

POI European Promotion Optimization Summit

Collaborate Globally and Execute Locally



Big Data
Pricing **TPO**
Retail Execution
Mobility **TPM**

Results of the POI 2016/2107 State of TPx and Retail Execution Survey: Good News, Bad News, Lots of Opportunity

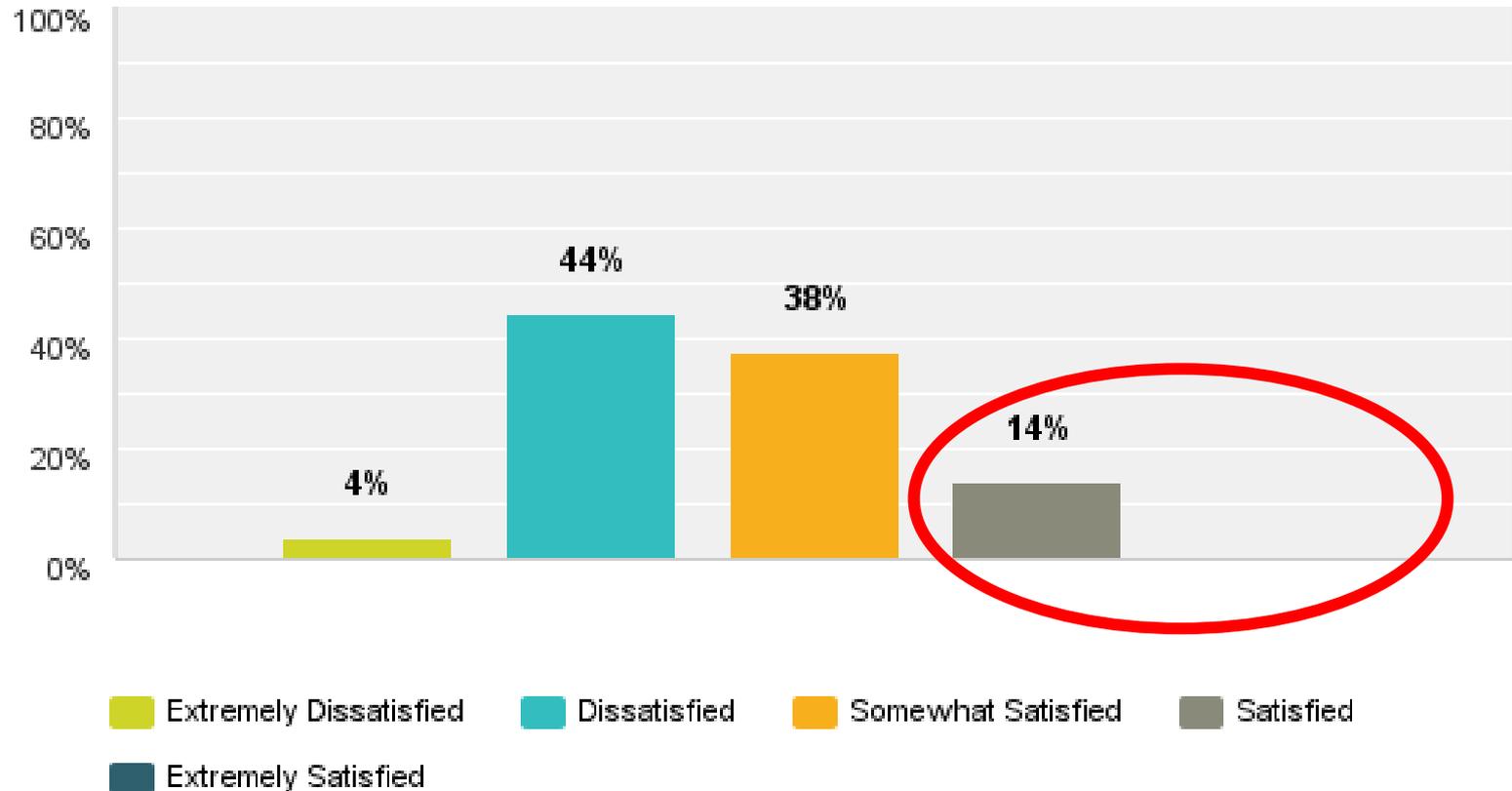
Dale Hagemeyer, Partner, Promotion Optimization Institute, LLC

GOOD
NEWS,
BAD
NEWS

Newsflash!

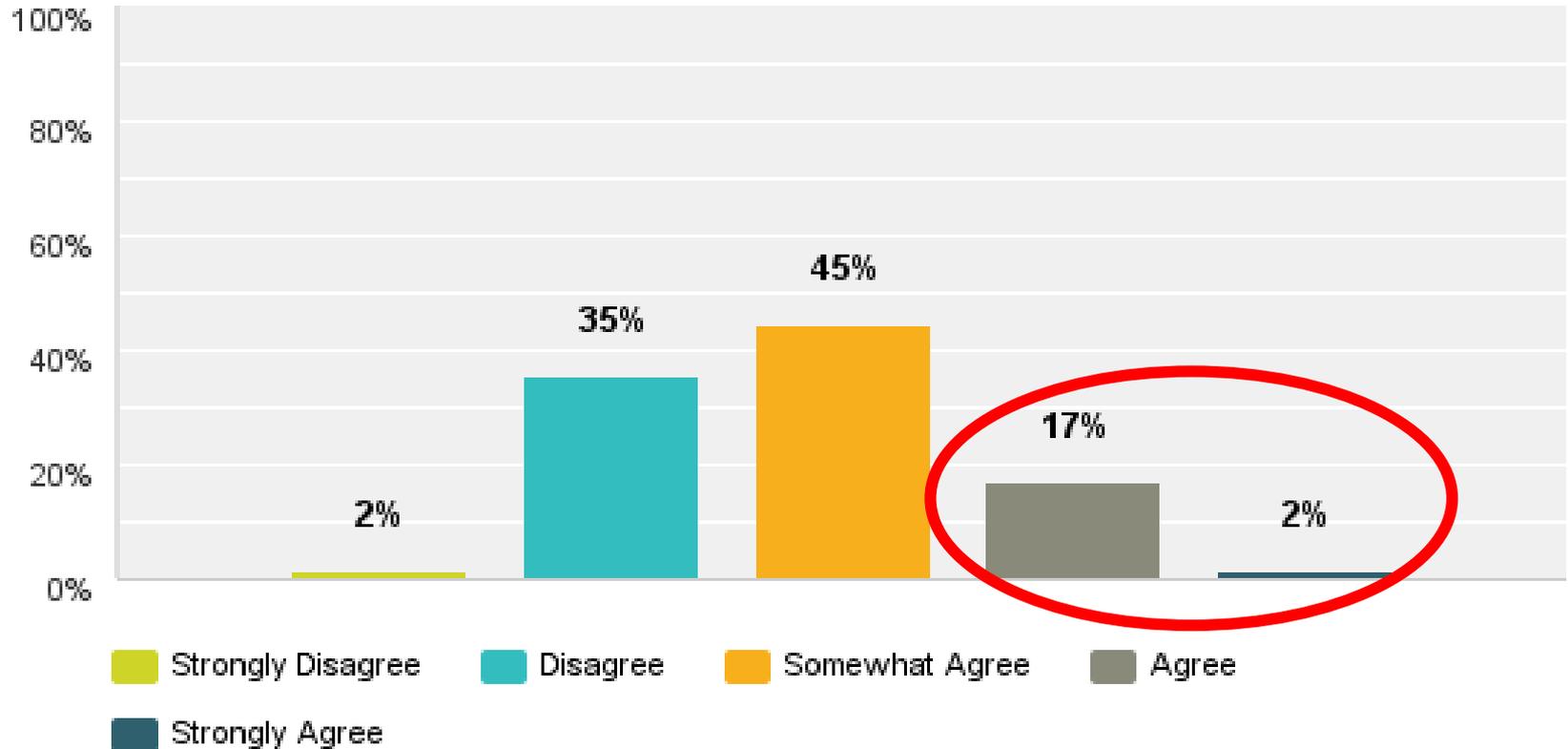
- Satisfaction with ability to manage promotions down 5 percentage points from YAG.
- And, down 4 percentage points for retail execution.

Q19: You are satisfied with your ability to manage trade promotions.



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Q48: You are satisfied with your ability to execute at the store level.

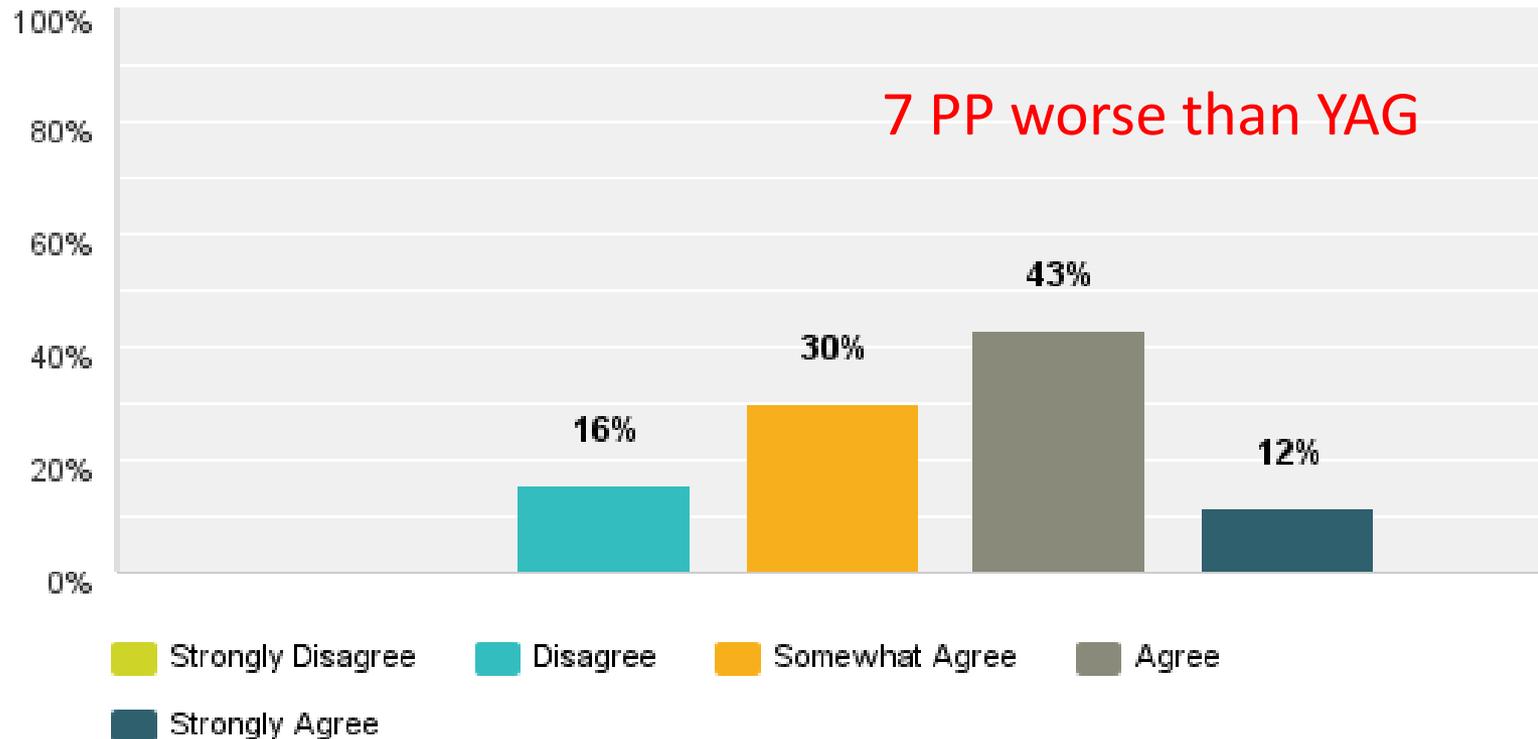


Source: POI Research. 2016-2017 TPx and Retail Execution Survey

The Trade Promotion Dissatisfaction Drivers:

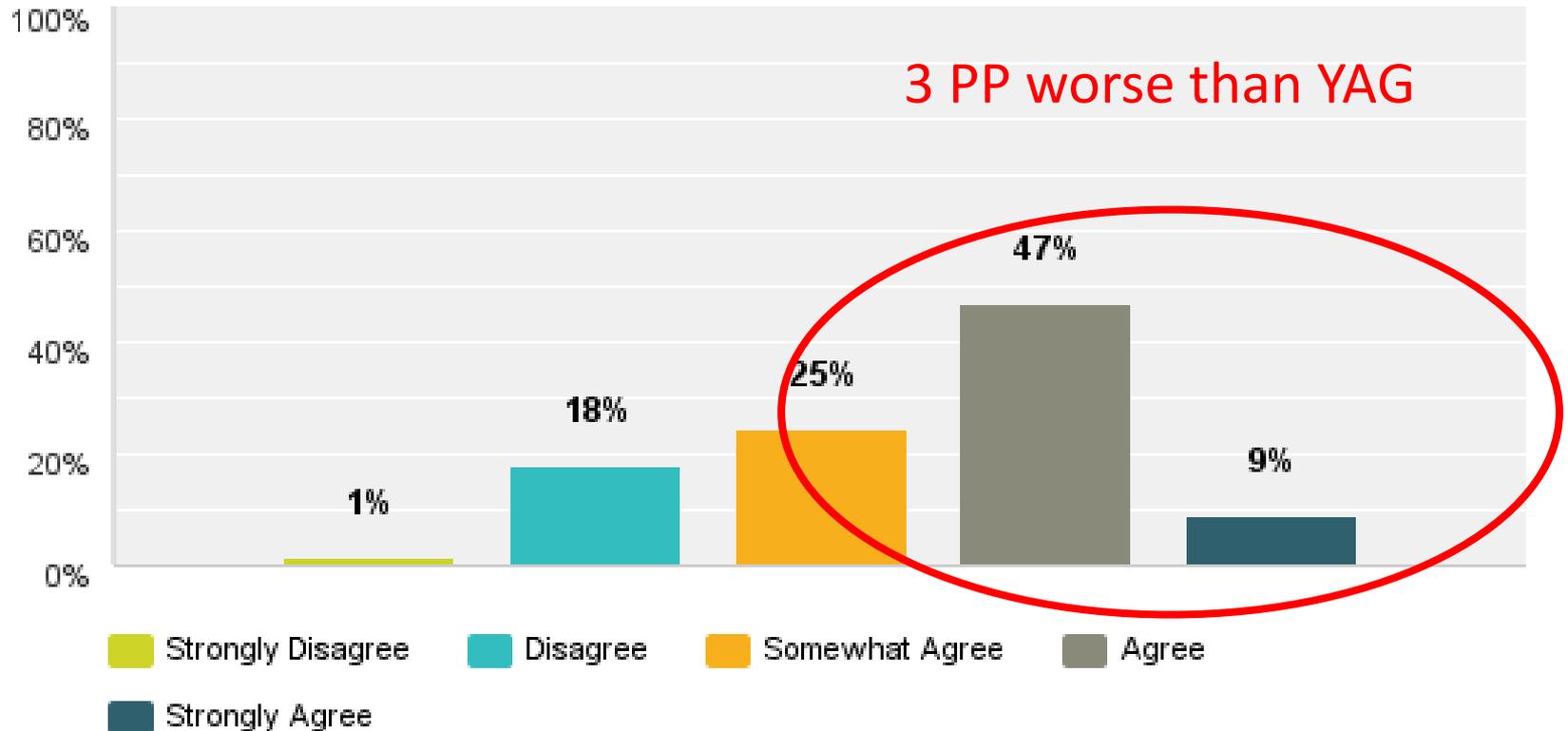
- Inability to find qualified people
- Change management and onboarding issues
- Issues with retailer collaboration
- Burdensome UX
- Analytical challenges/shortfall
- Lack of linkage to retail execution

Q8: You have challenges finding qualified personnel who can use and understand existing solutions.



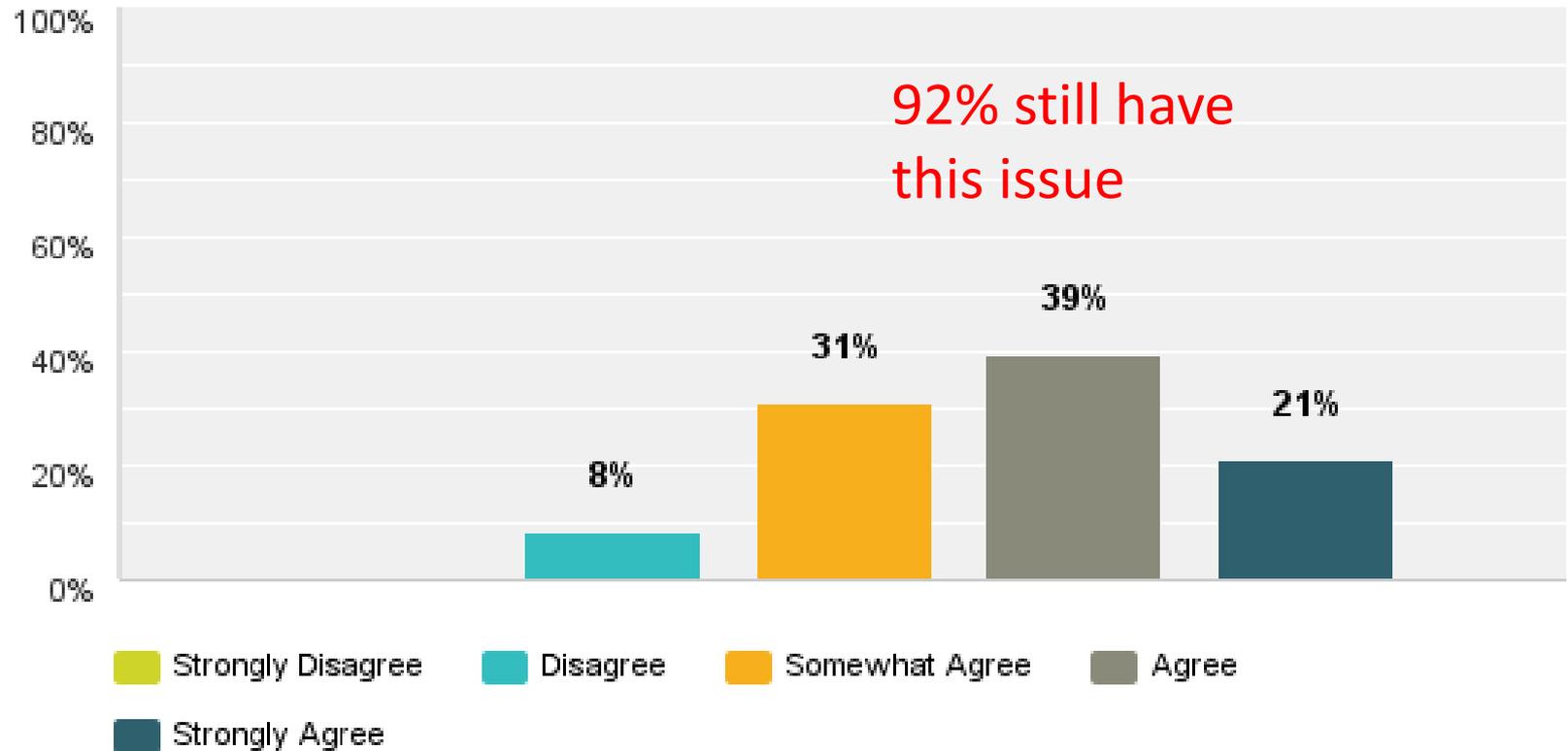
Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Q9: You have challenges training and supporting new users as they come on board.



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Q21: Change management has been an issue among your users.



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

So what:

- Seriously re-think recruiting approach.
- Have a change management plan – before, during and after.
- eLearning is critical, able and useful.
- Some people may not be capable of changing.
- Utilize POI research on change management and deploying sales applications.

<http://poinstitute.com/about/poi-publications/>

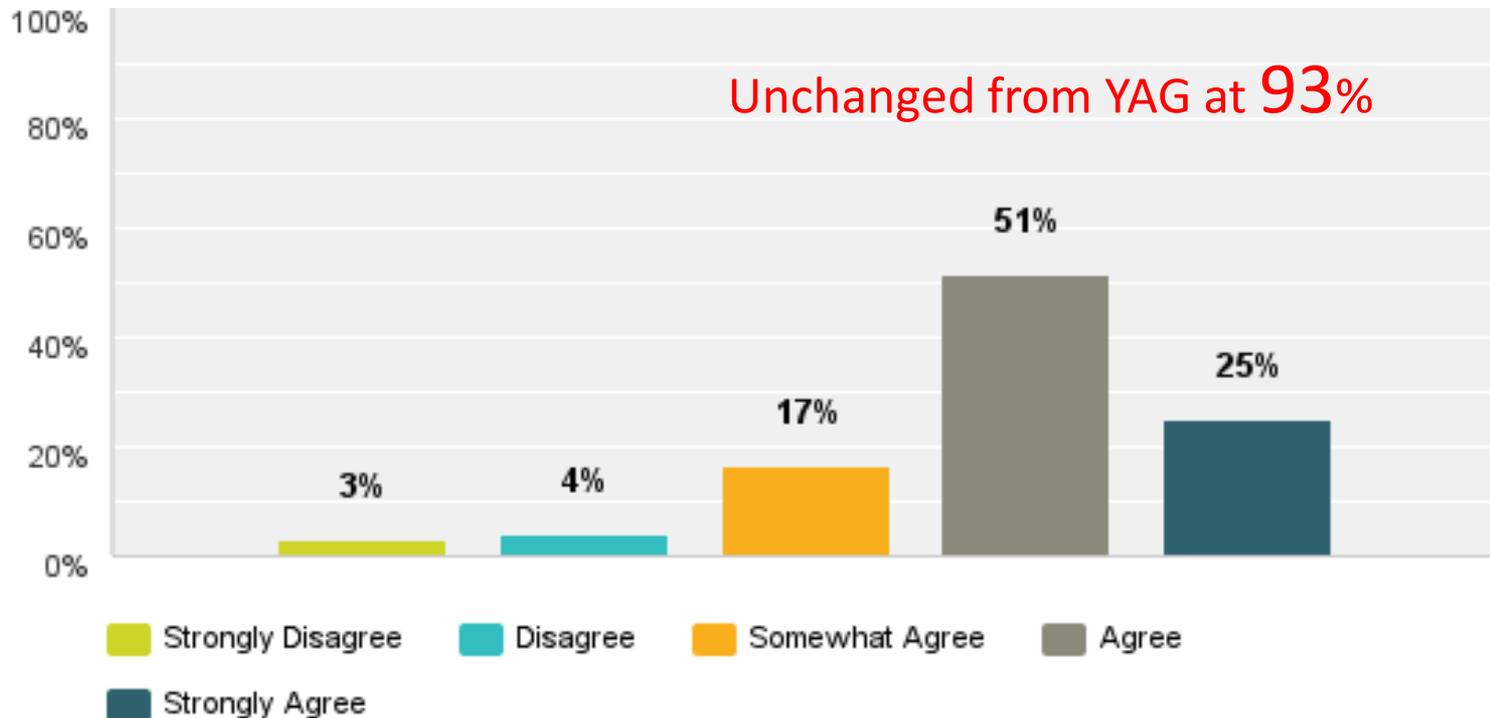


Collaboration Scorecard

Measure	Change from YAG	Upshot
Data quality issues from external sources (POS, syndicated, etc.).	9 PP worse	Only 14% claim they don't have data issues. Clean data is the basis for being able to do the important things like post event analytics, RAO and TPO.
Retailers freely sharing data.	3 PP better	Not a significant change. 81% still have this issue.
Retailers giving sufficient access to their stores.	15 PP worse	Alarming that 73% of respondents now state that this is an issue, but given lack of productivity tools and ability to make decisions at store level it is the natural outcome.
Compliance issues – promotions don't get executed as per plan.	5 PP worse	A key sign of how collaboration is still strained. Also, 90% still report issues here.

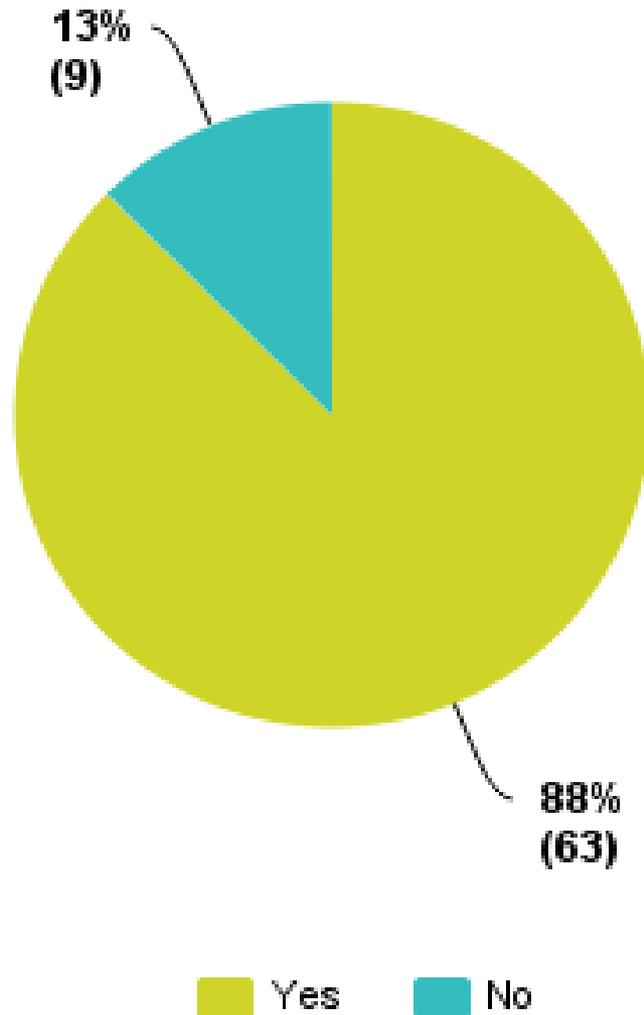
Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Q17: You believe that the entire process of creating a promotional plan from budgeting to planning to execution to settlement to post event analytics takes a burdensome amount of time.



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

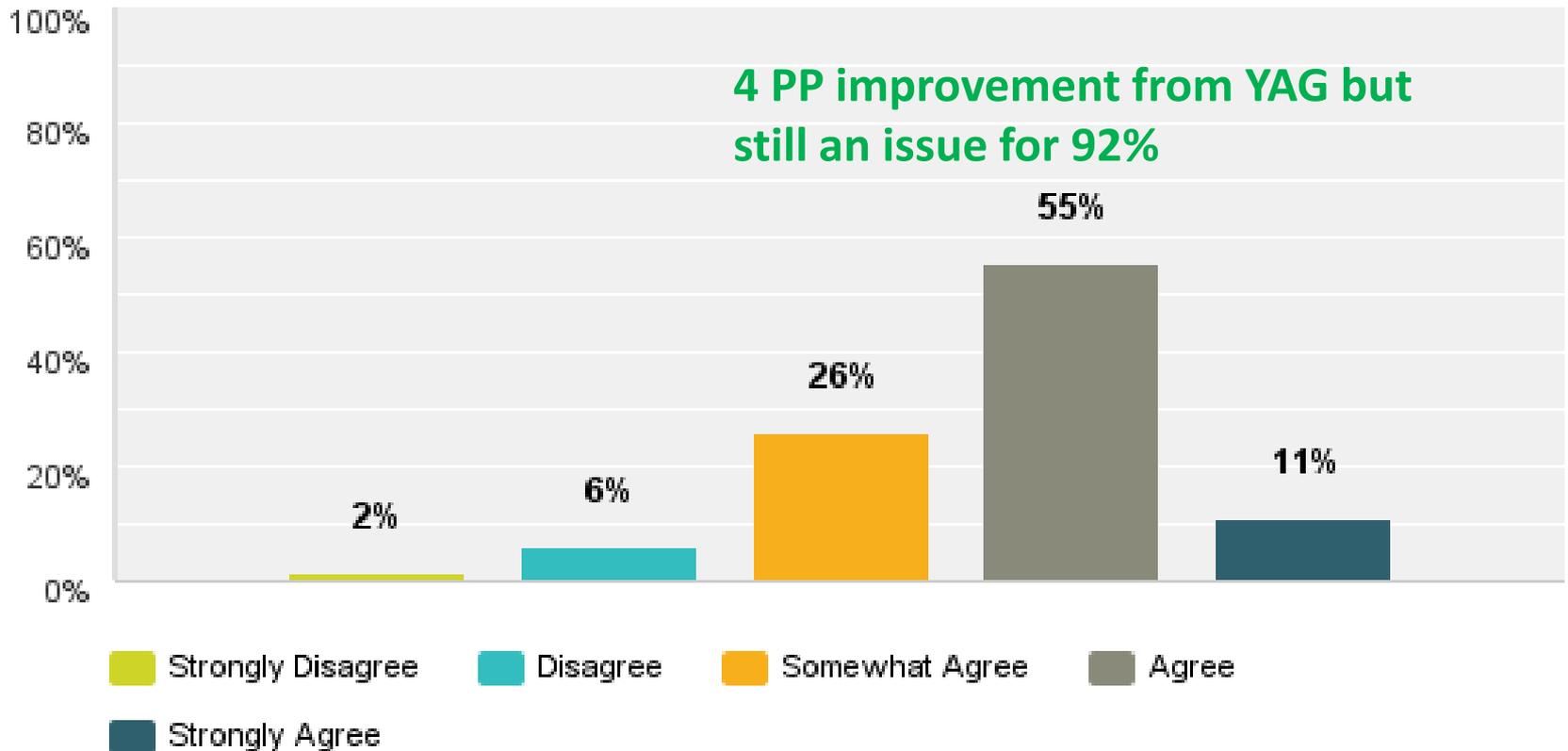
Q25: Do you augment TPx functionality with spreadsheets to meet your needs?



Source: POI Research. 2016-2017 TPx and Retail Execution Survey



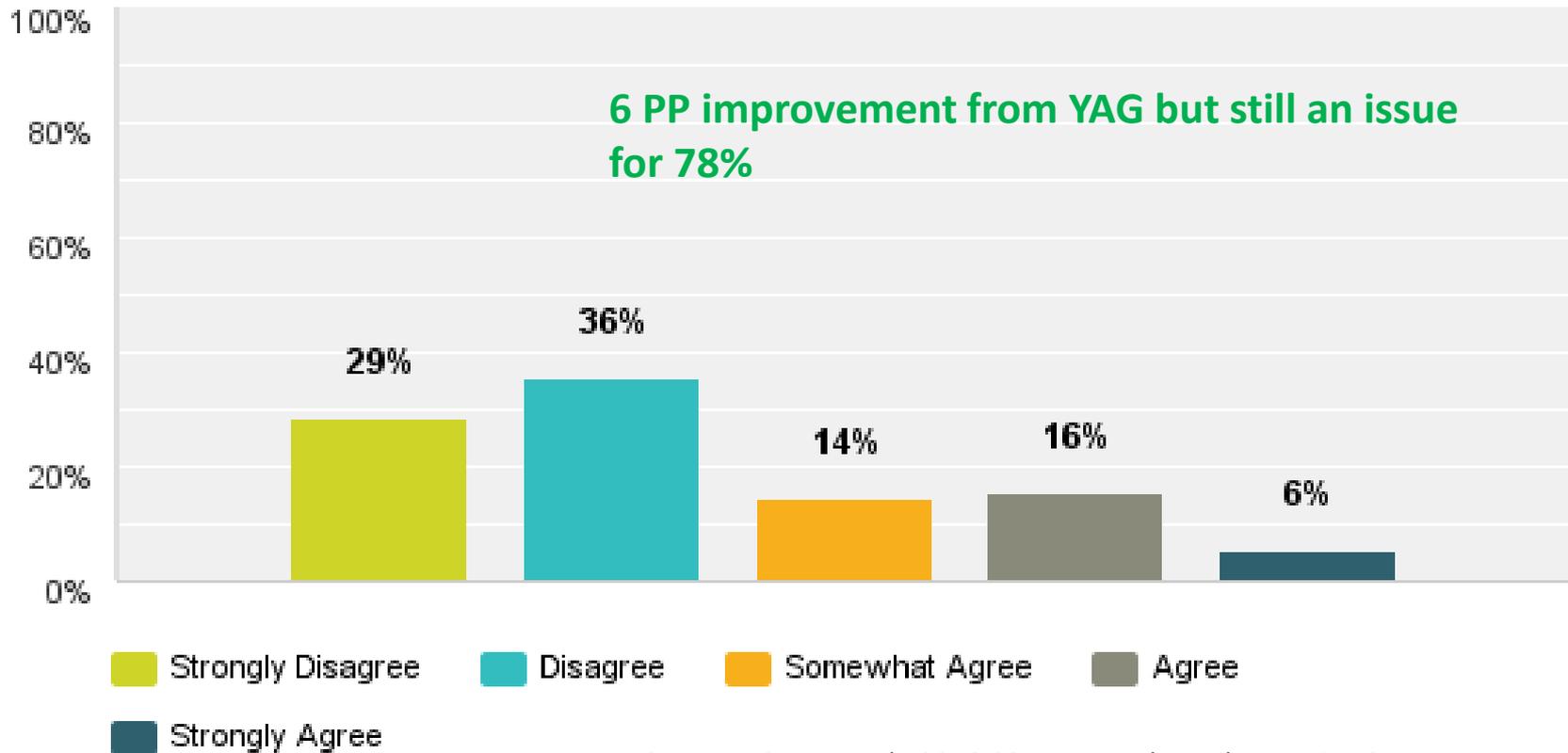
Q32: You have challenges moving user capabilities from being transactional to more analytical.



Source: POI Research. 2016-2017 TPx and Retail Execution Survey



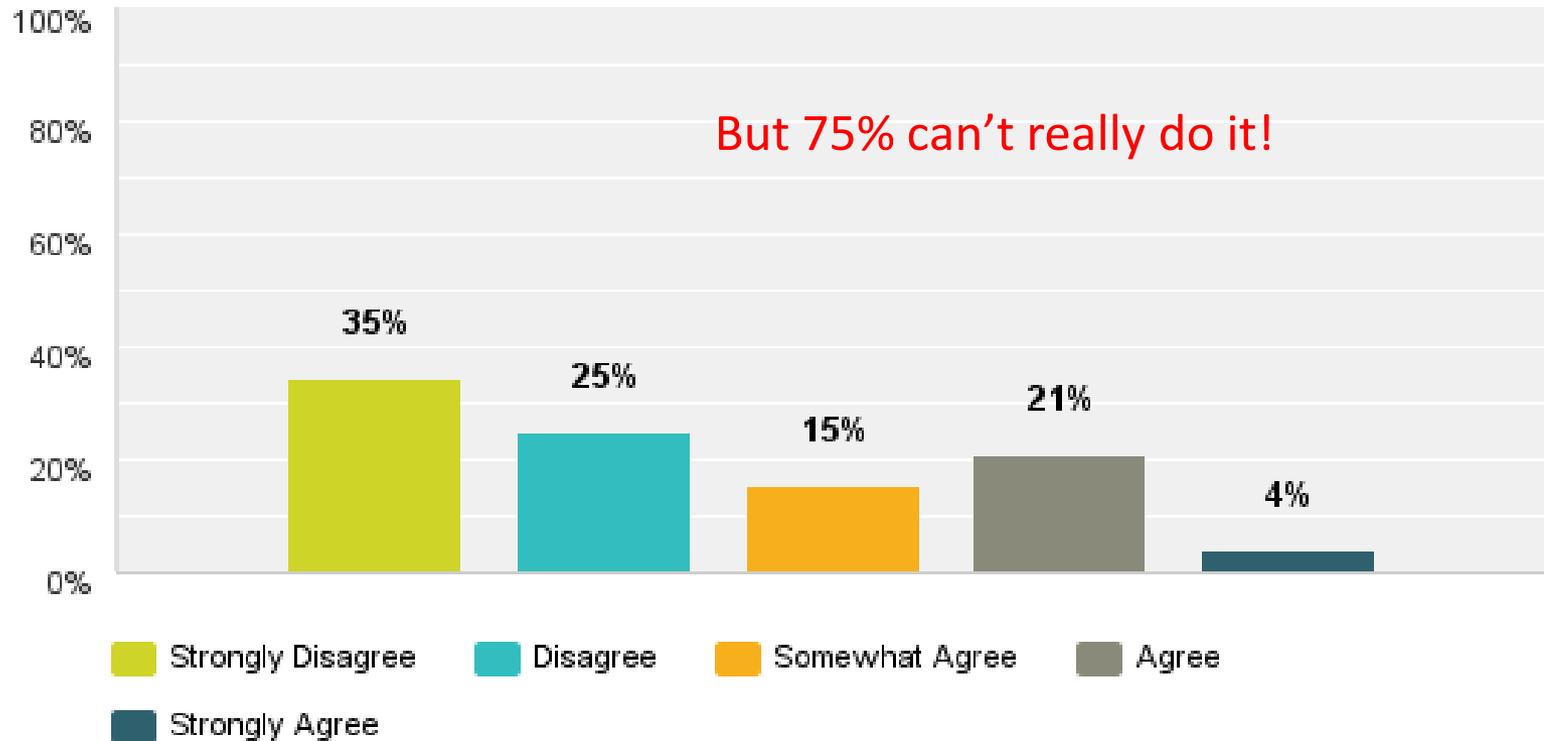
Q22: Your TPx solution is integrated to your retail execution solution. For example, if you change a first ship date or merchandising activity in TPx, it automatically gets pushed to your retail execution solution.



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

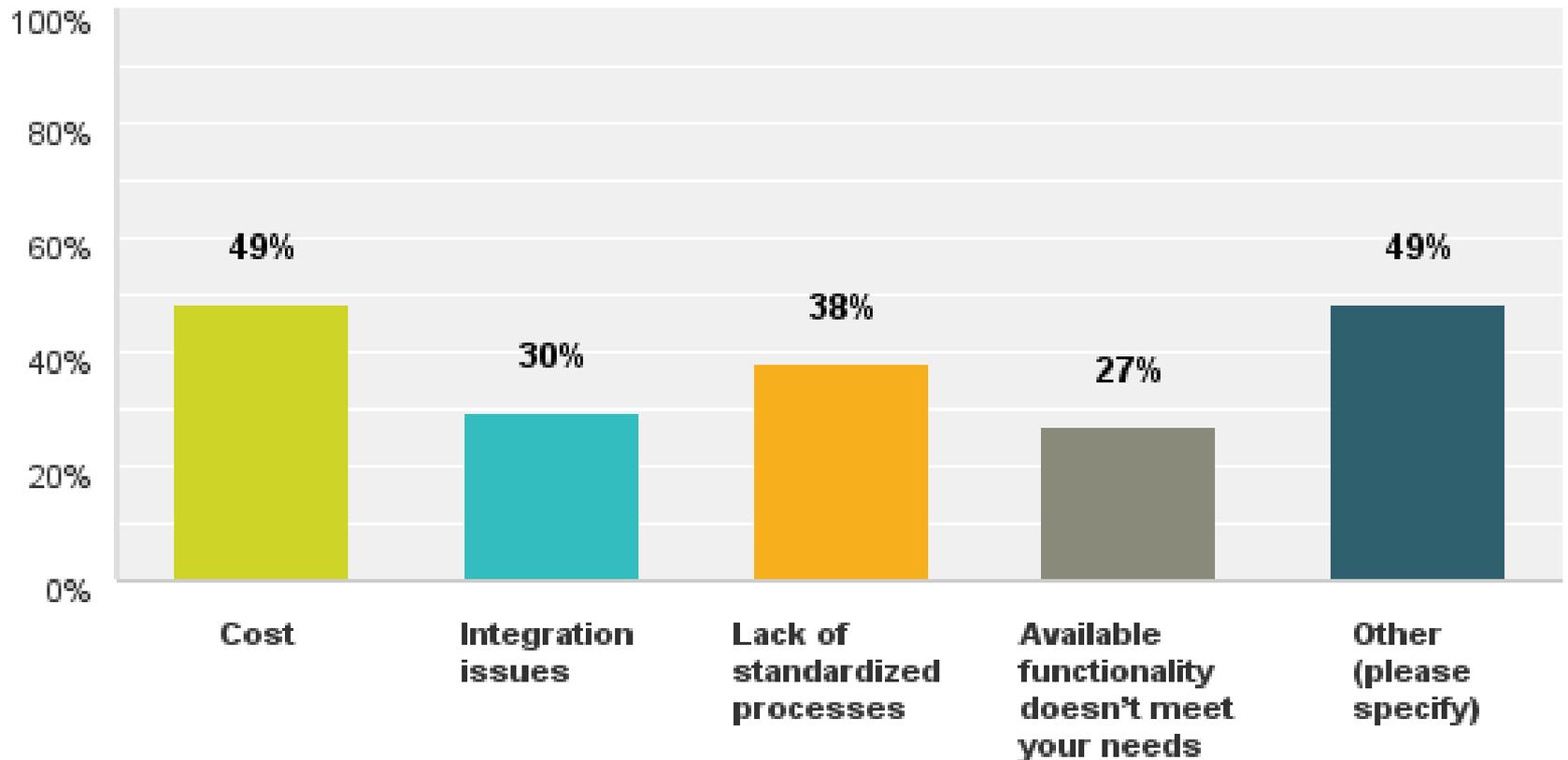


Q16: Your post event analysis process is automated so that reports are automatically populated and you can view as many promotions as you want as often as you want.



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

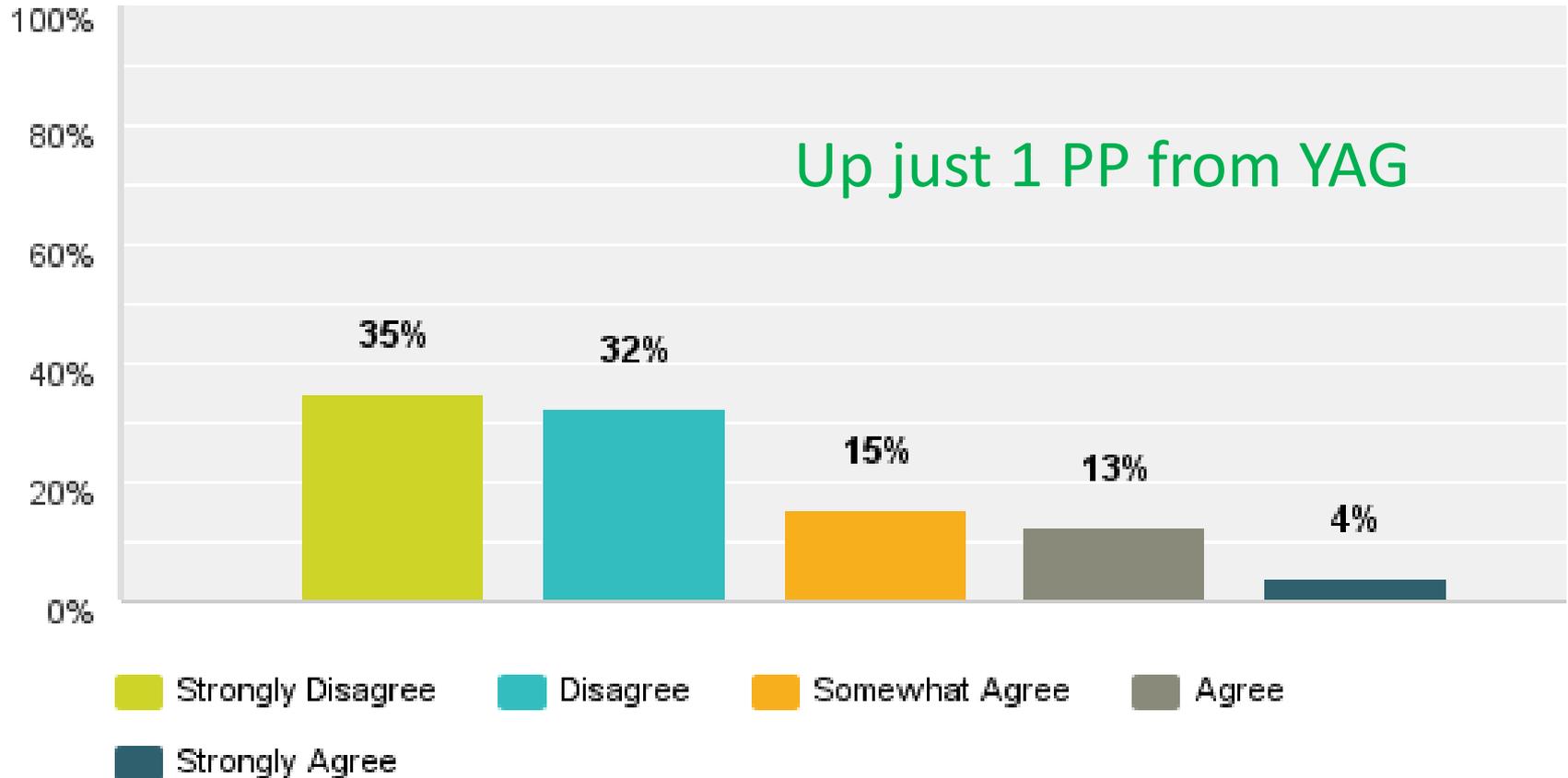
Q27: If you do not have a server-based TPM solution (for example, if you use Excel to manage promotions), what impedes you from investing in one? [choose all that apply]



Source: POI Research. 2016-2017 TPx and Retail Execution Survey



Q18: You have trade promotion optimization (TPO), which is to say, the use of predictive models to determine promotional outcomes, in the hands of your field users today.

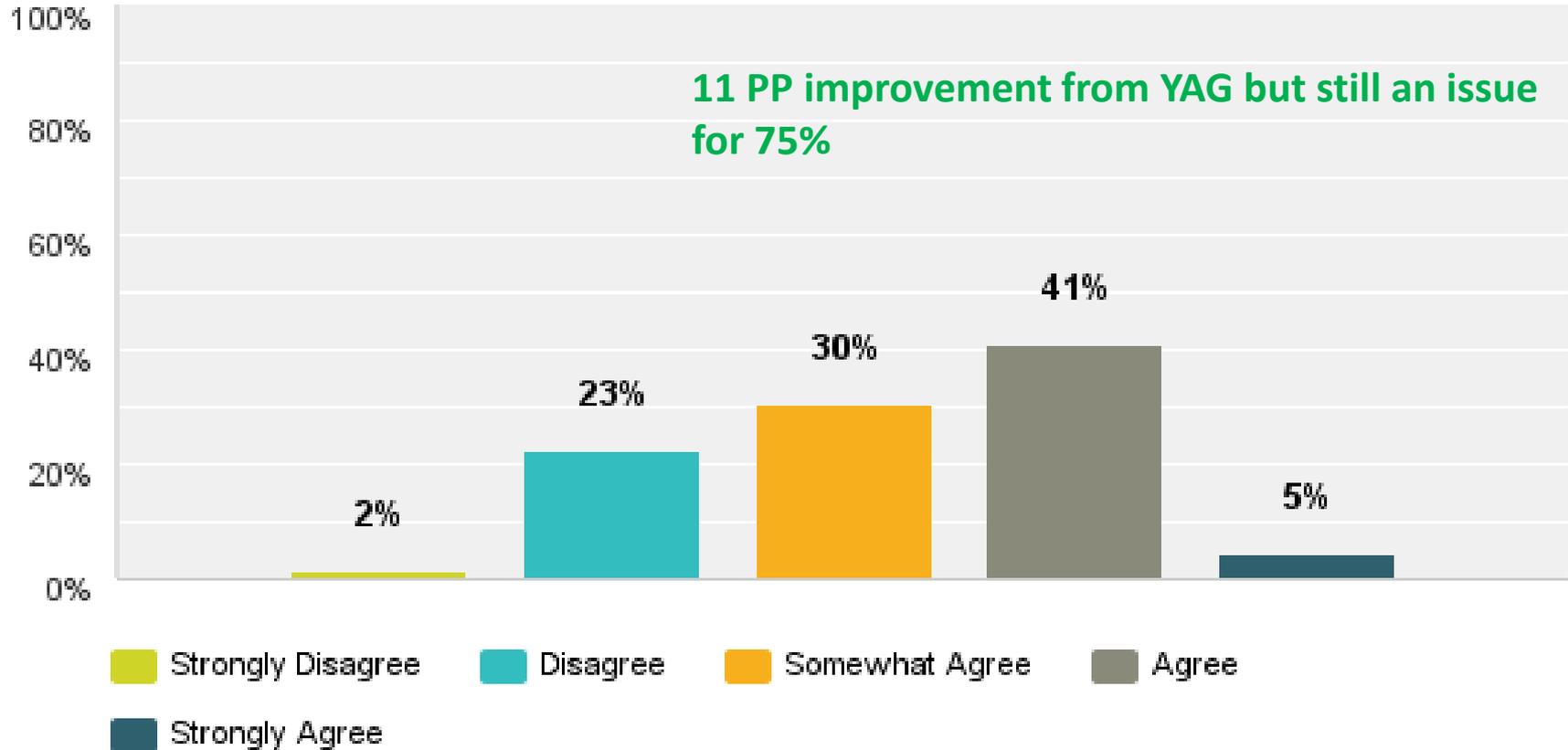


Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Switching over to Retail Execution...

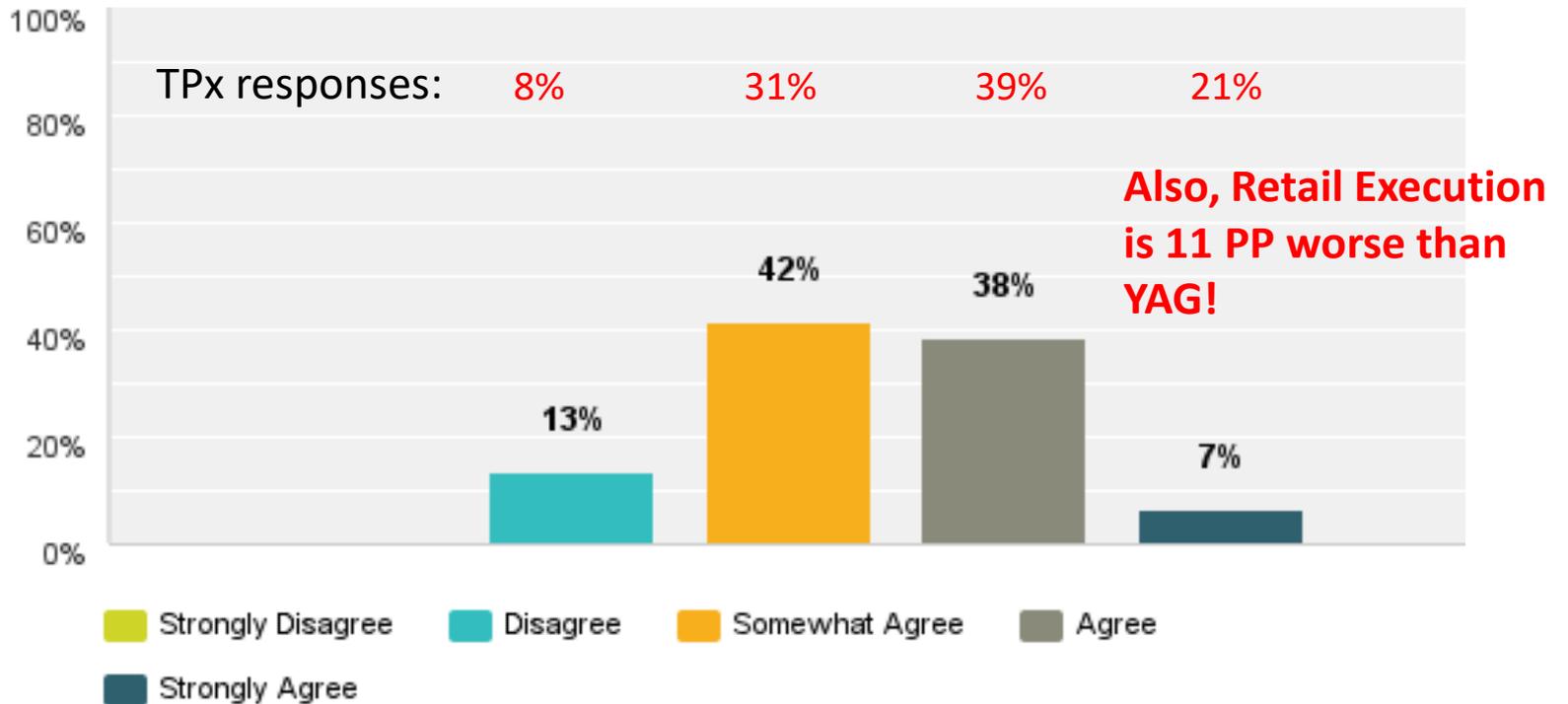


Q38: You have challenges finding tools that enhance worker productivity.



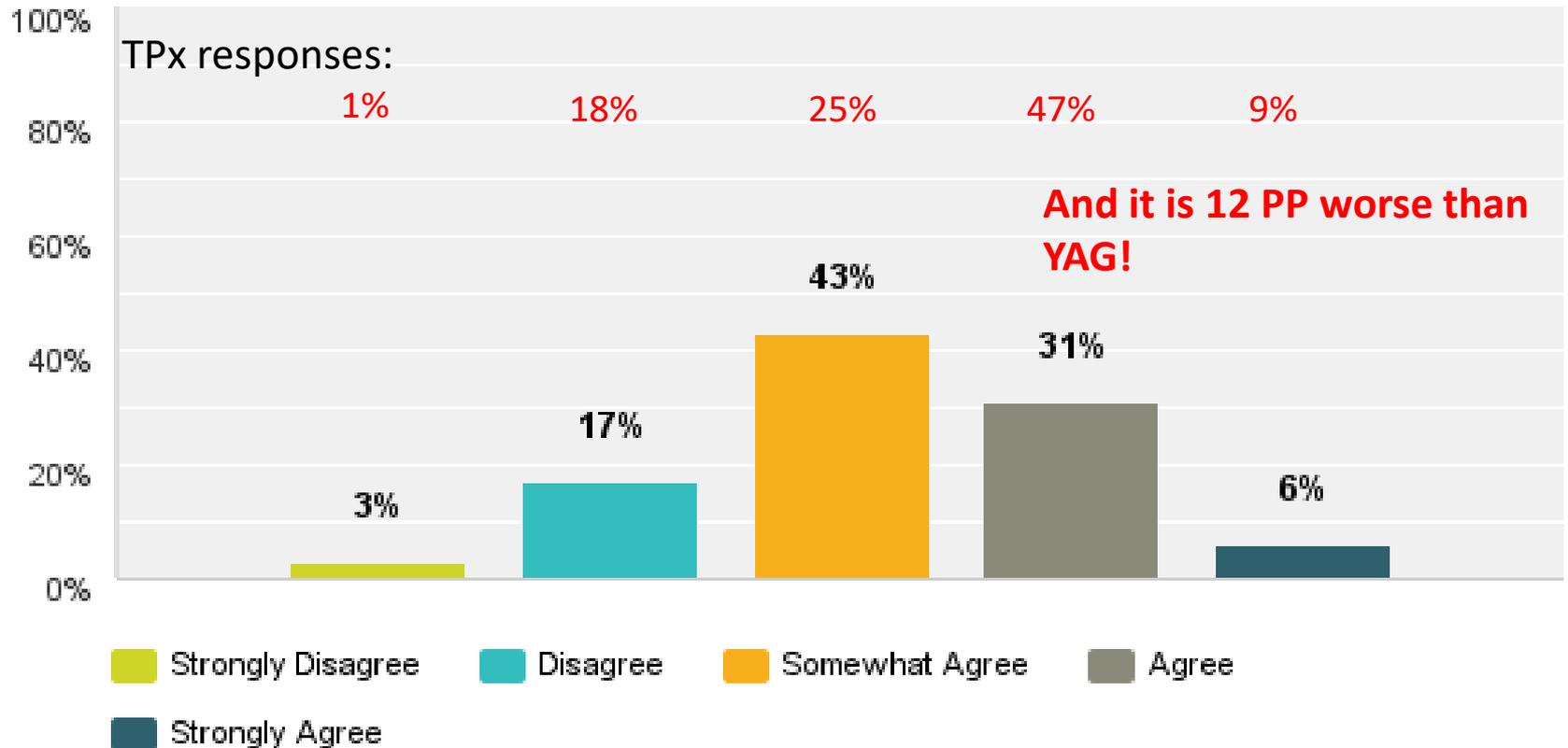
Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Q54: Change management been an issue among your users.



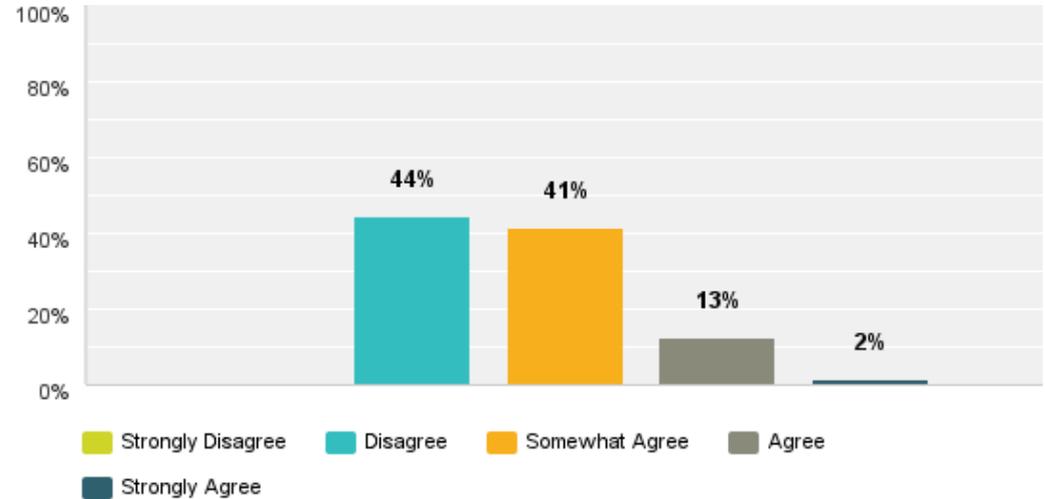
Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Q34: You have challenges training and supporting new users as they come on board.



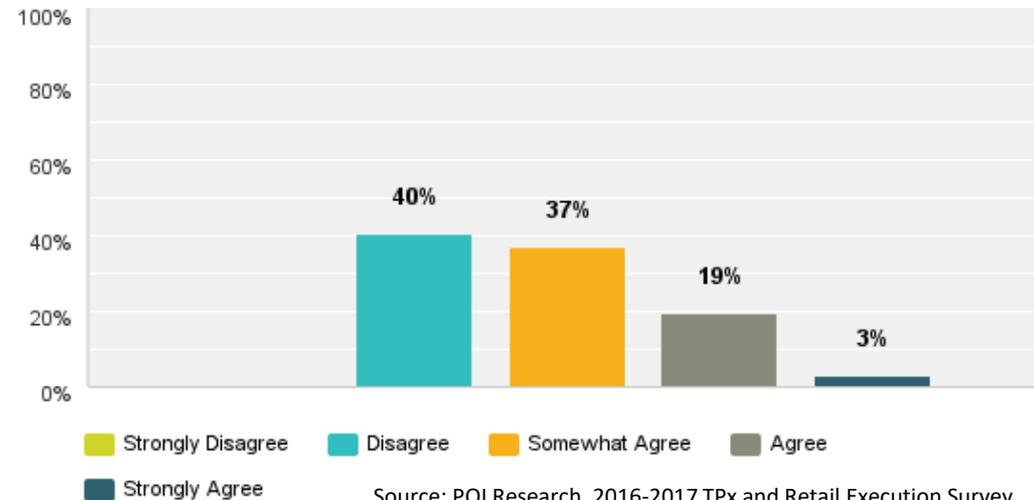
Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Q49: Your retail execution solution provides the analytical capabilities required for field-based users to make appropriate decisions at the store level.



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Q50: Your retail execution solution provides the analytical capabilities required to make appropriate decisions for office-based users.

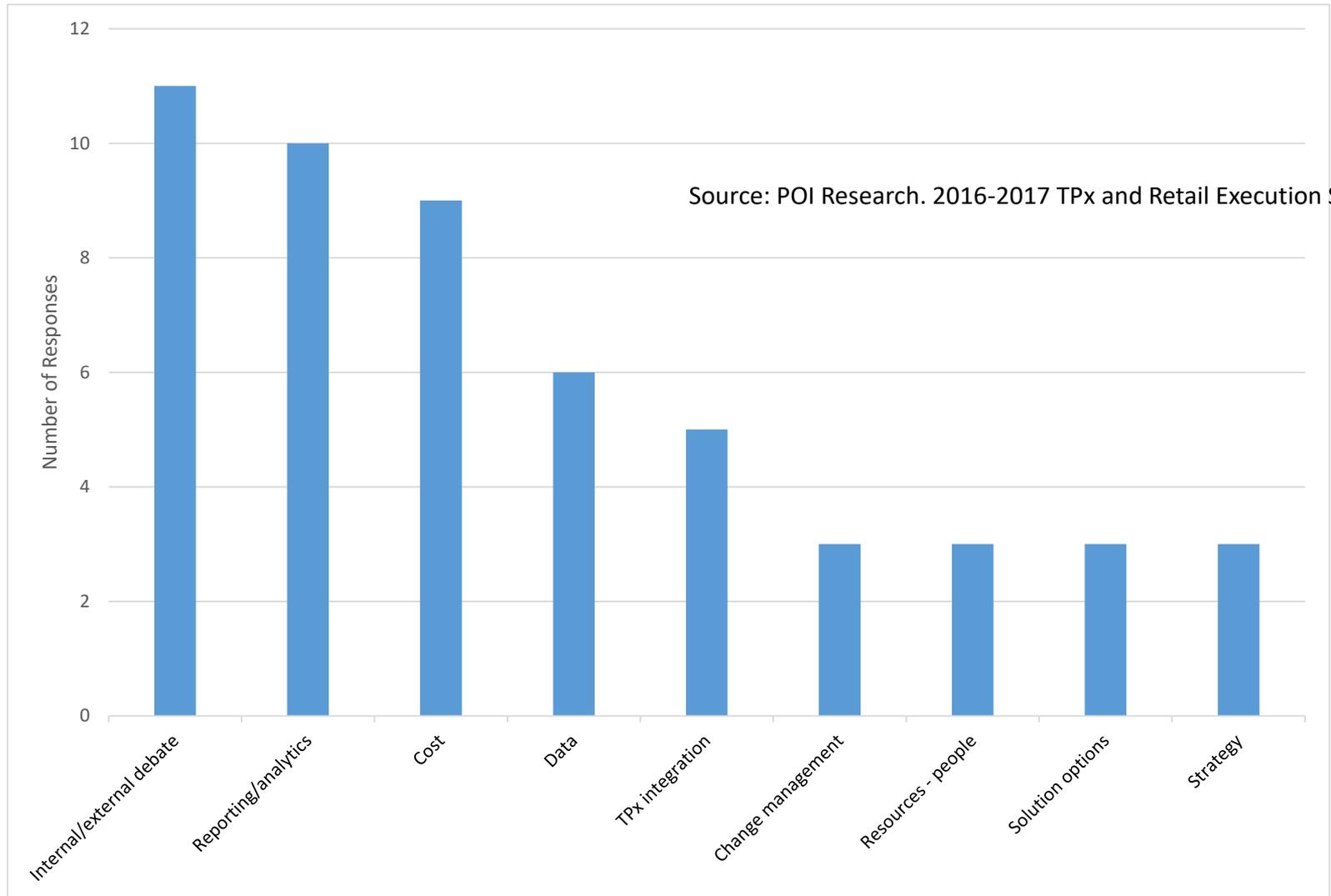


Source: POI Research. 2016-2017 TPx and Retail Execution Survey

So what:

- Functionality is paramount. Way more important than delivery method (like cloud vs on-premise).
- BYOD helps in international settings.
- Time to write off those archaic Windows Mobile devices and move on.
- Focus on analytics and capabilities that help to sell more.

What are the top two things keeping you from having really excellent retail execution capabilities?



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Collaboration Scorecard

Measure	Change from prior year	Upshot
Data quality issues from external sources (POS, syndicated, etc.).	9 PP worse	Only 14% claim they don't have data issues. Clean data is the basis for being able to do the important things like post event analytics, RAO and TPO.
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Additional places to increase focus in retail execution...“Sell-more Capabilities”

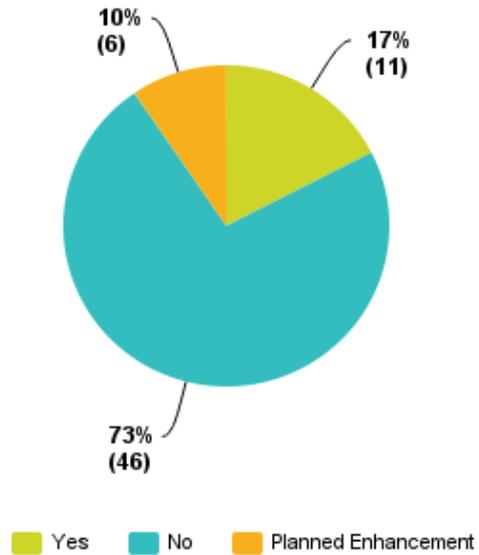


Capability	Change from YAG	Upshot
• Image recognition	No change	Cost and speed said to be key issue.
• Gamification	12 pp better	Consistent with momentum we are seeing
• Retail activity optimization	19 pp better	We’re not seeing actual cases that are true to our definition.
• Social selling capabilities	13 pp better	Relatively easy to add to existing solution.
• Guided selling	12 pp better	Also consistent with responses about ability to make decisions at the store level.

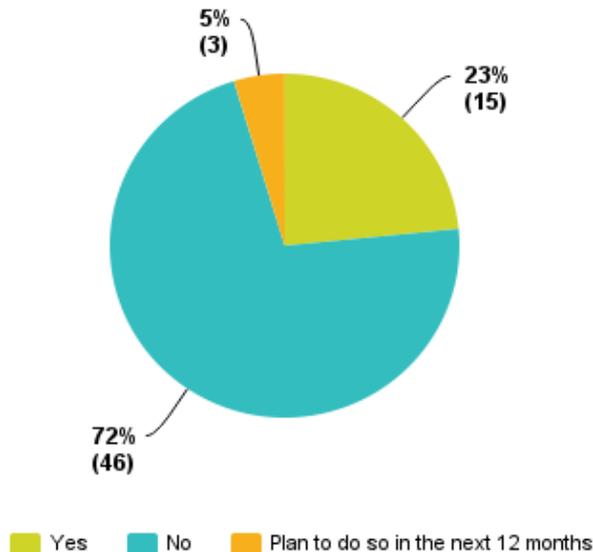
Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Additional places to increase focus in retail execution...

Q45: Do you have augmented reality (the ability to take a photo of the store environment and insert an image of a display module, cooler, or other merchandising item, so the person you are talking to can see what it will look like)?



Q46: You use crowdsourcing for performing store checks or other merchandising activities?

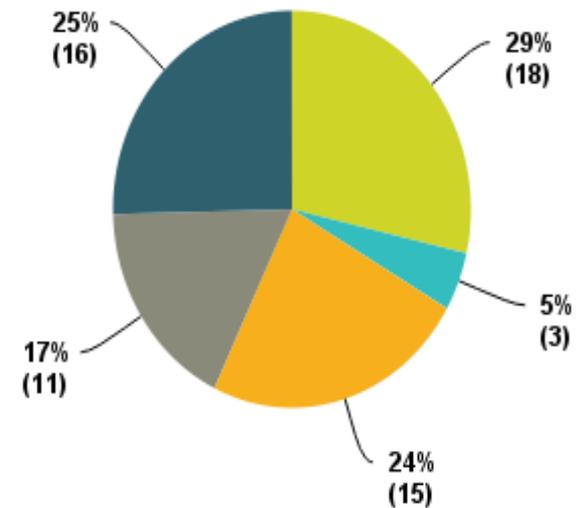
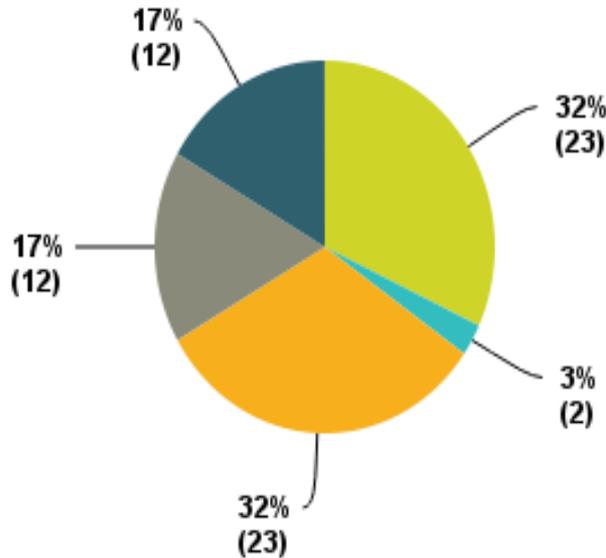


Source: POI Research. 2016-2017 TPx and Retail Execution Survey

And what to de-emphasize.

What is your preferred delivery method for TPx?

And, for retail execution?



■ On Premises (behind your firewall)
 ■ Public Cloud
 ■ Private Cloud
■ Some combination depending on geography
 ■ No Preference

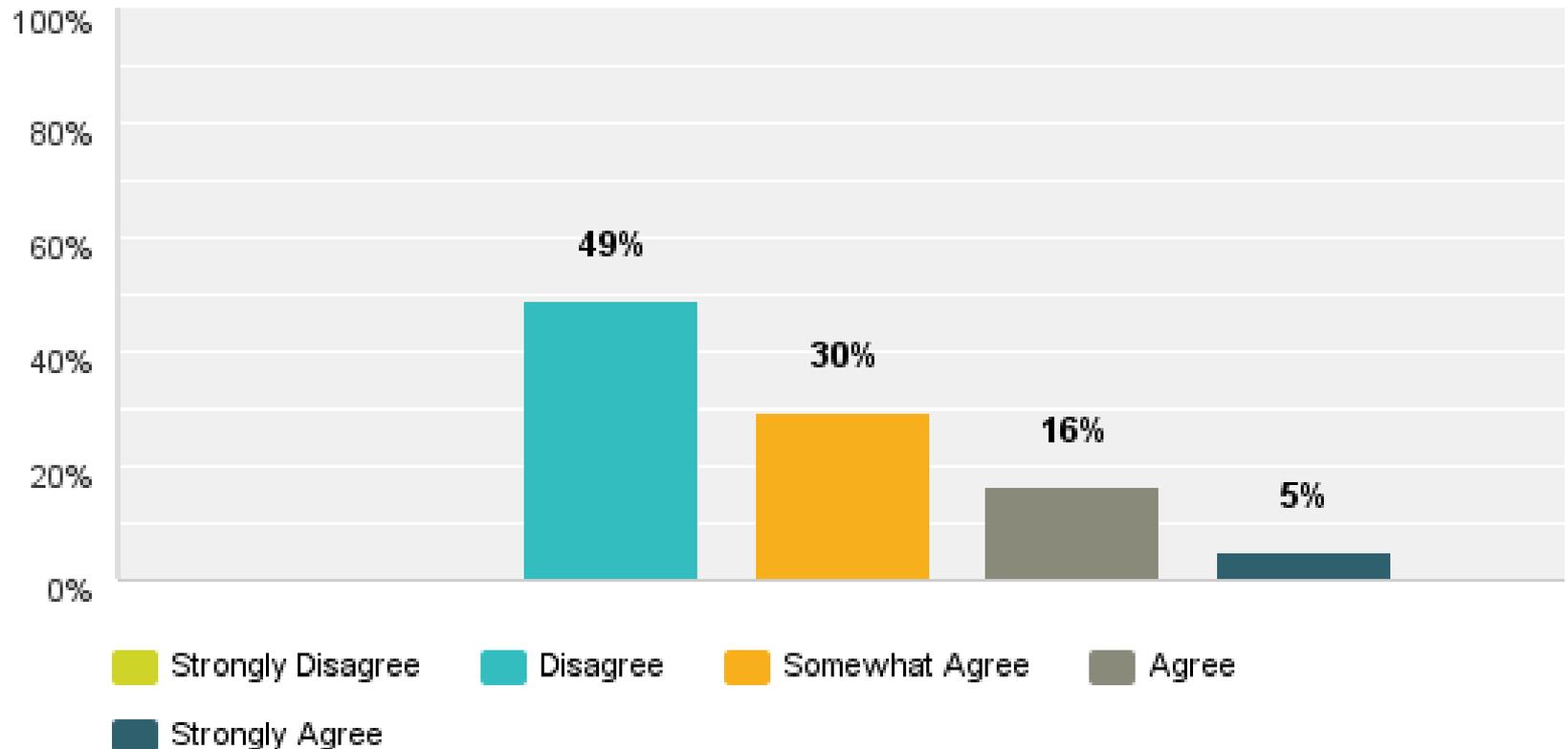
■ On premise (behind your firewall)
 ■ Public cloud
 ■ Private cloud
■ Some combination depending on geography
 ■ No preference

Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Good news...getting serious about off-line capabilities for retail execution...up 22 PP!



Q51: Your retail execution has sufficient off-line capabilities to handle complex pricing requirements on the mobile device or keep mobile users informed of daily progress without connecting to the server.



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

Switching over to digital and other topics...

Great gains in best practices...



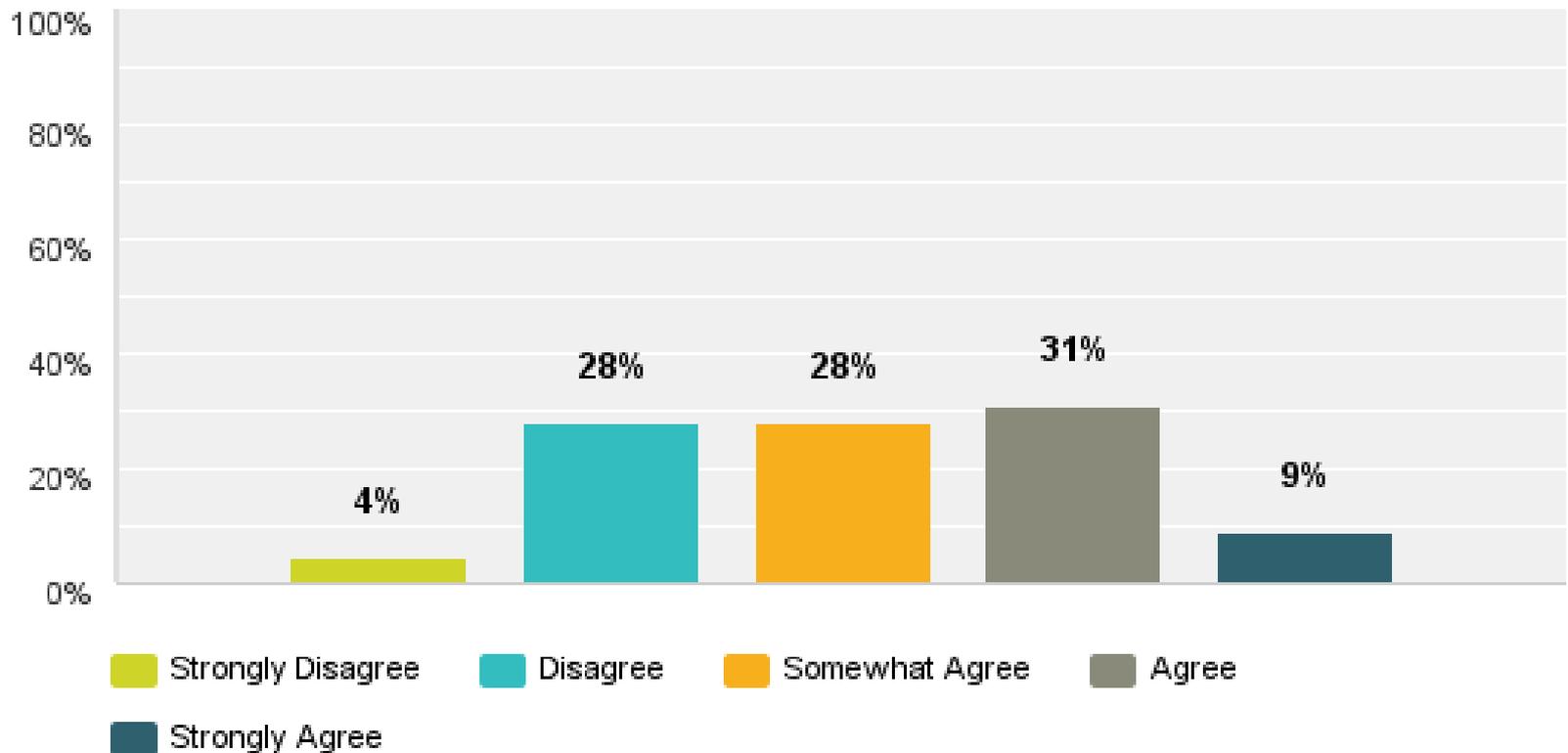
Measures	Change	Upshot
Vendor/service provider provided them during TPx implementation.	16 PP better	Could be very situational but shows that there could be more focus on “doing it better” and less on other factors like how a solution is delivered. Nevertheless, 67% still say they really aren’t getting best practices.
Vendor provided best practices during retail execution deployment.	9 pp better	Still only happening in 62% of cases and 36% only “somewhat”.

Source: POI Research. 2016-2017 TPx and Retail Execution Survey

- Don’t be afraid to ask if there is a better way to do something.
- Budget sufficient time during implementation for a possible discussion about “have you thought about doing it this way?”
- Specifically request examples of some best practices that your shortlist of vendors has been able to provide during other implementations.
- Never assume that software will automatically fix your problems. It takes people to operate software and they have to be engaged and trained over time – as we will see in subsequent sections.

Focus on the disruptive threat....

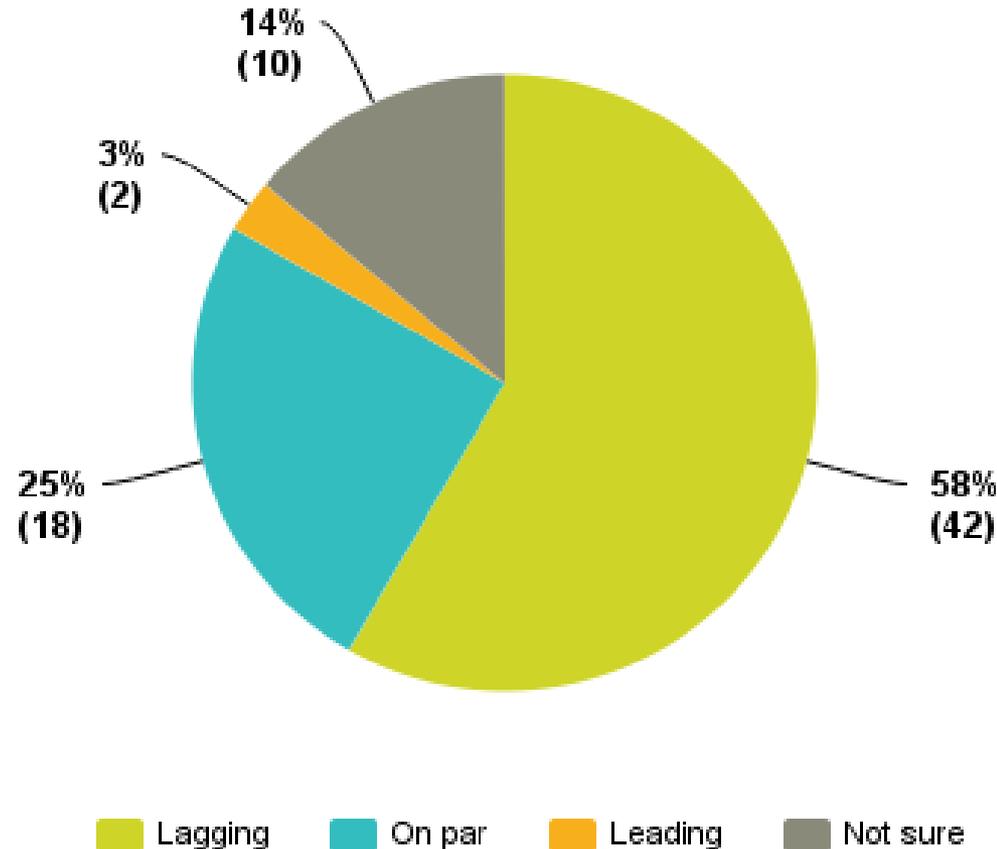
Q14: You have concerns about doing business with Amazon.



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

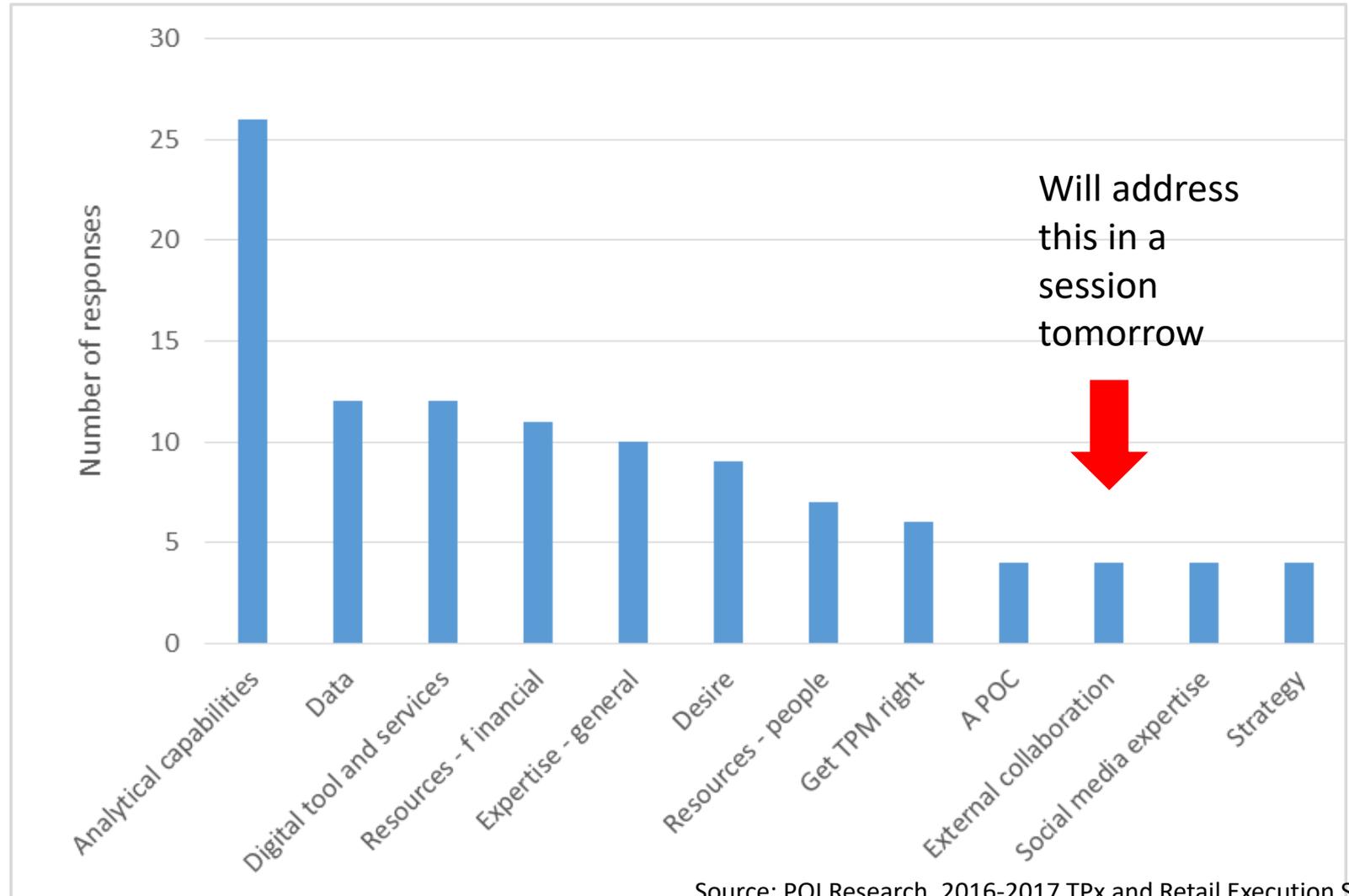


Q30: Based on your definition of digital marketing and how you perceive the market, how would you rate your capabilities at the intersection of digital and trade promotion?



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

What are the top two things necessary to take your organization to the next level with respect to digital promotion capabilities?



Source: POI Research. 2016-2017 TPx and Retail Execution Survey

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Call to action:

- Read the complete paper, which includes detailed recommendations. <http://poinstitute.com/wp-content/uploads/2017/03/POI2016-2017StateofTPxandRetailExecutionReportFinal.pdf>
- Take heart. It is a journey and you are not alone.
- Drop me a line and I'll include you in next year's survey.
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