

POI Global Promotion Optimization Summit



Big Data
Pricing TPO
Retail Execution
Mobility TPM



How Coca Cola İçecek is Advancing Revenue Growth Management Capabilities through Big Data, Advanced Technology and Effective Business Processes?

Coca-Cola İçecek



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nielsen



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Agenda



Understanding the Business

Market Overview

Learnings & Outputs



Revenue Growth
Management Capabilities

Big Data *"The New Oil"*

Technology *"Simpler Terms Getting Complex"*

Revenue Management Journey

Revenue Management and Optimization Capability

Joint Business Plan



Understanding the Business

Market Overview



Spotlight on Turkey

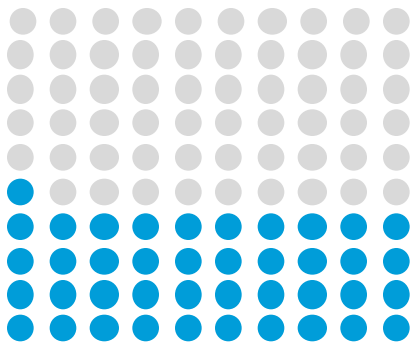


MEDIAN AGE

29.6

TOTAL POPULATION

78,741,053



41% PERCENT BETWEEN 15-39 AGES

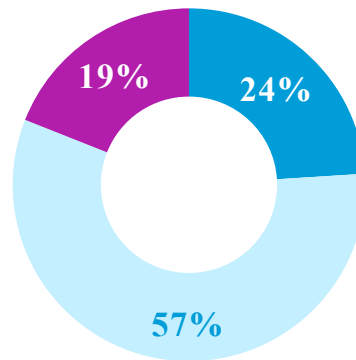
GROSS DOMESTIC PRODUCT

\$ 798

BILLION

FAST MOVING CONSUMER GOODS LANDSCAPE
% SALES

- MODERN TRADE
- TRADITIONAL TRADE
- DISCOUNTER



TRADITIONAL TRADE SHARE BUSINESS

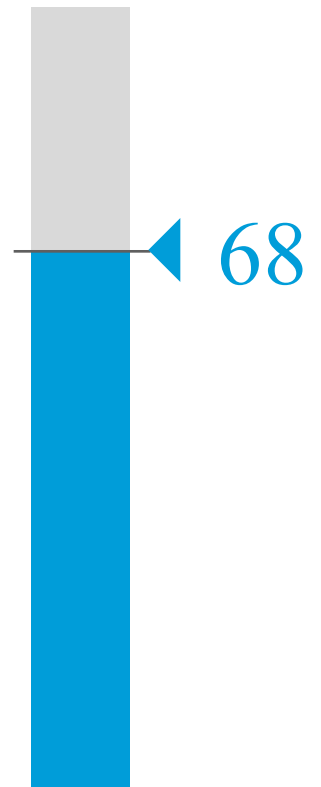
63%

NON-ALCOHOLIC BEVERAGE

67%

CARBONATED SOFT DRINKS

CCI MARKET SHARE IN TRADITIONAL TRADE

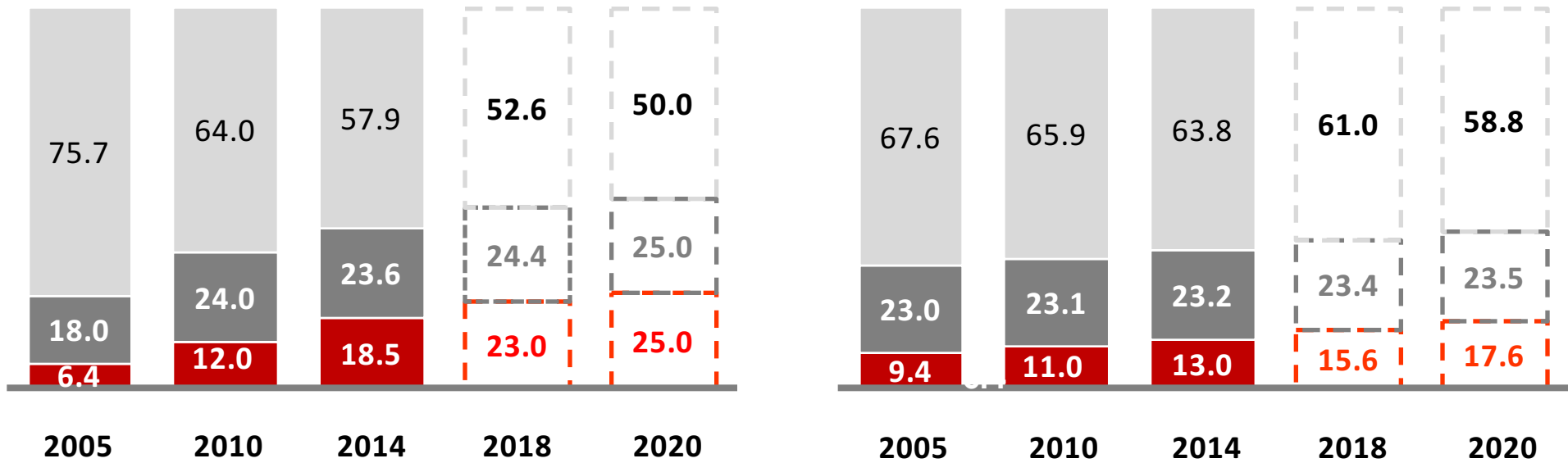


Spotlight on Business

FMCG Value Split %

Beverage Value Split %

■ Traditional ■ Modern ■ Discounters



Shift thru Modern Channel and Discounters, however Traditional Trade will keep its strong position for our business

Spotlight on CCI



Coca-Cola İçecek

2nd Largest bottler in terms of population

5th Largest bottler in terms of volume



6,5 billion
Liters sales volume



10.000
Employees



26 billion
servings

750 thousand
Sales points



380 million
Population



CCI's Revenue Management Vision

Administrator

Counselor

Strategist

Revenue Leader

Year 1

Year 2

Year 3

Year 4+



Elevate The Agenda

Capability Push
RGM Culture
Business Strategy
Process

Defining Excellence

Delivering Excellence
Every Day !

*Low skill
Tactical
Re-active*

*High skill
Strategic
Pro-active*

Generate the Fuel to Ensure Sustainable and Profitable Business Growth with a Holistic RGM Approach

Lead Value Growth Initiatives

**Build Brand
& Category
Roles**

**Sustainable
New Growth
Model**

**Portfolio
Prioritization**

**Trade Promo
Optimization**

**Trade Spend
Efficiency**

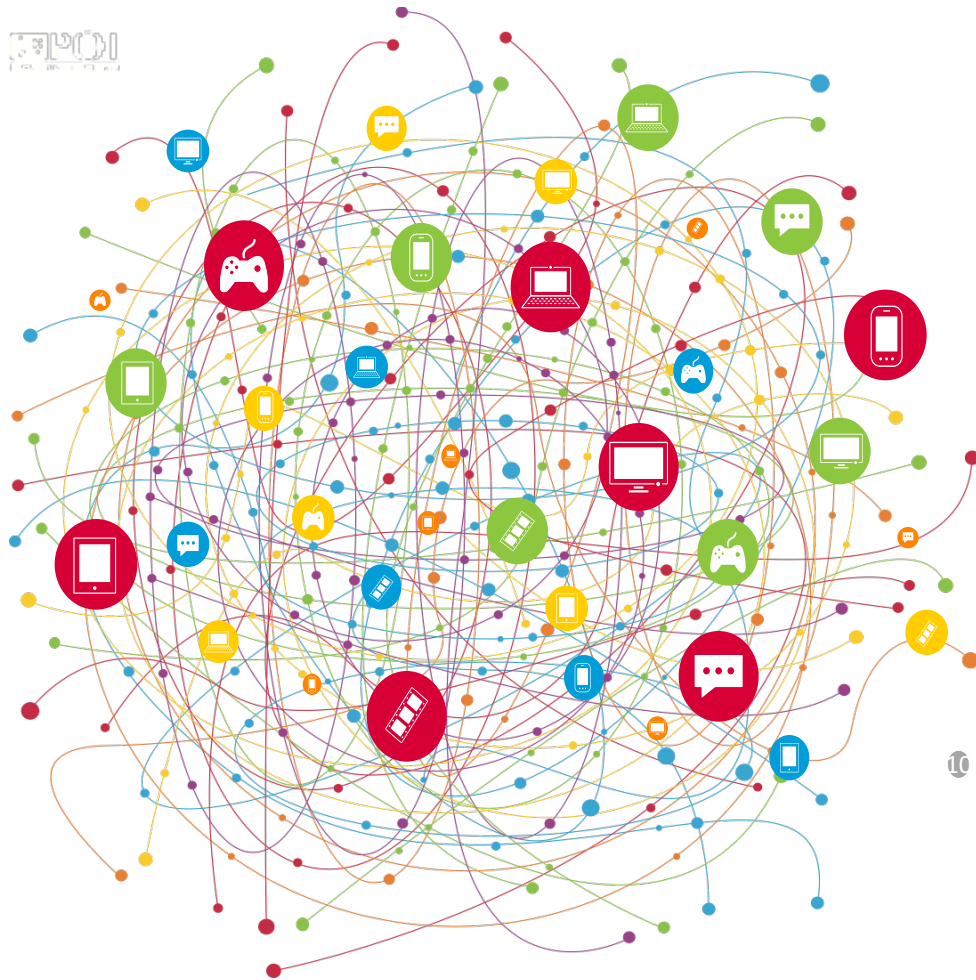
Planning

- ↳ Foundation for robust OBPPC
- ↳ Pack roles
- ↳ Channel architecture

- ↳ SKU optimization

- ↳ Clear guidelines
- ↳ Maximized ROI of trade promo and POS investments

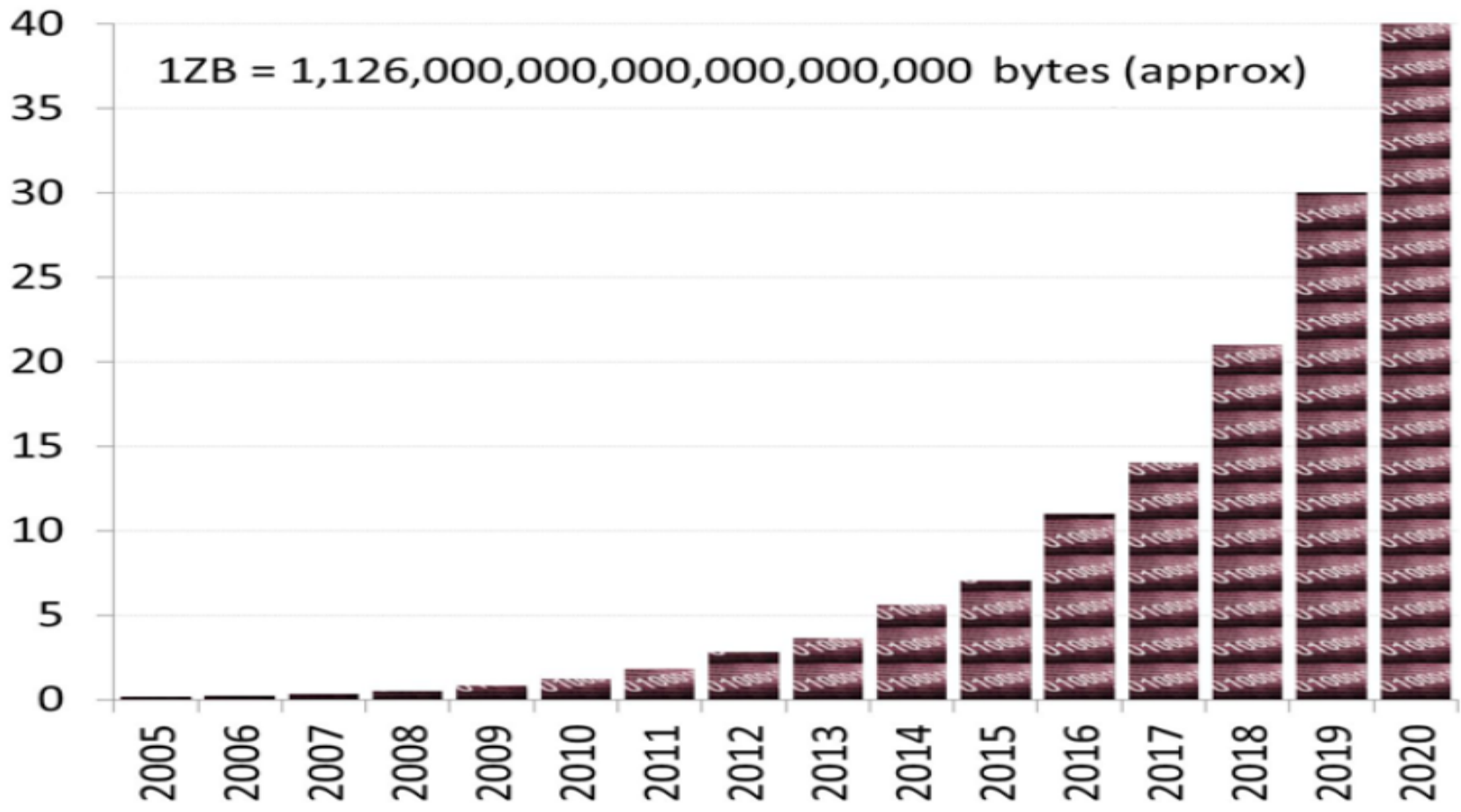
- ↳ Improve predictive capabilities for forecasting



Revenue Management Capabilities

"Simpler Terms Getting Complex"

Data has no limits!

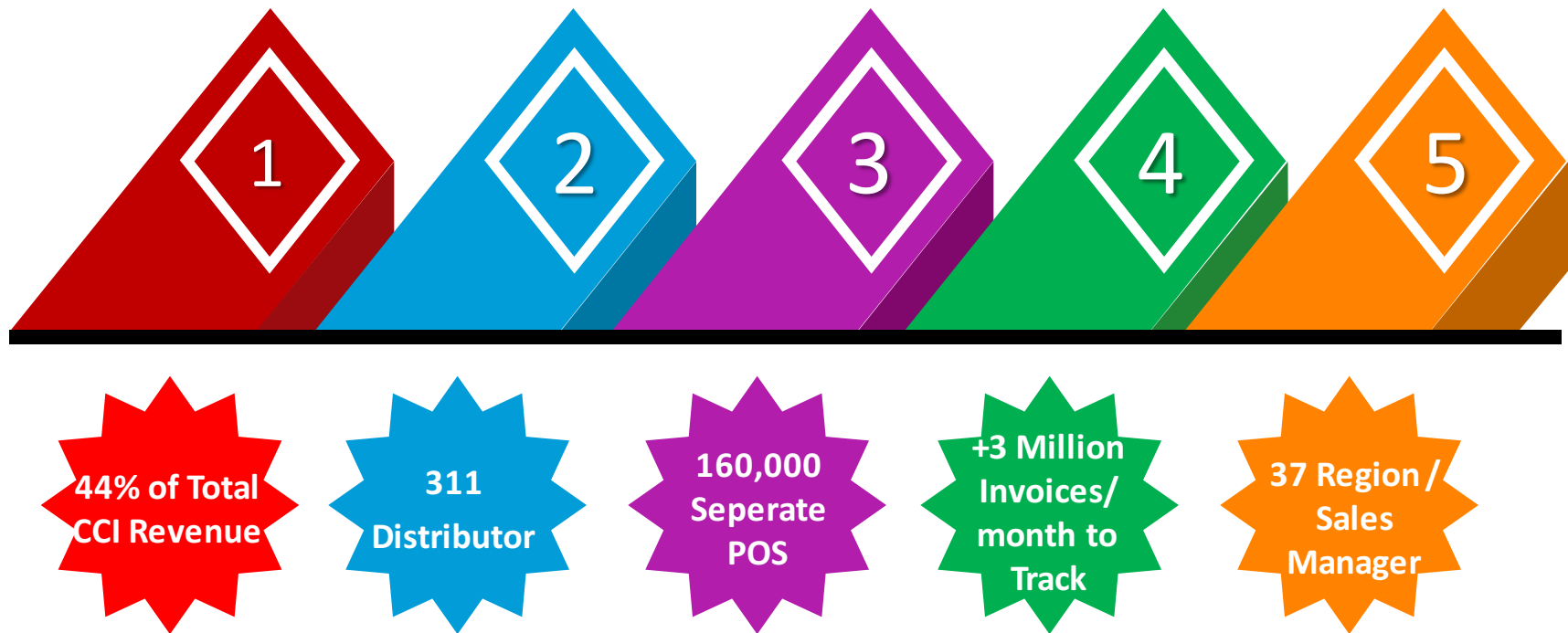


Data in Real Time



CCI's Big Data in Traditional Trade

Traditional Trade : *Vital for Coca Cola Icecek to optimize & track it*





"The Journey"

Joint Business Plan of Two Giants

Optimizing pricing and promotion is an industry-wide challenge



More and more **business leaders** are investing in **sophisticated predictive analytics** to drive **tomorrow's pricing models**

PRICING
IS THE MOST
EFFECTIVE
PROFIT DRIVER

**NET-NET
PRICE**

Studies show that a **gain in Net-Net price of +1%** could deliver **8% to 12% improvement in profit**



Sophisticated pricing capabilities are key to **asses risk of revenue & profit loss associated** with pricing strategies

Optimizing pricing and promotion is an industry-wide challenge



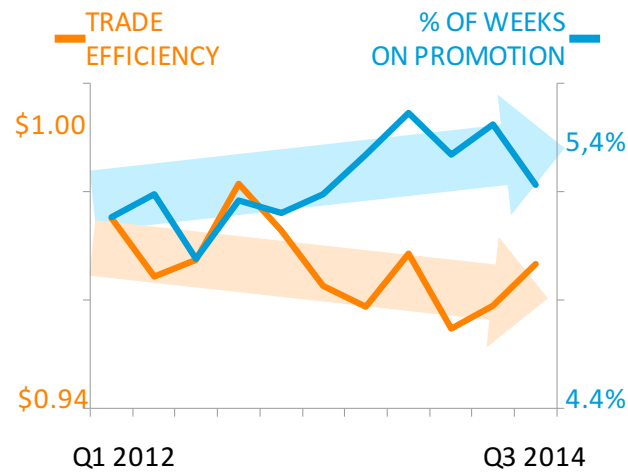
Ineffective investment ...



41%
MAKE MONEY

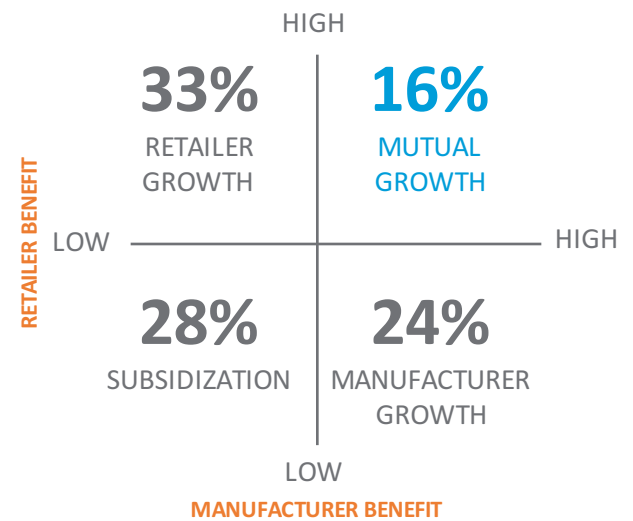
59%
LOSE MONEY

... that is getting worse...



COST OF GOODS PRICING COMPLEXITY

... and impacts all industry players.



Breaking the Cycle... Even in Traditional Trade



CCI's Need

ANSWER

RMO will improve the pricing and promo strategy capability of the system thru leveraging robust models, analytics and scenario planning tools. Simple to use platform to support the promotional planning process and develop a post-event analytics capability

SITUATION

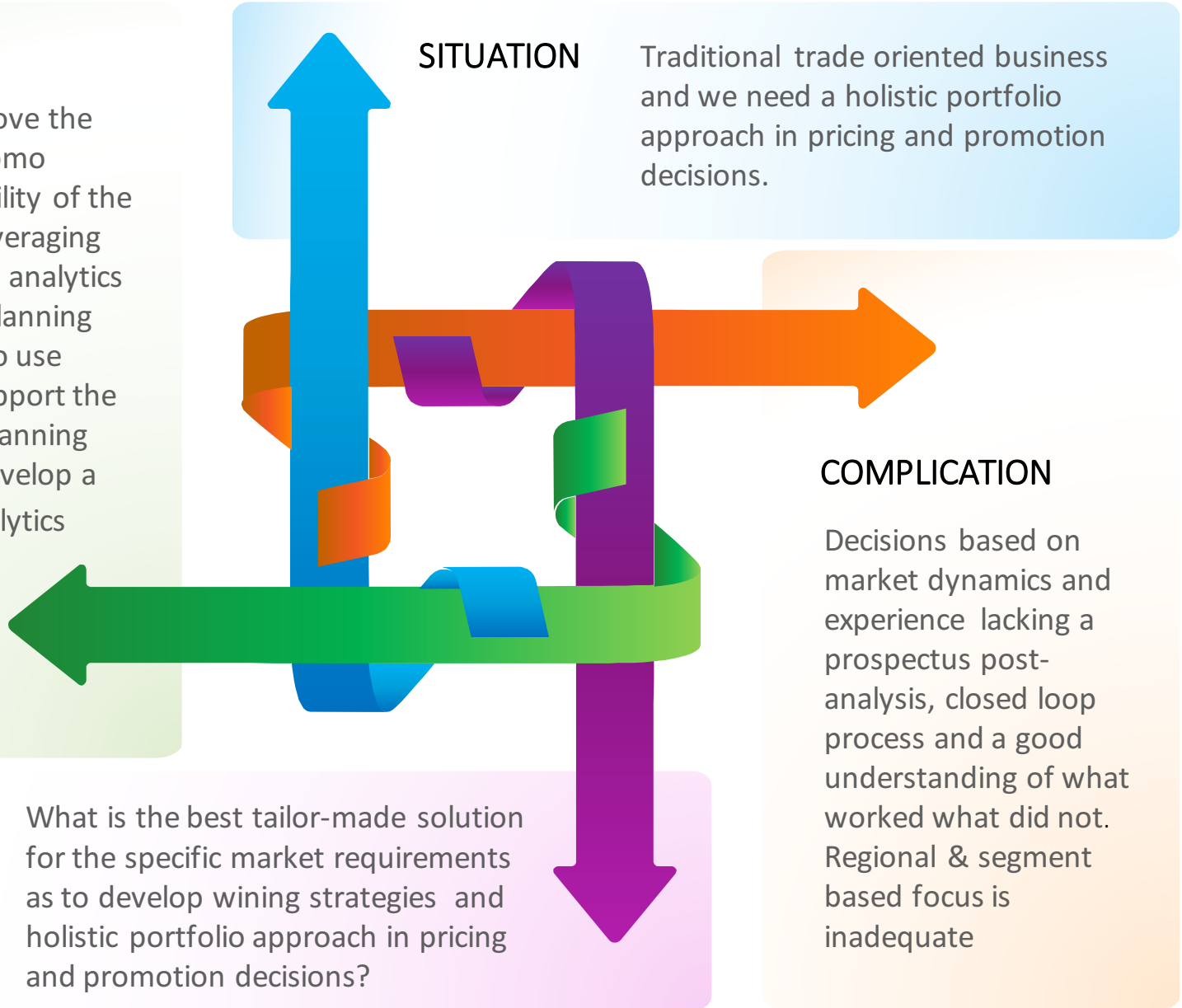
Traditional trade oriented business and we need a holistic portfolio approach in pricing and promotion decisions.

COMPLICATION

Decisions based on market dynamics and experience lacking a prospectus post-analysis, closed loop process and a good understanding of what worked what did not. Regional & segment based focus is inadequate

QUESTION

What is the best tailor-made solution for the specific market requirements as to develop winning strategies and holistic portfolio approach in pricing and promotion decisions?



Project Objective



Improve efficiency and trade promo optimization in Traditional Trade via analytical tools & guidelines

Define ideal trade margin

Understand the drivers of shop owners' preferences

End-to-End TPO solution

\$

The Size of the Prize

3,2%
Of
Operating Income

opportunity for TT on Trade Promotion Optimization to be re-invested on accelerating growth!