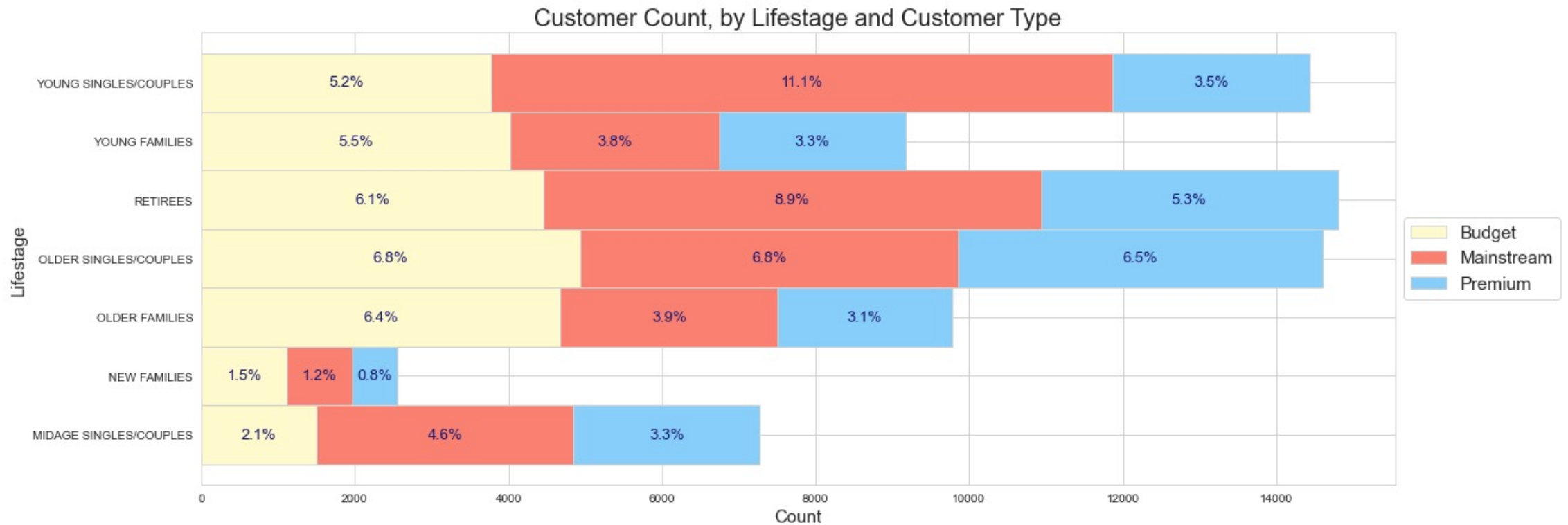
Other facts :

- **Customer counts** : There are more Mainstream - young singles/couples and Mainstream - retirees who buy chips.
- **Average purchase quantity** : Older families and young families in general buy more chips per customer.
- **Average purchase price** : Mainstream midage and young singles/couples are more willing to pay more per packet of chips compared to their budget and premium counterparts (statistical significant).

Visualising the proportion of customers by affluence (customer type) and life stage

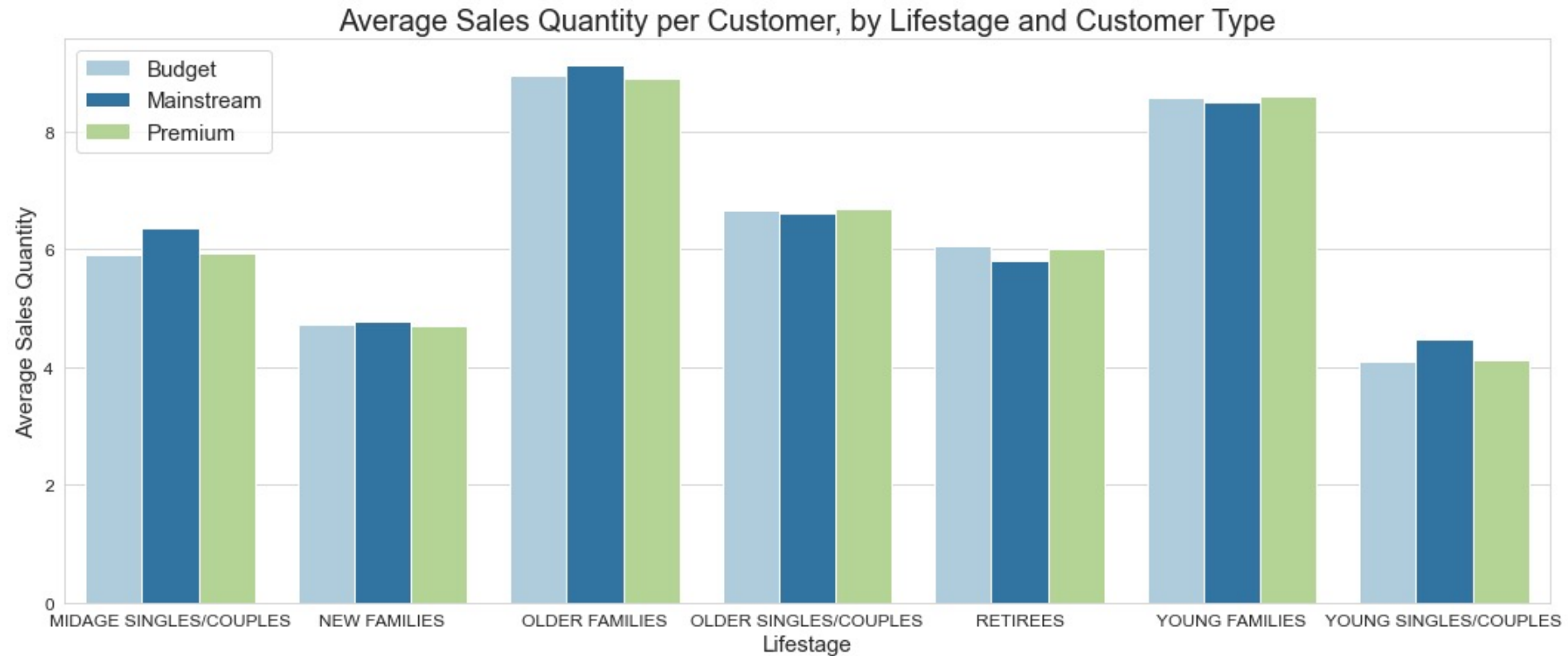


Visualising the proportion of customers by affluence (customer type) and life stage



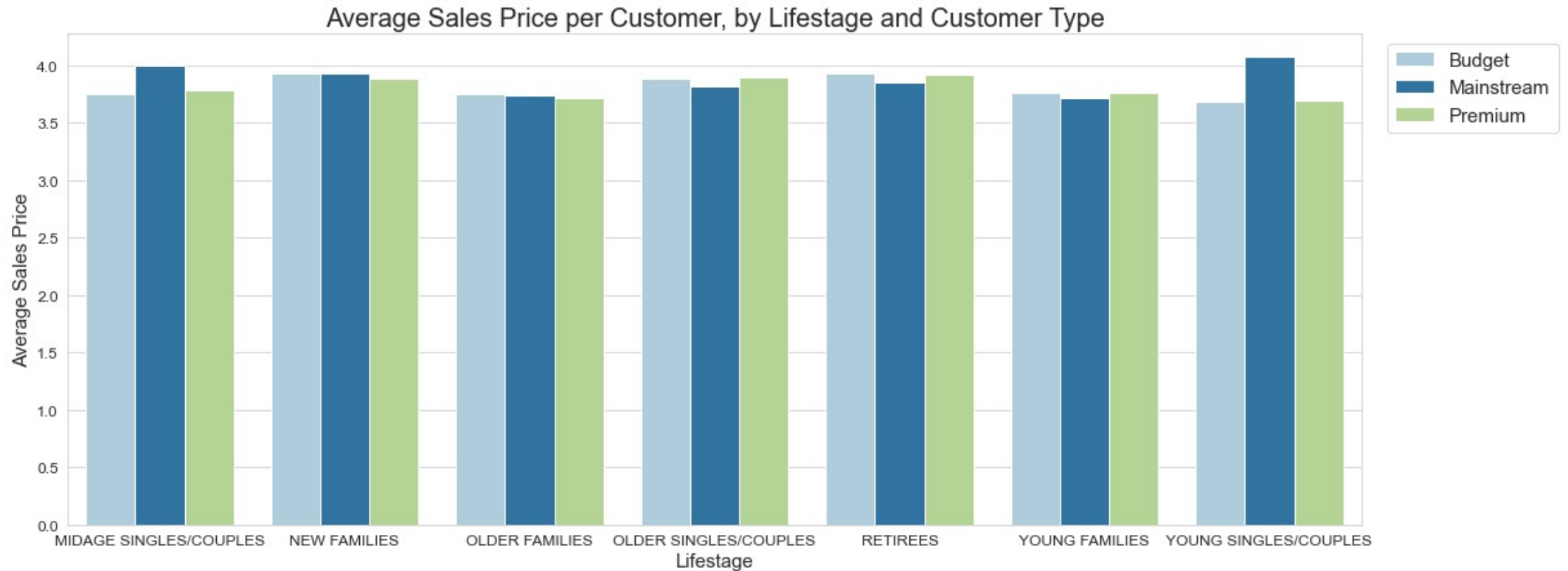
We can clearly find out that there are more **Mainstream - young singles/couples** and **Mainstream - retirees** who buy chips. This contributes to there being more sales to these customer segments but this is not a major driver for the Budget - Older families segment.

Visualising the proportion of customers by affluence (customer type) and life stage



Older families and young families in general buy more chips per customer.

Visualising the proportion of customers by affluence (customer type) and life stage



Mainstream midage and young singles/couples are more willing to pay more per packet of chips compared to their budget and premium counterparts.

02

Trial store performance

Explanation of the control store vs other stores

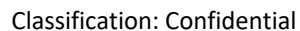
Trial Stores	Control Stores
77	233
86	155
88	237

Selection for control stores is based on an average score from following standards :

- Total Sales and the Number of Customer
- Correlation and Absolute difference between the trial store's performance and each control store's performance.

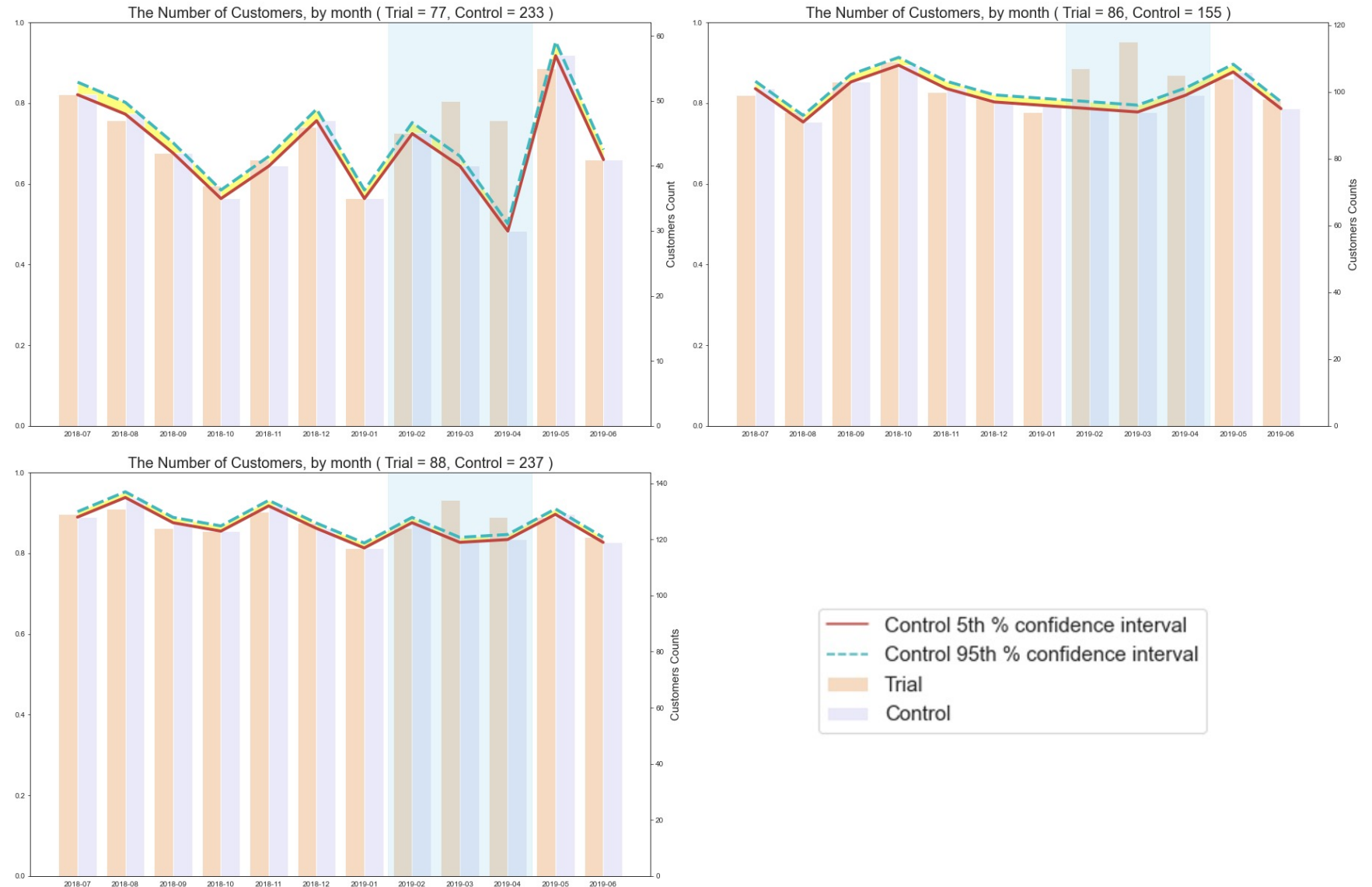
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The performance in the trial store – customer counts

The results show that the trial in **all** trial store is significantly different to its control store in the trial period.



Recommendations

General :

- Increase inventory and promotions in December
- Increase sales promotion of Kettle (all size) and 175g (all brands) chips

Target segments :

Budget - Older Families :

- Promotion like 'Buy Two Get One Free'

Mainstream - Young Singles/Couples :

- Target advertisements
- Change the display area
- Promotion and repackaging on popular brands and sizes

Mainstream - Retirees :

- Target advertisements
- Limited time sales promotions during daytime

Next Step

Check with the Category Manager if there were special deals in the trial store that were may have resulted in lower prices, impacting the results.



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