

Collaborative Marketing Driven by Advanced Analytics Summit

Ensuring Your Successful TPM-TPO
Retail Execution Journey

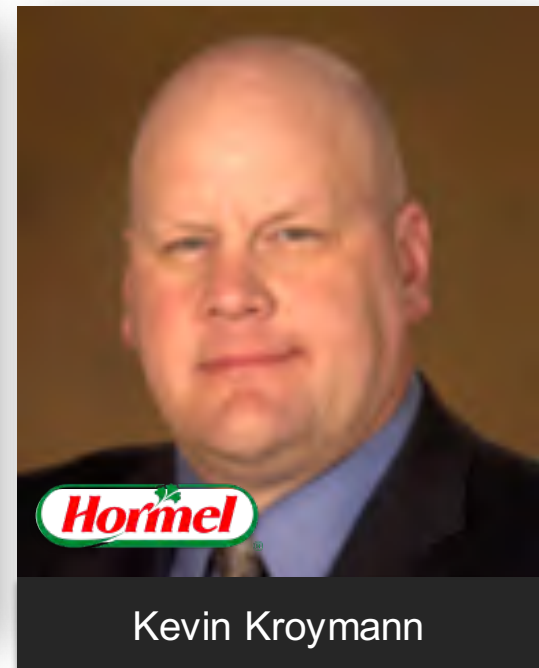


Confronting Trade Promotion Fragmentation





An Insightful, Provocative 60 Minute Panel Discussion Leaving You With 2 – 3 Ideas





5-Minute Summary

Trade Promotion Industry Study

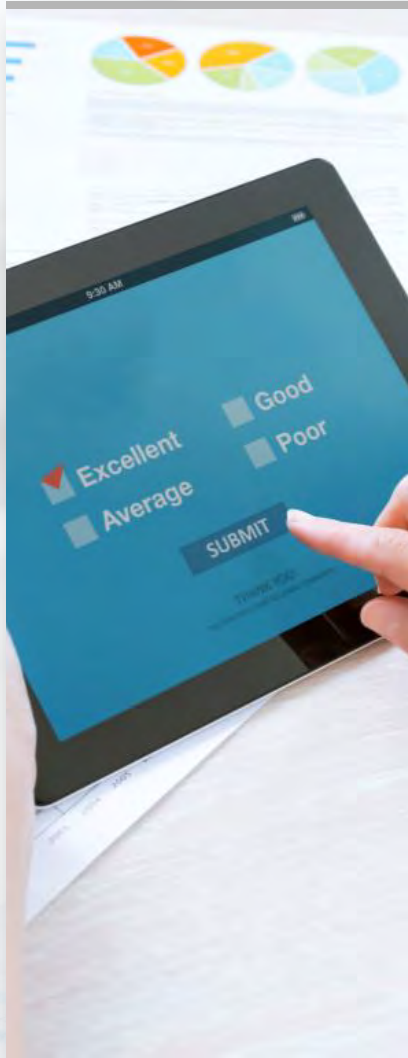


KANTAR RETAIL

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The Retail and Shopper Specialists

Why We Study Trade Promotion



For 20+ years, Kantar Retail has surveyed manufacturers and retailers to gain insight into trade promotion spending, strategies and management practices.

Why?

- 2nd largest expense for manufacturers after COGS so it's material
- Much time and effort planning, executing and analyzing trade, yet many opportunities remain
- Single biggest driver of sales (or has the potential to be)

➤➤ That's why we continue to research, analyze and identify ways to improve trade promotion effectiveness and efficiency.

Study Highlights



Major Findings

- Trade spending still shifting from traditional media to customer-specific tactics, reflecting continued fragmentation of trade promotion.
- Digital promotion spending/activity growing rapidly. Retailers are leading, manufacturers lagging.
- Leading companies are focused on two areas:
 - Combining trade promotion activity and shopper marketing insights with individual customer strategies
 - Measuring the longer-term impact of trade promotion on shopper behavior — the next frontier for trade promotion optimization.

Key Takeaways



Key Takeaways

- Trade promotion fragmenting rapidly. CPG industry needs to move from a traditional approach to an updated one.
 - Broader goals (penetration growth, not just volume)
 - New structures (separate B&M & e-commerce teams/budgets)
 - Different tools (mobile, location, trip-level data)
 - Additional performance metrics (loyalty, cannibalization)
- We call this need for change the
“The Agility Imperative”

Evolution of Trade Promotion



1996 or 2016?

“Manufacturers feel they overspend on trade promotion, yet dollars allocated to it are increasing.”

“Trade promotion is regarded as an extremely important issue, but it is not well-evaluated by manufacturers. Only a few rate themselves as highly effective.”

“Trade promotion is important to manufacturers, but they are not organizationally aligned for optimum management. There is very little centralized control, responsibility, and accountability throughout the trade promotion management cycle. They are organized to fail.”

“While TPRs are the least productive vehicle, they are the most common.”

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Thank You
and Spend Smartly

