

POI European Summit

Successfully Navigation Growth in the New CPG and Retail World

How Processing Data from Both Traditional and Modern Sales Channels Daily Improves TPx?



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TRADE PROMOTION SATISFACTION

- **>40% of responders** are dissatisfied or extremely dissatisfied with ability to manage trade promotions
- **Top improvements categories:**
 - Promotion planning effectiveness (What-if & ROI)
 - Volume planning accuracy
 - Post event analytics
- **Priority Optimization Capabilities:**
 - Use what-if scenarios
 - Visualization of promo activity through calendar
 - Creating a library/list of effective promo activities



* Source: POI TPx research 2019 (State of Industry Report)

CHALLENGES

CHALLENGES IN COMPETITIVE MARKET

- Acquiring and analysis of market data from different channels
- Long process of promo planning and settlement
- Communication with business partners
- Control over price and quota
- Pre and post evaluation of promo activities
- Promo automation and optimization



LESSONS LEARNT

Strict price monitoring / control (max TPR, max retail price)

Detailed weekly promo plan – impact on demand planning

Change management (processing of changes in promo activities)

Including customer segmentation and categorization in the promo planning process

Complex integration with ERP, Retail Execution, other external data providers (Focus, ACNielsen) and mass file uploads

Promo packs management (e.g. 5+1, 11+1)

Including seasonality and weather forecasts into promo activity planning

ACQUIRING AND ANALYSIS OF MARKET DATA FROM DIFFERENT CHANNELS

- Ability to collect sell-out data from distributors and wholesalers
- Ability to collect sell-in data from retailers
- Calculation of baseline volumes
- Processing of actuals for post-promo evaluation



PROMO SETTLEMENT AND CONTROL OVER PRICE AND QUOTA

Integration with retailers data (EDI)

- Processing of electronic orders for quota management
- Processing of electronic invoices for price control and promo settlement
- Processing of marketing invoices for promo settlement



PRE-ANALYSIS OF PROMO ACTIVITIES

- KPI calculation
- P&L per brand / customer
- Budgets



FUTURE OF PROMO MANAGEMENT BASED ON MARKET REQUIREMENTS

FUTURE OF PROMO MANAGEMENT

- Machine Learning
 - Supply chain (inventory, demand planning)
 - Marketing (NPD)
 - Finance (budgeting)
 - HR (workforce planning)
 - Transportation (logistics)
 - **Promo Automation and Optimization**
- New technologies – beacons, intelligent shelf



TRADE PROMOTION AUTOMATION AND OPTIMIZATION

Steps to achieving Trade Promotion Optimization:

- Market segmentation
- Baseline calculation
- Sales prediction
- Market strategy



TRADE PROMOTION AUTOMATION AND OPTIMIZATION

Market segmentation

- Determine unique segments
- Prepare tailored analysis
- Validate results
- Parallelization
- Multi-criteria segmentation factors
(ex. product type, price category,
packaging, market, outlet attributes,
consumers)



TRADE PROMOTION AUTOMATION AND OPTIMIZATION

Baseline calculation

- Discovering elements that affect the most price, promo uplift and sale
- Products elasticity
- Promo effectiveness
- Seasonal and non-seasonal factors affecting sale



%



TRADE PROMOTION AUTOMATION AND OPTIMIZATION

Sales prediction

- Combination of statistical methods and advances analysis
- Choosing the best model
- Enable expert corrections
- Factors to be included in forecasts:
 - Analysis of trend
 - Analysis of seasonality
 - Influence of correlated factors (e.g. price, competition, weather)

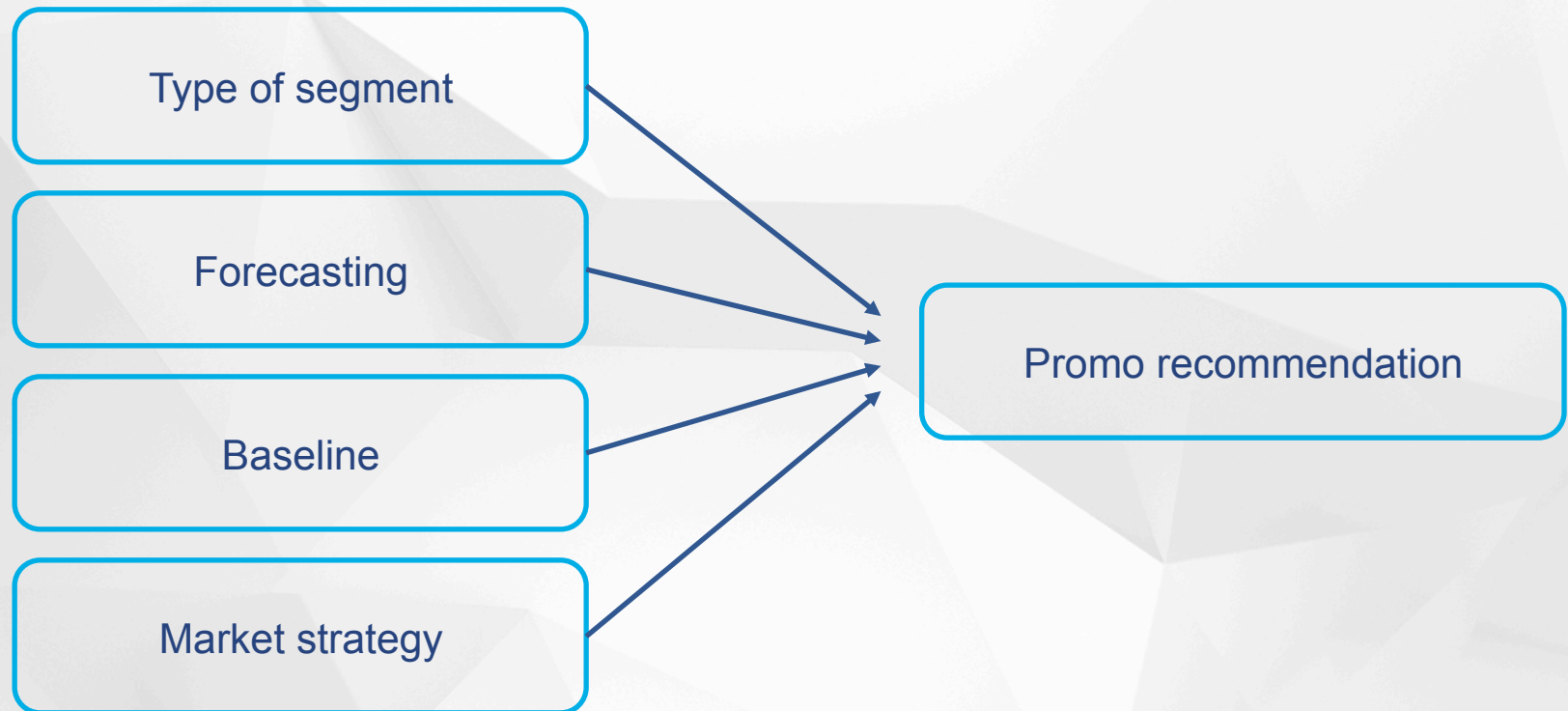


TRADE PROMOTION AUTOMATION AND OPTIMIZATION

Market strategy

- Include planned market activities into promo planning
- Include strategy for a given market – aggressive / non-aggressive
- Use of master plans

TRADE PROMOTION AUTOMATION AND OPTIMIZATION



NEW TECHNOLOGIES

- Intelligent shelf:
 - Insight into the effectiveness of promo mechanisms in the store
 - Elimination of lost sale due to out-of-stocks
- Beacons:
 - Direct communication with consumers
 - In-Store Monitoring Analytics





**OUR
EXPERIENCE**

COMMUNICATION AND DATA EXCHANGE



GLOBAL RETAIL AND WHOLESALE GROUP

- EDI Hub migration to Comarch
- 24 countries worldwide
- 35 Sales Lines
- 234 mappings
- Over 20k Suppliers
- Managed EDI Services

METRO|NOM



ONE OF THE WORLDWIDE LEADERS IN THE BEER INDUSTRY

Challenges:

- On-demand process improvement
- One point for managing promo activities in all channels
- Control over costs of promo

Solution – Comarch TPM:

- On/Off-invoice rebate promo activities
- Free-beer promo activities
- Calculation of KPIs
- Acceptance workflow
- Guidelines
- Integration with SAP, SFA, BI system

Benefits:

- Visibility over promo calendar
- Improvement of demand planning process
- Rebates costs control
- Increase customer satisfaction



POLMLEK - A LEADING MANUFACTURER IN THE FOOD INDUSTRY IN POLAND

Solutions:

- Online Distribution – acquiring sell-out data from over 60 distributors and wholesalers
- Analysing data using Comarch reporting tool
- Supporting mobile sales using Comarch SFA solution
- Implementation of Trade Promotion Management integrated with SFA solution

The ability to optimize:

- Production planning with increased volume depending on the assumed promotions
- Verification of the quality and effectiveness of promotional activities
- Analysis based on advanced KPIs



SUMMARY

APPROACH TO TP_x AND DATA PROCESSING

- Acquiring depletion data covering traditional trade (Online Distribution)
- Acquiring sell-in data to retailers covering modern trade (EDI)
- Integration with ERP, SFA, external sources of data like Focus, ACNielsen, weather forecasts and mass file uploads
- One TPM and TPO tool for customers

"I have a simple but strong belief. The most meaningful way to differentiate your company from your competition is to do an outstanding job with information"

- Bill Gates

THANK YOU

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