COLLABORATIVE MARKETING SUCCESS VIA NEXT GENERATION TRADE AND REVENUE OPTIMIZATION!

SPRING SUMMIT 2018

"Winning with TPx, Retail Execution, and Advanced Analytics Capabilities Across Channels"

POI
PROMOTION OPTIMIZATION INSTITUTE

Balancing Art and Science to Deliver Profitable Revenue Growth
a panel discussion on why both are needed for success

April 11–13, 2018

Moderator

EY Building a better working world

Ken Dickman
Principal
Advisory Services EY LLP

Panelists

SMUCKER'S

Tim Barnes
Director
Revenue Growth Management

Mike Milanowski
Sr. Manager
Data Science & Enterprise Systems

Brookshire's food&pharmacy

Ray Harrison
VP Center Store

At the end of this discussion, you will be able to:

✓ Understand the implications of changing retail environment

✓ Understand how both "art" and "science" are needed to succeed in this environment

✓ Have a view of how today's panelists and audience members are using "art" and "science" to deliver profitable revenue growth

In an EY survey, two-thirds of US FMCG executives see themselves confronted with big challenges.

Consumers are changing

Growth looks different

Costs are harder to control

Operating models Are out of date

73%

struggle with changing consumer behaviour

73%

are rating growth as much more difficult

75%
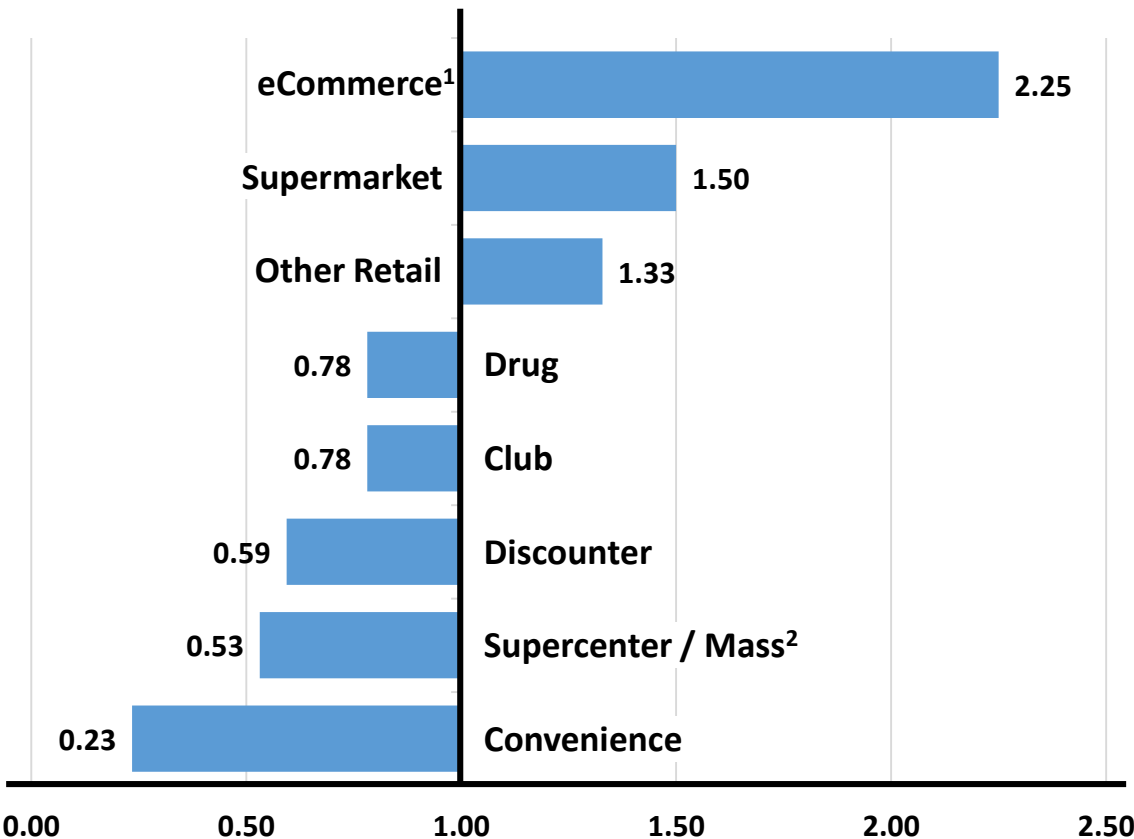
are struggling with rising labour costs

72%

need to make significant changes to business models

Source: EY CPR Balance executive survey

2017- 2022: Relative Absolute $ Growth Index

Channel	Value
eCommerce[1]	2.25
Supermarket	1.50
Other Retail	1.33
Drug	0.78
Club	0.78
Discounter	0.59
Supercenter / Mass[2]	0.53
Convenience	0.23

Axis: 0.00 0.50 1.00 1.50 2.00 2.50

► eCommerce, supermarket and drug expected to deliver largest absolute $ growth over the next 5 years

► By 2022, eCommerce will be the 3rd largest channel in absolute dollars

► While grocery is expected to deliver the 2nd largest absolute growth dollars, it has the 3rd lowest growth rate

► eCommerce, discount and club are the fastest growing channels

Notes:
1) Approximately 10% to 12% of eCommerce sales are FMCG today and growing
2) Approximately 56% of Supercenter / Mass sales are FMCG today

Source: Euromonitor; Kantar Retail; EY Analysis

For discussion and debate …

Revenue Management Defined

The planning, execution and management of all drivers and investments between Gross and Net Revenue:

► Product assortments and innovations

► Pricing and pack architecture

► Promotional architecture

► Trade terms discounts

► Shopper marketing investments

The "Art"

The human creativity needed to develop new and different products, services, and experiences that address shopper needs in new and unique ways

The "Science"

Analytics and insights that help us optimize our existing business and even help us understand optimal tactics to deploy coming out of test/pilot environments

"Winning with TPx, Retail, Execution, and Advanced Analytics Capabilities Across Channels"

For discussion and debate …

Insert Icon — Consumer- and Shopper-back Mentality

Insert Icon — Granularity in Insight, Planning and Execution

Insert Icon — Agility and Speed to Action

Insert Icon — Innovation Focus and Change Accepting Culture

Insert Icon — Manufacturer & Retailer Collaboration