SPRING SUMMIT 2019

Perfect Promotion
Perfect Store
Perfect CX

POI
PROMOTION OPTIMIZATION INSTITUTE

EVERSIGHT

Promotion performance
matters more than ever

Shopper behavior is **constantly changing.**

Promotions are a key part of your **value proposition** yet shoppers are exposed to small pools of repetitive offers, creating **a "sea of sameness"**.

This "sea of sameness" is further perpetuated by overreliance on **backward looking optimization** tools.

Meanwhile the **pressure to grow the topline** is greater than ever.

How do you apply agile approaches to breaking this cycle while uncovering the highest performing promotions, continuously?

We know there's a better way, thanks to digitally connected commerce.

Eversight leverages **automation and artificial intelligence** to systematically uncover better performing promotions via **real-world experimentation**.

Eversight's AI-powered experimentation approach is leading edge, with 28 patents filed (and counting!)

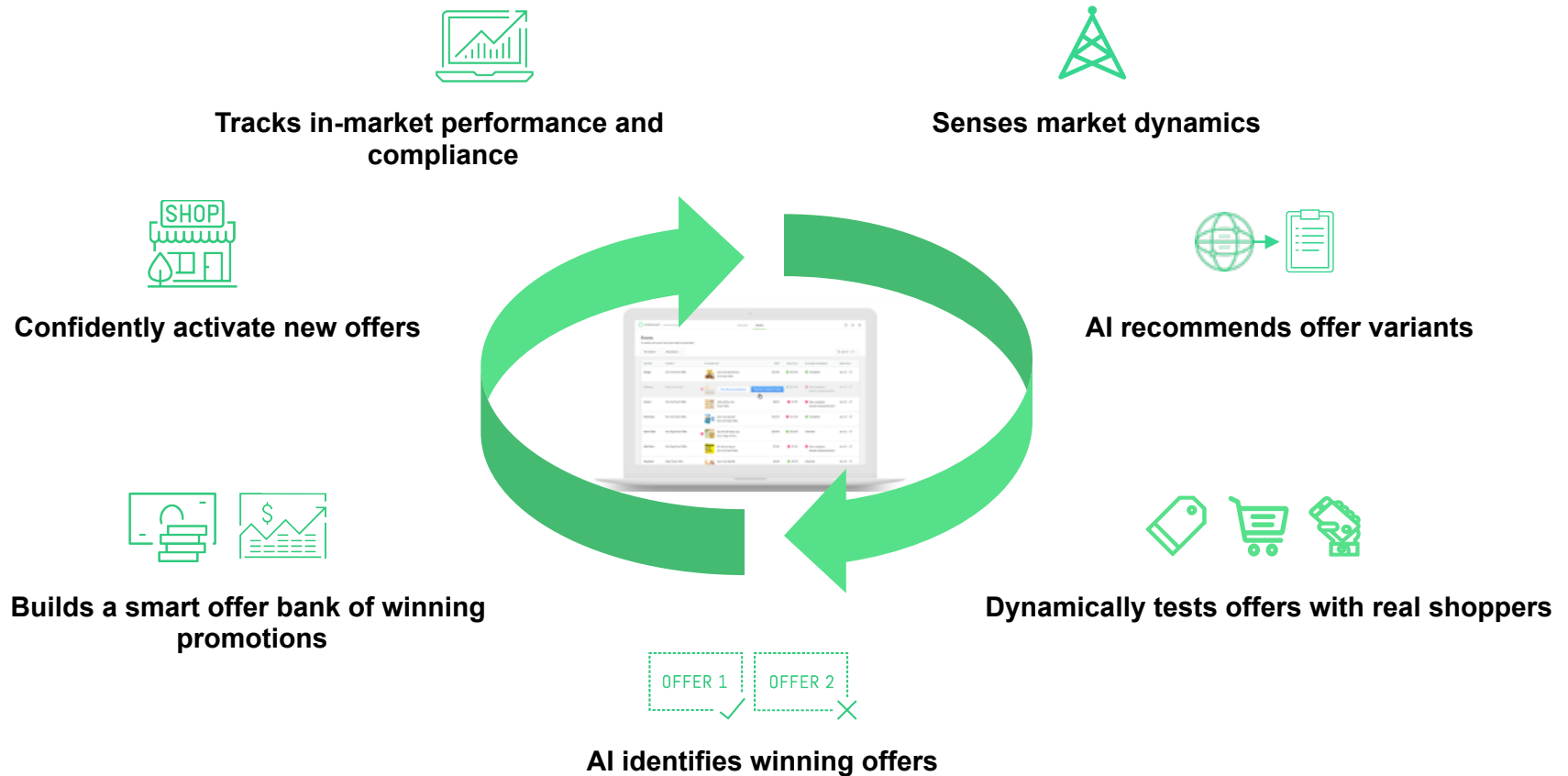| **200+**	**$59**	**39%+**	**28**
MILLION SHOPPERS REACHED	BILLION IN REVENUE INFLUENCED	INCREMENTAL SALES FOR PROMOTED EVENTS	PATENTS FILED

SNAPSHOT OF PATENTS FILED

- Architecture and Methods for Promotion Optimization
- Adaptive Experimentation and Optimization in Automated Promotional Testing
- Offer Generation using Concept Generator
- Event Correlation to Improve Promotional Testing
- Promotion Forecasting
- Behavioral Economic Patterns In Promotion Testing
- Online Promotion Testing Utilizing Social Media
- Mass Scale Online Promotion Testing
- Promotion Offer Language
- Linkage to Reduce Errors in Online Promotion Testing
- Parallel Scalable Experimental Methods for Obtaining Insights from Test Promotion Results

- Randomized Internet-Based Experiments to Obtain Insights from Test Promotion Results
- Using Controlled Experimental Test Promotion Results to Obtain Insights
- Generating and Recommending Promotions in a Design Matrix
- Efficient Promotion Experimentation for Load to Card
- Intelligent Offers with Dynamic Base Pricing
- Promotion Optimization with Offer Sets Applied Across Multiple Retailer or Shopper Networks
- Automated Promotion to Match Consumer Profiles
- Promotion Optimization with Pre-approved Personalized Offer Bank
- Intelligent Promotion Design with Promotion Scoring
- Intelligent Promotion Design with Promotion Selection
- Promotion Optimization with Objective-Driven Personalization
- …

Top Brands Rely on Eversight

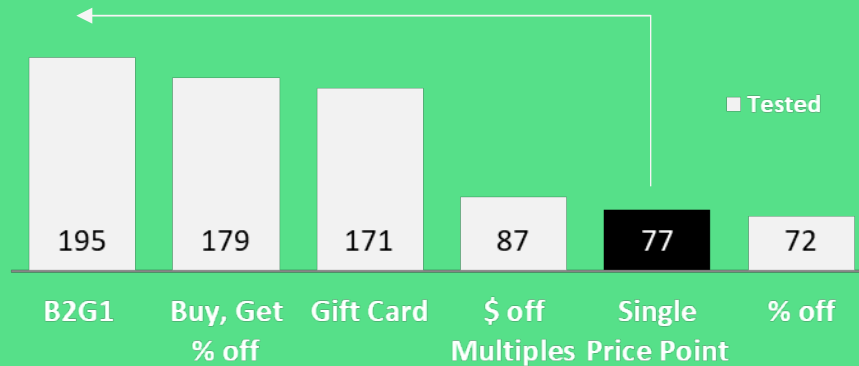# Eversight's Offer Innovation Suite is **end-to-end, automated**, and **scalable**

Tracks in-market performance and compliance

Senses market dynamics

Confidently activate new offers

AI recommends offer variants

Builds a smart offer bank of winning promotions

Dynamically tests offers with real shoppers

AI identifies winning offers

OFFER 1   OFFER 2

Leading National Retailer Drove **+1.2M Units** on Key Coffee Subsegment

> **Results**

Challenges

- Retailer **struggled to maintain share** on a high-margin, growing subsegment of the coffee category
- Traditional **offers had become much less effective** vs. aggressive competitive promotional strategy

- **Sales of 1.2 million incremental units (~ $7 million) in following 12 months**

Experimentation and AI Revealed that Consumers Preferred Buy/Get Offers

	■ Tested

B2G1	Buy, Get % off	Gift Card	$ off Multiples	Single Price Point	% off
195	179	171	87	77	72

Activation Results (example)

Avg. Promo Lift vs Traditional Events

+73%

B2G1	Single Price Point
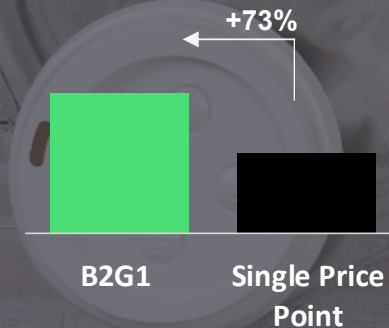
Revitalized Promotions in Beverages Drove a **17% - 34% Increase in Sales**

Results

Challenges

- A popular regional Convenience chain (2,000+ stores) needed to **revamp promotional strategy** on key beverage items
- Replaced four key traditional promotions chainwide with new Eversight-tested winning offers (across 26 promo weeks in 2017)

- By shifting offer language (same discount % per unit) the **retailer has increased sales by 17% and 34%** on each SKU respectively (average across all 26 weeks)

Experimentation and AI Revealed "Savings" Messaging Offers Drove Stronger Business Performance

+$4.9M

+$1.7M

Incremental Sales   Incremental Margin

Example Offers

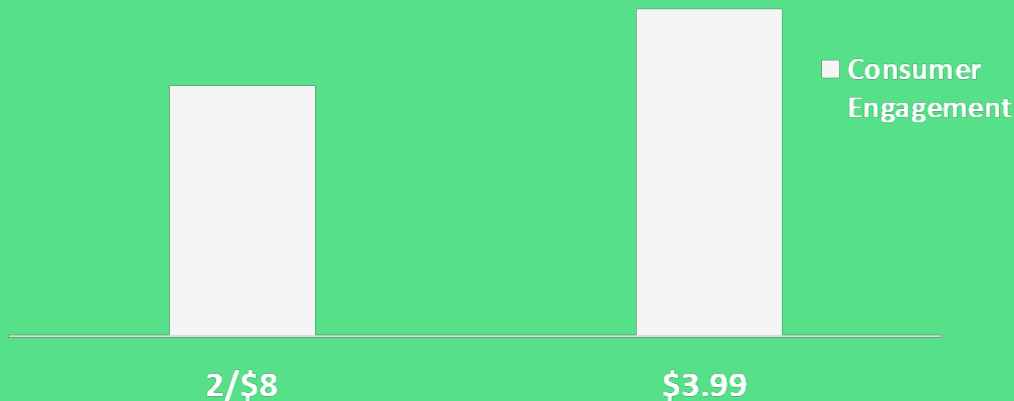SKU 1: **Save $1 when you buy 2** replaced **BOGO $1**

SKU 2: **Save 75 cents when you buy 2** replaced **2/$4**

Retailer Drove a **13% Increase** in Topline Sales & **25% Lift** in Household Penetration

Results

Challenges

- Retailer focused on **exploring promotional options** on core products beyond their traditional 2/$8 offer
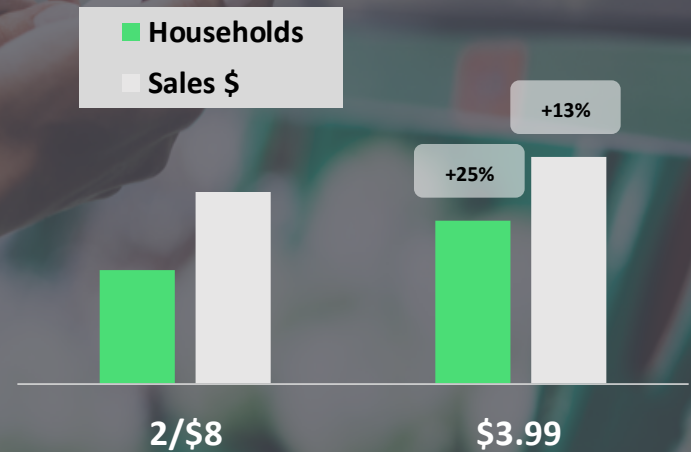- Needed to **increase household penetration and topline sales** without sacrificing margin

- New single price point offer improved sales and engagement at the same economics
  - **25% increase in household penetration**
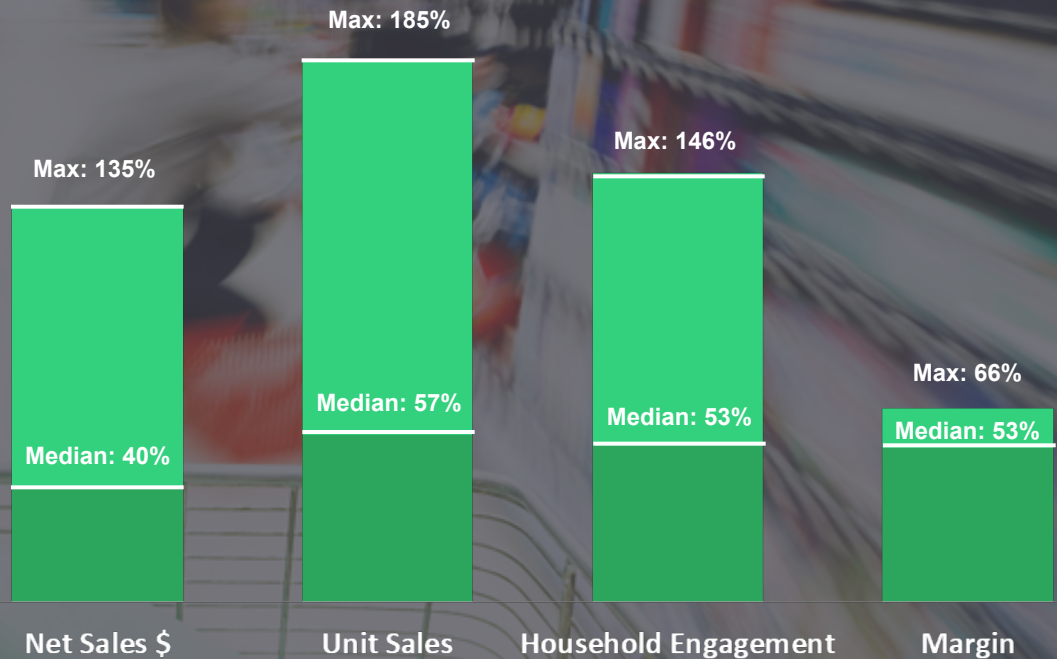 - **13% increase in sales dollars**

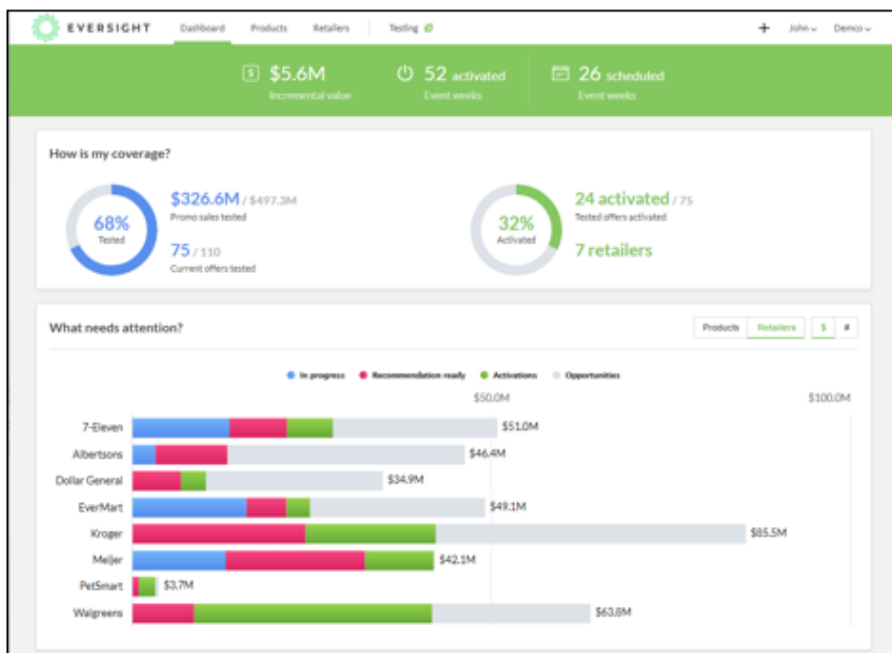### Experimentation and AI Revealed New Single Price Point Offer Improved Consumer Engagement

■ Consumer Engagement

2/$8 $3.99

In-Store Results

■ Households
□ Sales $

+13%
+25%

2/$8 $3.99

AI is Here – Role of Promotional Testing and Guidelines is Changing with "Software as a Coach"

- From HQ push to account level pull, guideline process becomes more specific to each customer/region, driven by an empowered field capability to test to find more precise winning offers

- Automation and AI-powered experimentation allow teams to:
  - Sense the promotions in market
  - Trigger new tests with AI-powered recommended offers to try
  - Identify winners automatically
  - Act as a coach to say "replace this with that"
  - Track compliance with new winning offers