



Maximizing revenue and optimizing spend on trade promotions for a large FMCG in India

First of its kind CPG centric module to streamline the promotion spend with actionable insights

Problem Statement

- ✓ Leverages AI and Deep Learning technology
- ✓ Bolt-on micro-services architecture
- ✓ Accurate: guaranteed and real time
- ✓ Explainable AI reports to provide transparency of performance

Our client is one of the 4th largest FMCG company in India having more than 2000 distributors, 7lac+ Retailers, 40+ Brands and 300+ SKUs.

The company was finding it difficult to evaluate the effectiveness of trade promotion, owing a wide range of product segment and channel of distribution across the country.

Currently, promotions are designed heuristically or by considering factors such as Historical context, seasonality, Budget, and Market share.

They were interested in exploring ways in which they can allocate their spending on trade promotions such that promotions are targeted to the right distributors and retailers on the right time with maximized incremental sales and return on investments.

The client had a huge investment of time and money with a slow spreadsheet process.

The returns have been constantly diminishing and they were not able to predict which promotions (Scheme/Slabs) could yield good results.

Digilytics.AI designed a niche CPG centric module called **RevUP promote** which hashed the primary and secondary sales data into actionable form to provide insights of performance at granular levels (Month, district, SKU, Retailer Level, etc.).

It eventually expedited in decision making.

FMCG Company Challenges

FMCG companies spend huge amount on promotions, our client spends approximately 8.5% of its gross sales on Trade promotions to obtain high revenues.

They design promotions and slabs as per the traditional approach, out of which large number of them do not yield good results.

Therefore, our client wanted to channelize the spending and evaluate the reason behind the increase in Spend-Ratio and stagnant growth of sales.

Our client was unable to analyze and forecast the impact of promotion as they have not been using company's historical data or their competitor's data efficiently.

Moreover, they relied on spreadsheets and have not been able to develop any efficient tool that can monitor and track the spending on trade promotions to increase ROI.

They did not have any efficient tool that could monitor and track the spending on trade promotions.

How our product helped?

To maximize the revenue and optimize the spending on trade promotion our team developed an automated digital solution that has the ability to predict the effect of promotion before it is implemented in the market.

To increase ROI, the solution allows the user to evaluate performance by analyzing various promotions and slabs across granular levels.

Therefore, the centralized system consists of performance metrics (KPIs) that can monitor the activities associated with trade promotion management and design slabs for their promotions so that the returns on spends are optimized.

Product Features

- It allowed the client to go live with the platform to obtain built-in insights.
- Insight driven analytics by ingesting daily primary and secondary sales data across all over India.
- Implemented for all distributors in India having more than 7 Lac+ Retailers and 300+SKU's
- Identified the performance of all brands, SKUs and promotions at various levels (Geo/ Area / Distributor and Retailer)
- Helped the client to download and share observation real time based on the requirement.
- Intelligent chat assistant 'Osler' answers to all the queries asked by the client

- Performance score card allows the user to know the seasonality trend of various products over a period.
- Ability to process and handle the large size of data by auto-updating on daily basis.

Impact

- Real time sales and promotion data analysis with automated ETL integration, thereby reducing the chances of manual errors and improving the operational efficiency.
- Centralized data lake for all the teams such as trade, data and IT which facilitates the reliability of the data within the organization.
- Digilytics RevUP Promote assisted in trade promotion effectiveness with reduction in spend ratio by significant basis points.
- Digilytics RevUP Promote helped to optimize trade promotion by emphasizing on “Applying the optimum amount of promotion on the right SKUs for the right retailers based on specific Location”.
- Captured the comprehensive market understanding with integration of competitive data.

