June 2020

Category review: Chips

Retail Analytics

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Classification: Confidential

Our 17 year history assures best practice in privacy, security and the ethical use of data

Privacy

- We have built our business based on privacy by design principles for the past 17 years
- Quantium 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.

We all have a responsibility to use data for good

Quantium believes in using data for progress, with great care and responsibility. As such please respect the commercial in confidence nature of this document.

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Executive summary

01 Task 1

Customer Purchase Behavior Insights:-

i. What were the key **customer segments** (LIFESTAGE, PREMIUM_CUSTOMER) identified?
ii. Were there any notable spending patterns or preferences in terms of pack size or brand?
iii. Any significant trends in **total sales**, **average spend per customer**, or **purchase frequency**?

02 Task 2

Trial vs Control Store Performance:-

i. How did the **trial stores** (stores 77, 86, and 88) perform compared to their respective **control stores**?
ii. Did you observe any significant changes in sales or customer growth?
iii. Were there any statistical tests (e.g., t-tests) performed to validate the significance of these differences?

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01 Key Insights from Customer Segmentation

Category

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Overview: Key callout for the category

Target premium customers and older families for higher sales

Insight 1: Premium Customers and Older Families Drive Sales

Insight 2: Pack Size Preferences Vary by Segment

Insight 3: Brand Preferences

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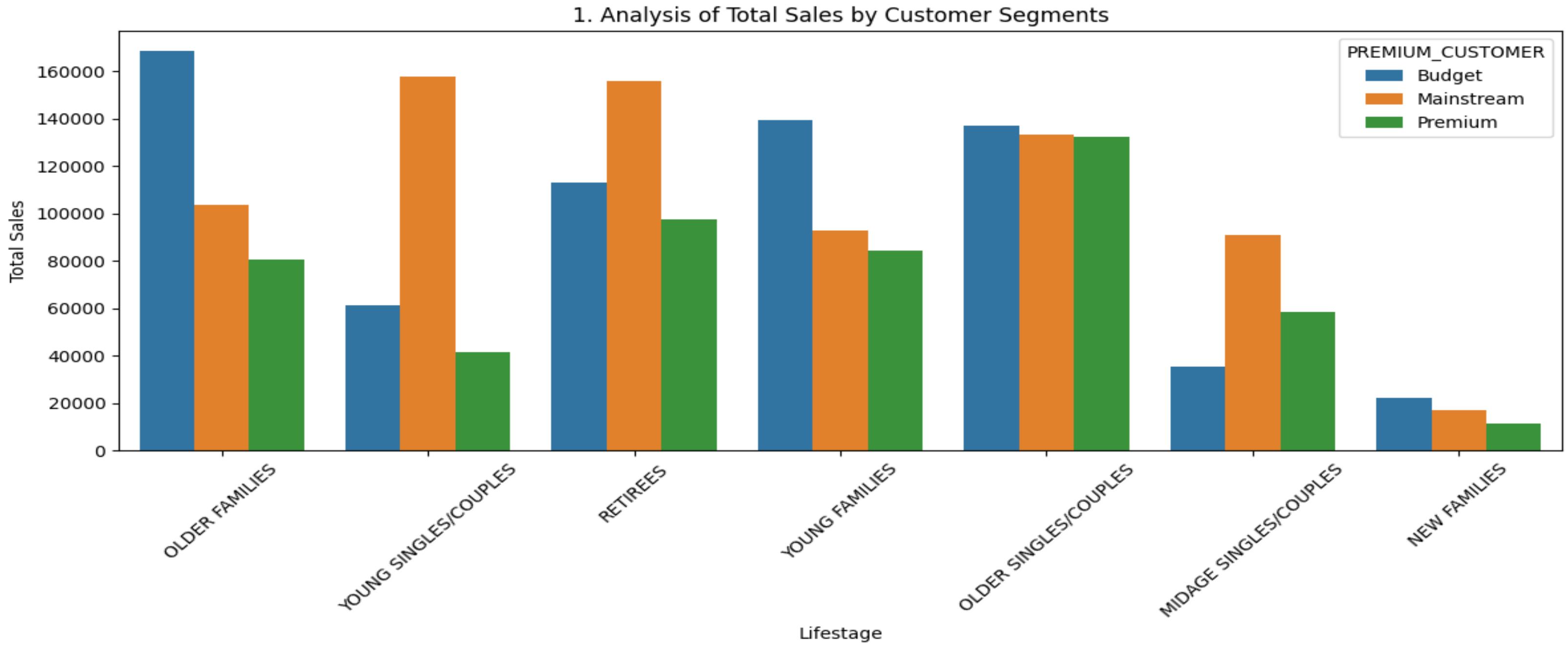
Insight 1: Premium Customers and Older Families Drive Sales

Key Observations:

1. Older Families consistently show the highest total sales.
2. Premium customers across all Lifestages generate significant revenue.



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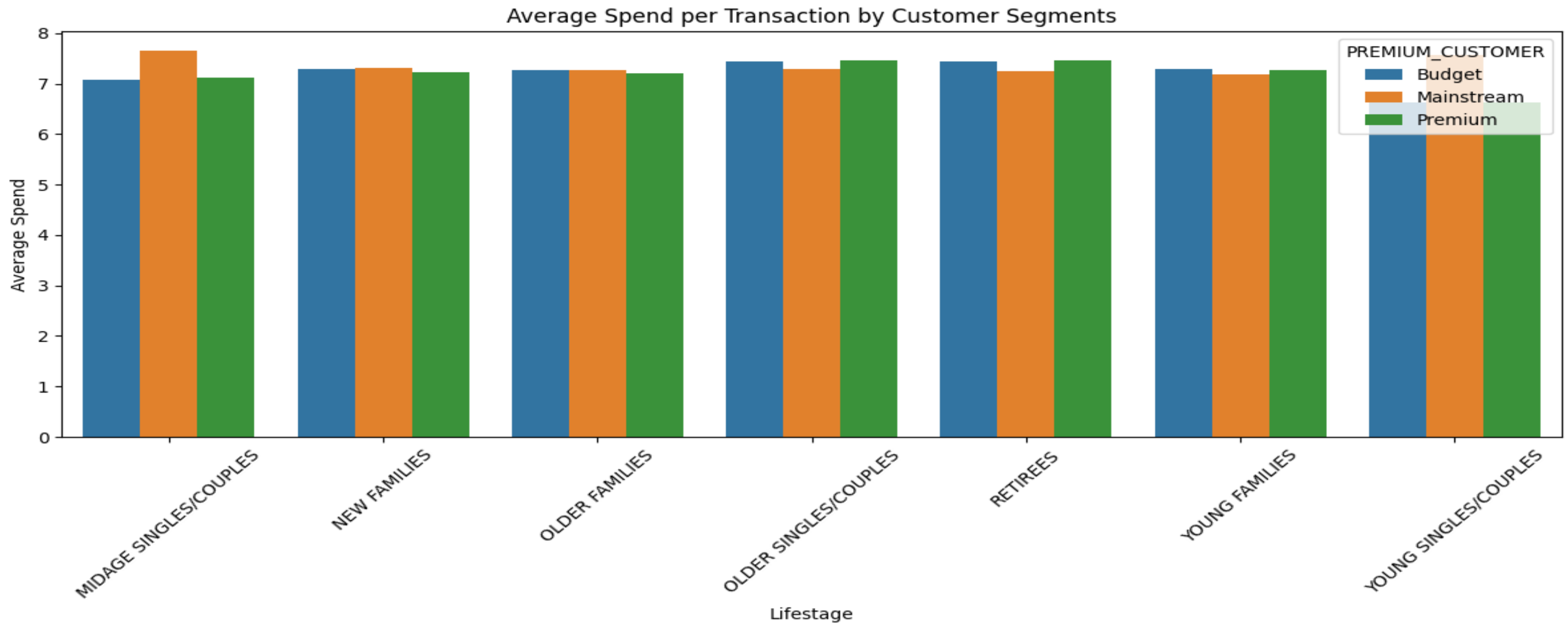

Recommendation:
Focus marketing efforts on Premium customers and Older Families, as they represent a key revenue driver.

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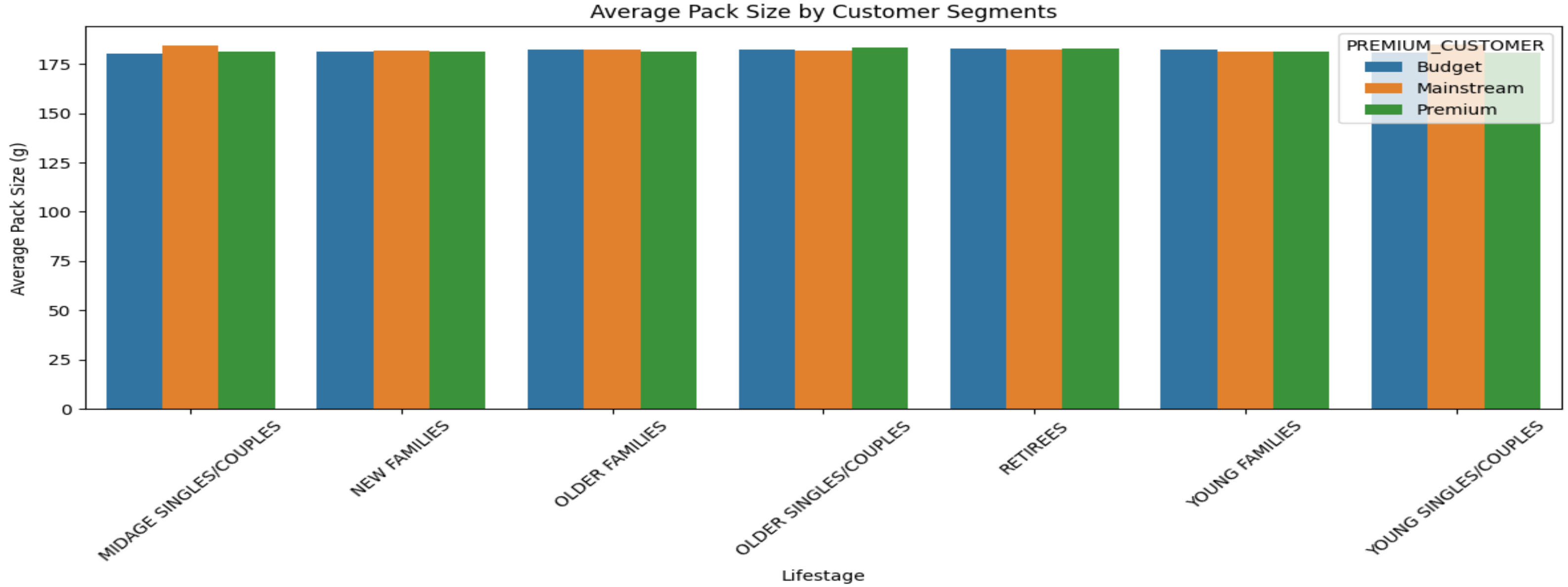
Insight 2: Pack Size Preferences Vary by Segment

Key Observations:

1. Budget customers across all lifestages prefer larger pack sizes.
2. Premium customers opt for smaller pack sizes, especially in younger Lifestages.



Recommendation:

Offer larger pack sizes for budget-conscious customers and smaller sizes for younger premium segments to optimize product assortment.

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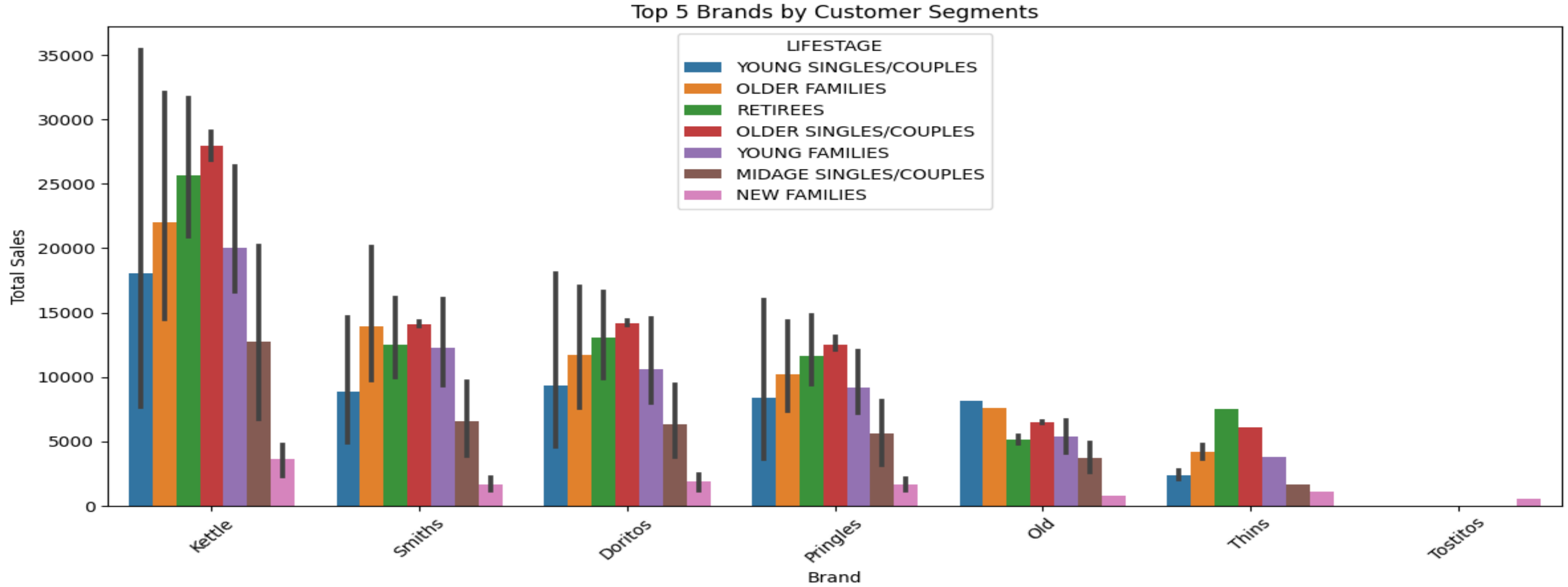
Insight 3: Brand Preferences

Key Observations:

1. Kettle, Smiths, and Doritos are the most popular brands across various customer segments.
2. Premium customers often choose Kettle and Smiths, while Budget customers lean towards Pringles and Old brands.



Recommendation:

Prioritize Kettle and Smiths in promotional campaigns for premium customers, while ensuring availability of Pringles for budget-conscious buyers.

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02 Trial Stores Show Consistent Growth Over Control Stores

Trial vs Control Store Performance

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Overview: Key callout for the Trial vs Control Store Performance

Trial store strategies successfully increased sales, particularly during peak periods

Insight 4: Trial Store Performance vs Control Stores

Insight 5: Trial Stores Showed No Statistically Significant Difference in Sales

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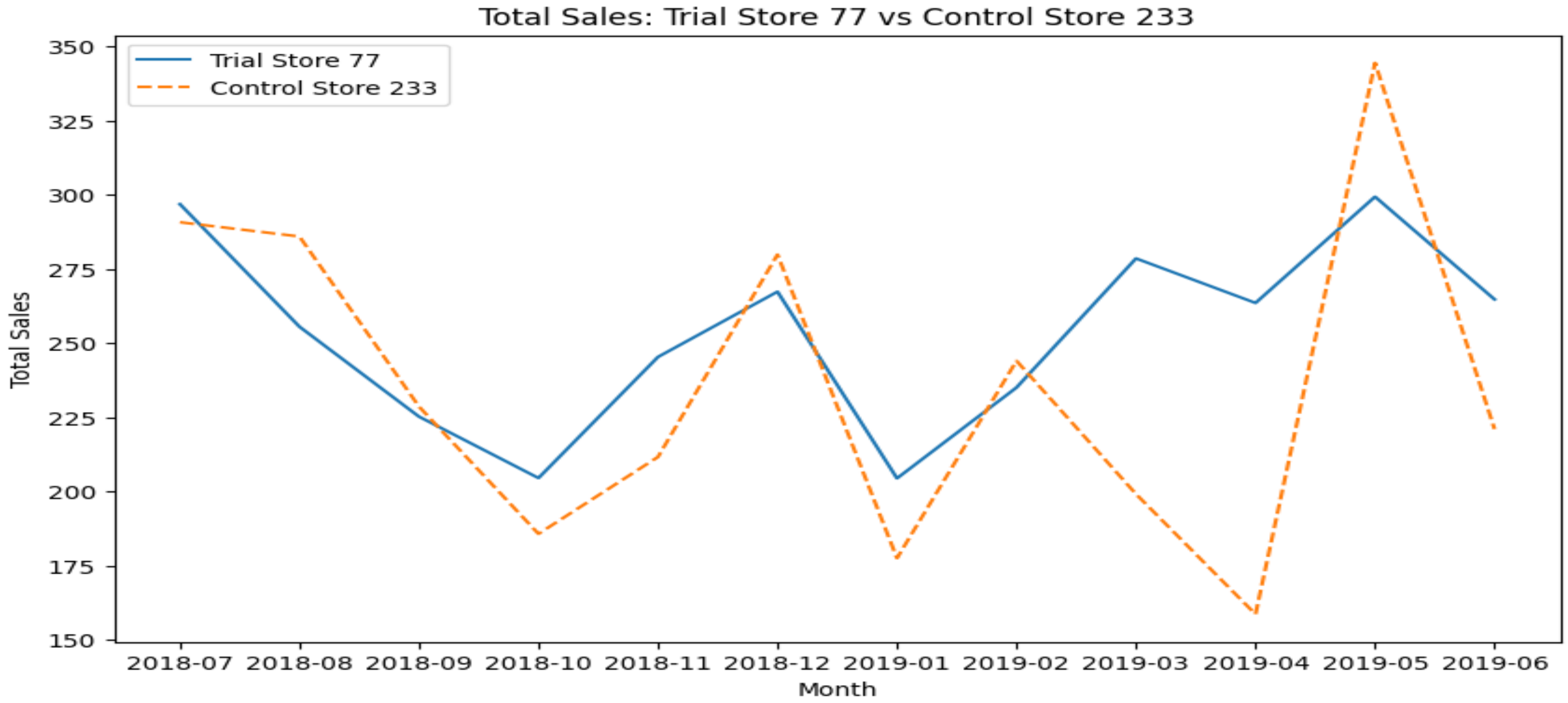
Insight 4: Trial Store Performance vs Control Stores

Key Observations:

1. Trial Stores 77, 86, and 88 consistently outperformed their control stores (233, 155, and 237 respectively).
2. Sales peaks occurred during the holiday months of December 2018 and January 2019.



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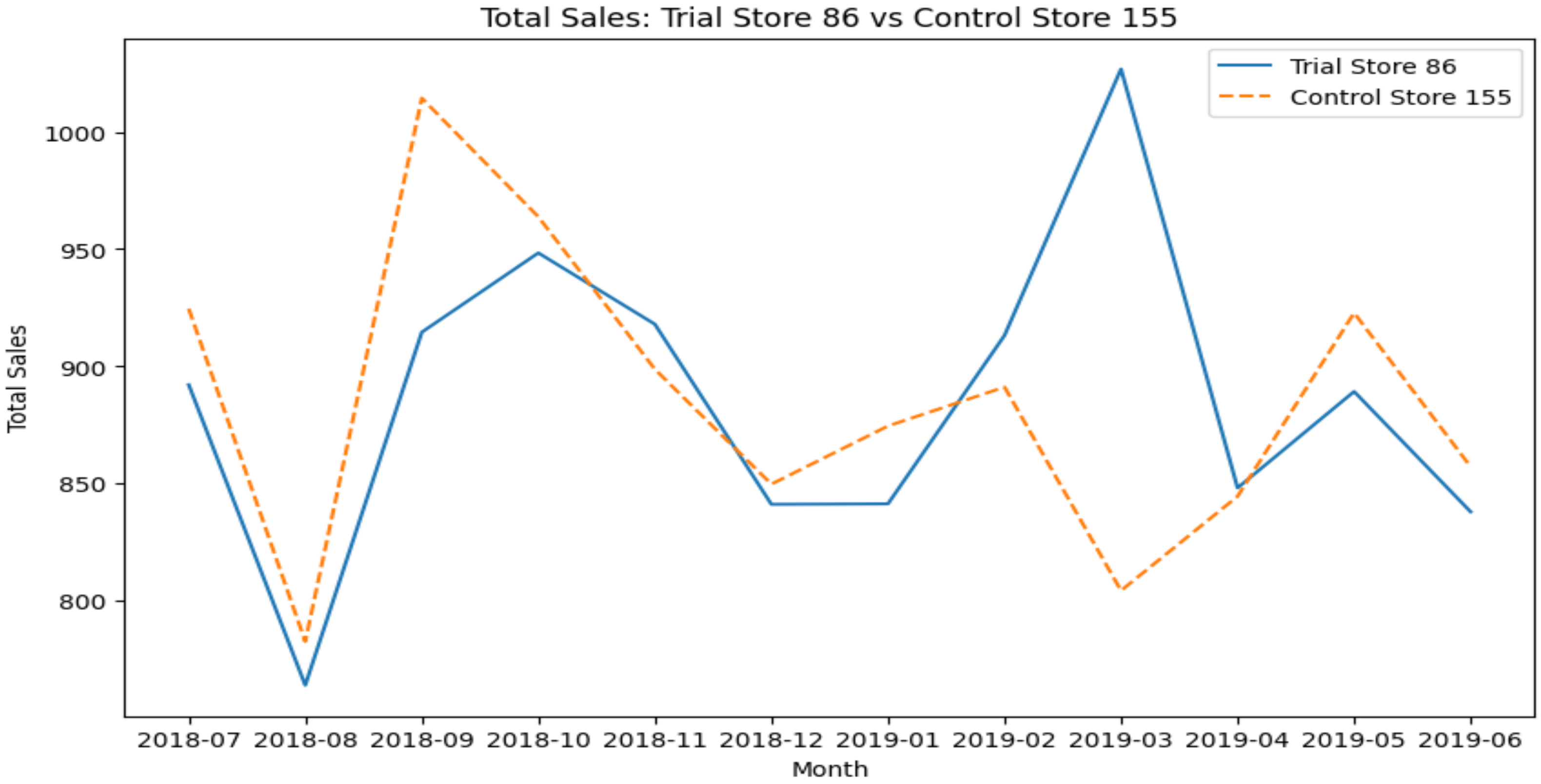
Explanation of the control store vs other stores



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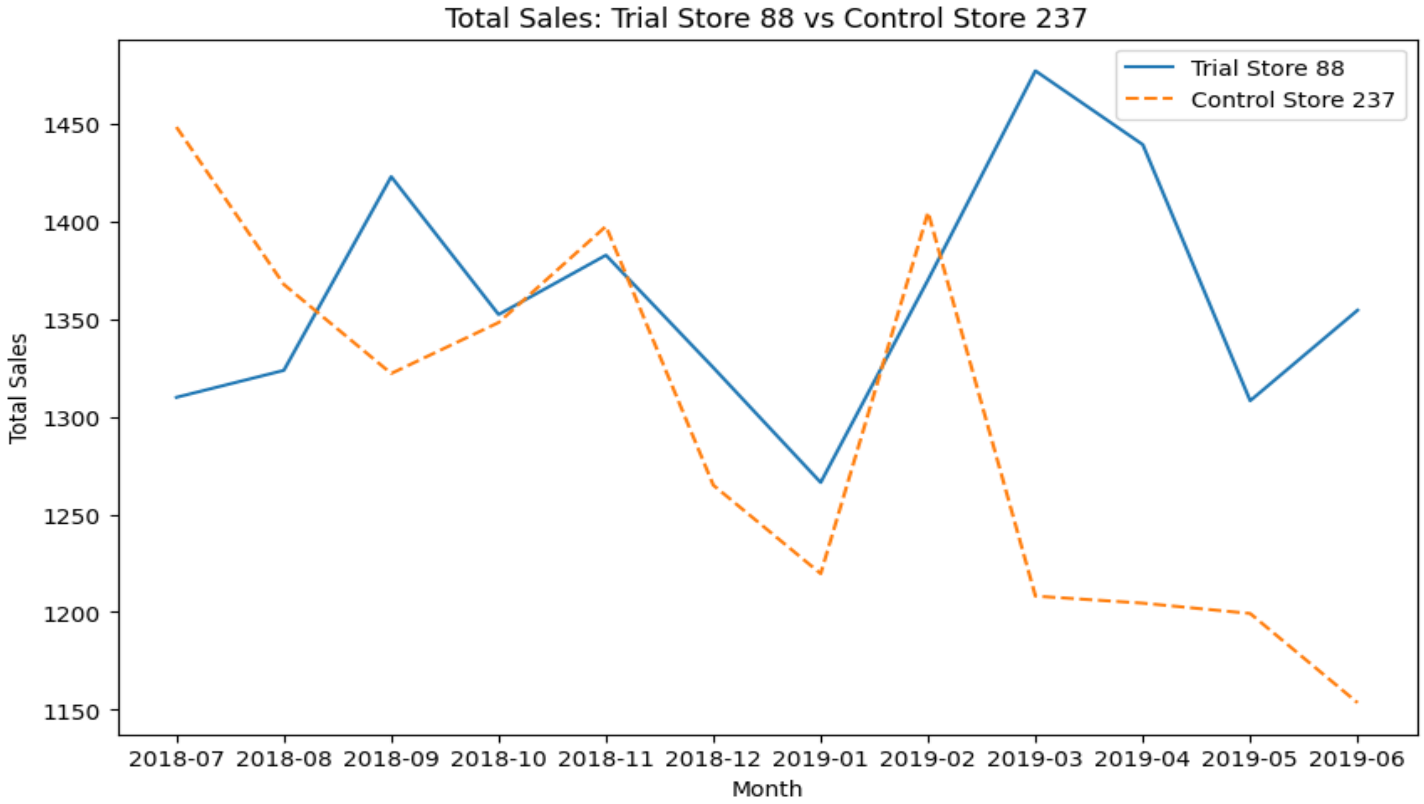
Explanation of the control store vs other stores



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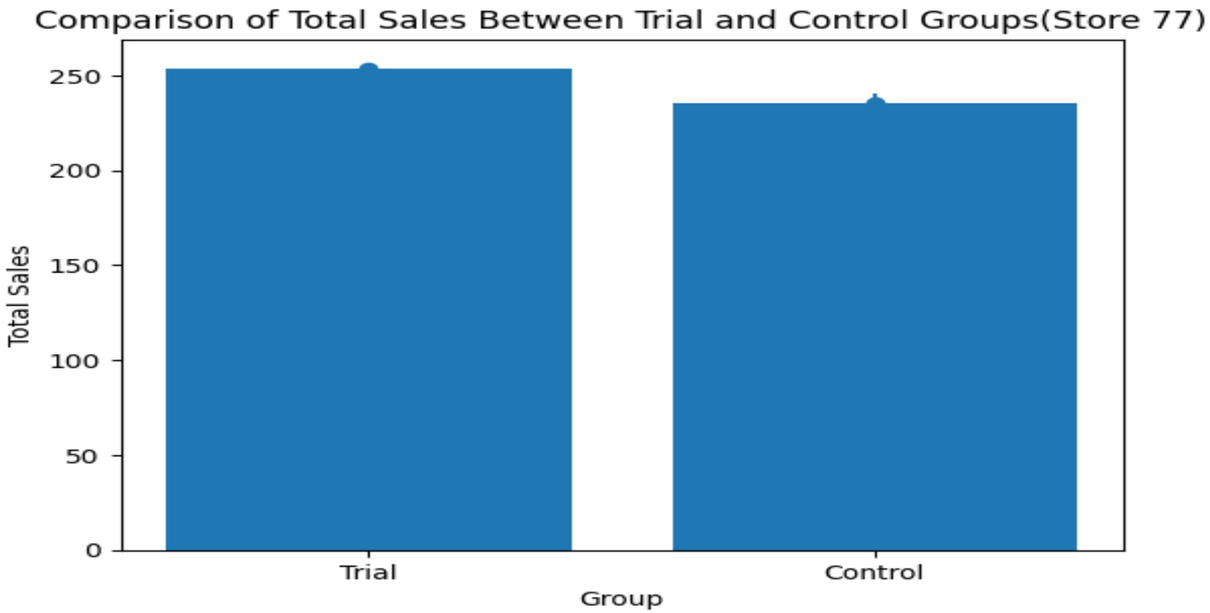
Insight 5: Trial Stores Showed No Statistically Significant Difference in Sales

Key Observations:

1. T-tests conducted for all trial stores showed **no statistically significant** difference in total sales compared to control stores.
2. While sales were higher in trial stores, the p-values exceeded 0.05, indicating the differences were not significant.




```
T-test result: t-statistic = 0.9679236368390388, p-value = 0.343603733431221866
The difference in total sales is not statistically significant.
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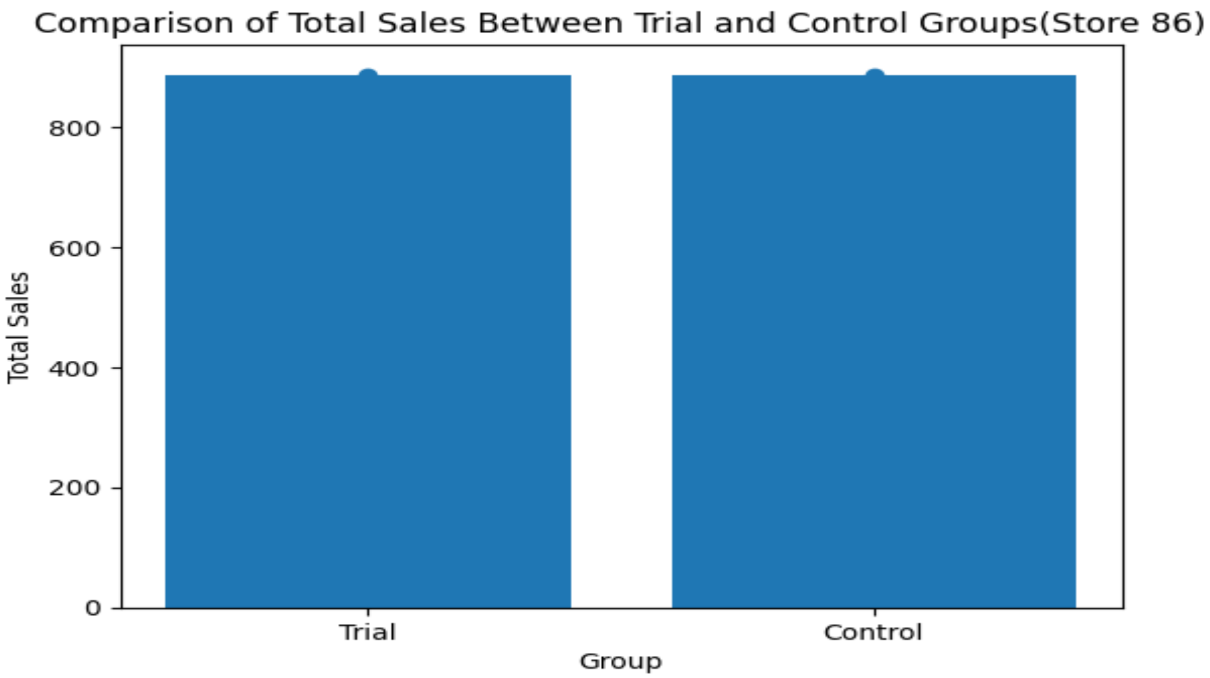
Call out of the performance in the trial store, determining if it was successful

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T-test result: t-statistic = 0.019793022667677837, p-value = 0.9843869025850827
The difference in total sales is not statistically significant.
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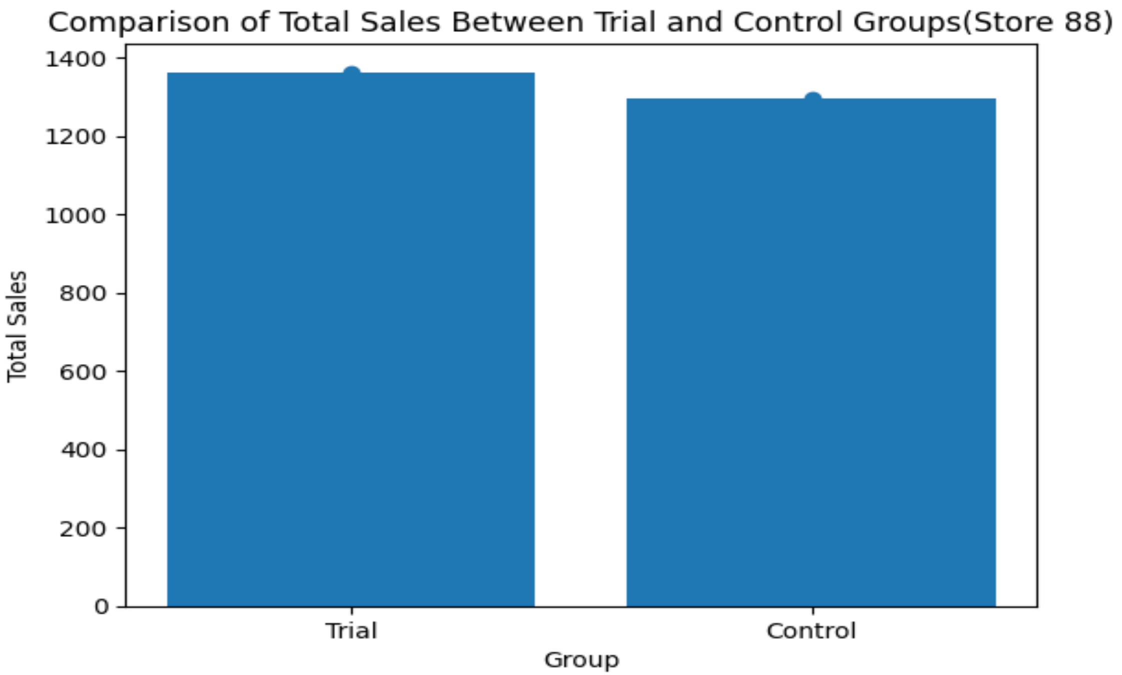
Call out of the performance in the trial store, determining if it was successful




```
T-test result: t-statistic = 1.9781599338138325, p-value = 0.06056801623928565
The difference in total sales is not statistically significant.
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Strategic Recommendations:-

Recommendations for Strategic Planning:

Maximizing growth by targeting key customer segments and optimizing product offerings

Recommendation 1: Focus on Premium Customers and Older Families

- **Rationale**: These segments consistently show higher total sales and average spend. Increasing engagement with these groups will likely drive significant revenue.

- **Actionable Step**: Develop targeted marketing campaigns for Premium customers and Older Families.

Recommendation 2: Expand Trial Store Strategies

- **Rationale**: Although statistical significance was not achieved, trial stores showed consistent growth. Expanding the successful strategies to other regions could drive overall growth.

- **Actionable Step**: Expand the promotional strategies used in Stores 77, 86, and 88 to other similar regions.

Recommendation 3: Tailor Product Offerings by Segment

- **Rationale**: Pack size and brand preferences vary significantly by customer segment. Offering larger packs for budget-conscious customers and premium brands for affluent customers could optimize sales.

- **Actionable Step**: Adjust product assortment by store demographics to better cater to regional demand.

Next Steps for Implementing Strategic Plan:-

Leveraging data-driven insights to optimize the chips category:

<u>Action 1: Roll Out Targeted Campaigns</u>
Details:
Launch marketing campaigns that focus on Premium customers and Older Families, particularly promoting top-performing brands (Kettle, Smiths).

<u>Action 2: Expand Trial Strategies</u>
Details:
Implement the strategies that worked in trial stores across more regions and evaluate their performance over time.

<u>Action 3: Monitor Store Performance Continuously</u>
Details:
Set up regular reporting to monitor the impact of changes, using control store comparisons to ensure growth is sustainable.

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