

2019

PROMOTION PERFORMANCE AND BENCHMARKING

Category impact, cannibalization, retail switching and other Source of Business® metrics for every promotion in 2019
+ benchmarking against other categories and suppliers

- **Reduce costs** by avoiding excessive cannibalization and subsidization
- Gain a **competitive edge** by showing retailers how to grow the category and increase traffic to their stores
- Know your **strengths and weaknesses** through benchmarking against other suppliers and categories

Accuris London
1 Fore Street Avenue
London EC2Y 9DT
United Kingdom
+44 20 8144 9500
londonoffice@accuris.com

PROMO PERFORMANCE 2019 AND BENCHMARKING

A custom-made report for you

Traditional promotion evaluation looks at uplifts but ignores the most important effects of promotions: shoppers switching between SKUs, brands, segments, stores, etc. This report analyses your data and digs deep into promotional performance, detailing all sources of incremental sales. It also benchmarks your results against other suppliers and categories, so you know your relative strengths and weaknesses.

What is reported

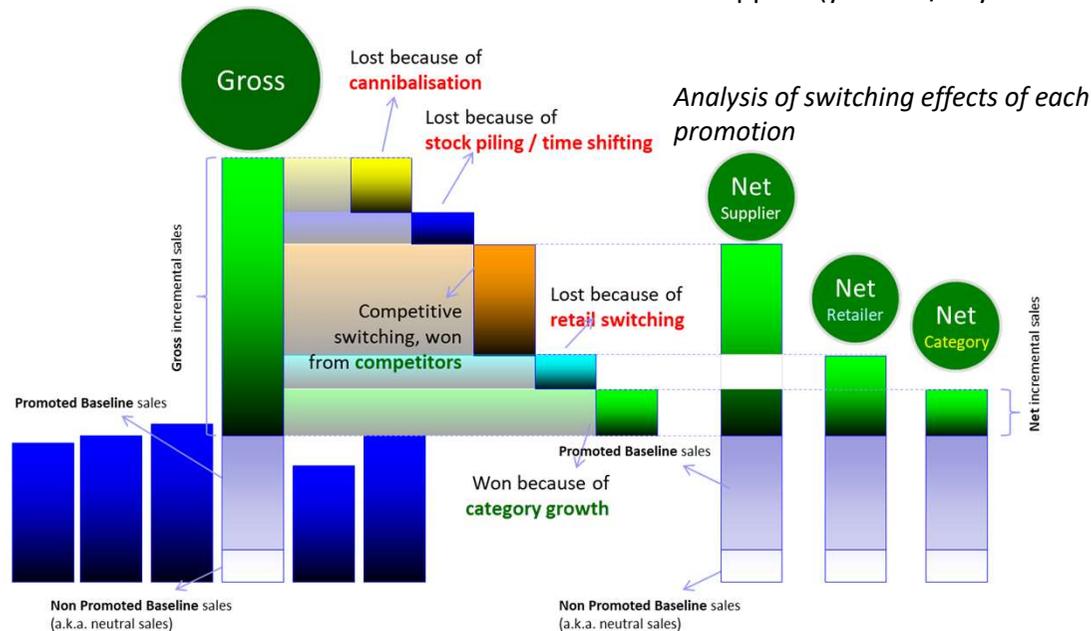
Every single promotion is analysed, both yours and those of your competitors. For each promotion individually, the report shows:

- Gross and net uplift
- Source of Business® of incremental sales
- Category expansion thanks to promotion
- Retail switching caused by promotion
- Cannibalisation
- Competitive steal
- Stock piling

Net benefit for the retailer and net benefit for the supplier (you and/or your competitors)

How it works

All metrics are calculated using detailed scanning data only. Once you have received complete data for 2019, you upload a scanning database (min. 104 weeks) and within two weeks you receive your full report, on paper and in electronic version (as well as access to the online analytical software). An on-site presentation will highlight opportunities for reducing cannibalisation and subsidisation costs as well as other possibilities to improve performance based on benchmarking.



Benchmarking: how do you perform compared to other suppliers, categories?



REPORTING DETAIL – METRICS BY PROMOTION



Total sales

Split in baseline and incremental sales.
Non promoted and promoted (subsidised) baseline

Decomposition of incremental sales

Stock piling, competitive switching, retail switching, cannibalisation, category expansion reported for each promotion (and each product) individually

Note: All labels and values are illustrative

Event Name	Brands & Pack	Mechanic	Retailer	Period	ROI	Sales Volume			Source of Business @ Volume									
						Non Promoted Baseline (Vol)	Promoted Baseline (Vol)	Incremental Sales (Vol)	Stock Piling (Vol)		Competitive Switching (Vol)		Retail Switching (Vol)		Cannibalisation (Vol)		Category Expansion (Vol)	
									Absolute	%	Absolute	%	Absolute	%	Absolute	%	Absolute	%
1 Peroni 4 Pack Bottles B2F£10.00 (W17052/W17052)	Peroni 330 ml 4 Bottles	B2F£10.00	Sainsbury	W17052/W17052	N/A	4,048	7,789.6	3,837.5	58.1	1.5%	3,193.6	83.2%	131.3	3.4%	245.8	6.4%	208.7	5.4%
2 Budweiser 15 Pack Cans £10.00 (W17052/W17052)	Budweiser 440 ml 15 Cans	£10.00	Sainsbury	W17052/W17052	0.674	0	69,505.5	113,771.2	5,089.5	4.5%	42,579.4	37.4%	17,465.7	15.4%	20,828.5	18.3%	27,808.1	24.4%
3 Peroni 18 Pack Bottles Save £3.00 (W17052/W17052)	Peroni 330 ml 18 Bottles	Save £3.00	Tesco	W17052/W17052	N/A	0	31,698	72,248	896.4	1.2%	54,789.6	75.8%	3,178.5	4.4%	7,070	9.8%	6,313.5	8.7%
4 Corona 4 Pack Bottles B2F£9.00 (W17052/W17052)	Corona 330 ml 4 Bottles	B2F£9.00	Sainsbury	W17052/W17052	0.317	4,802.2	11,589.7	2,501.2	84.1	3.4%	807	32.3%	453	18.1%	412.1	16.5%	745	29.8%
5 Heineken Single Bottle £1.80 (W17052/W17052)	Heineken 650 ml Bottle	£1.80	Tesco	W17052/W17052	N/A	0	5,549	30,170.3	858.1	2.8%	18,702.8	62%	2,858.2	9.5%	2,785	9.2%	4,966.2	16.5%
6 Corona Single Bottle B3F£5.50 (W17052/W17052)	Corona 710 ml Bottle	B3F£5.50	Sainsbury	W17052/W17052	0.26	15,488.5	19,279.7	5,521.8	744.7	13.5%	1,640.5	29.7%	941.4	17%	624.7	11.3%	1,570.6	28.4%
7 Stella Artois 18 Pack Cans £13.00 (W17052/W17052)	Stella Artois 440 ml 18 Cans	£13.00	Sainsbury	W17052/W17052	0.198	0	75,849.9	32,318.1	5,501.3	17%	10,472.1	32.4%	4,663.5	14.4%	4,278	13.2%	7,403.2	22.9%
8 Heineken 6 Pack Cans B2F£9.00 (W17052/W17052)	Heineken 330 ml 6 Cans	B2F£9.00	Sainsbury	W17052/W17052	N/A	13,209.7	6,075.5	36,076.9	1,526.7	4.2%	23,040.4	63.9%	3,283.6	9.1%	3,297.5	9.1%	4,928.6	13.7%
9 Stella Artois 6 Pack Bottles B2F£9.00 (W17052/W17052)	Stella Artois 330 ml 6 Bottles	B2F£9.00	Sainsbury	W17052/W17052	0.688	8,731.7	21,803	8,130.8	270.2	3.3%	2,810.2	34.6%	1,330.8	16.4%	1,605.2	19.7%	2,114.3	26%
10 Peroni 18 Pack Bottles £21.00 (W17052/W17052)	Peroni 330 ml 18 Bottles	£21.00	Sainsbury	W17052/W17052	N/A	0	20,570.9	18,205.1	247.4	1.4%	15,344	84.3%	622	3.4%	982.7	5.4%	1,009	5.5%

Name of promotion

Product participating in promotion
Mechanic and retailer and week(s)

Description of promotion

Product, and mechanic (mechanic information requires optional BrandView/Metrico integration)

In volume, in value

All metrics are available in volume and in value and can be reported by promotion or aggregated by brand, by supplier, by segment, by retailer, by time period or in any combination thereof

ONLINE ANALYSIS TOOL

How much do we spend on promotions?

Do we over- or under-spend at certain customers?
How important are opportunity costs?

How effective are promotions?

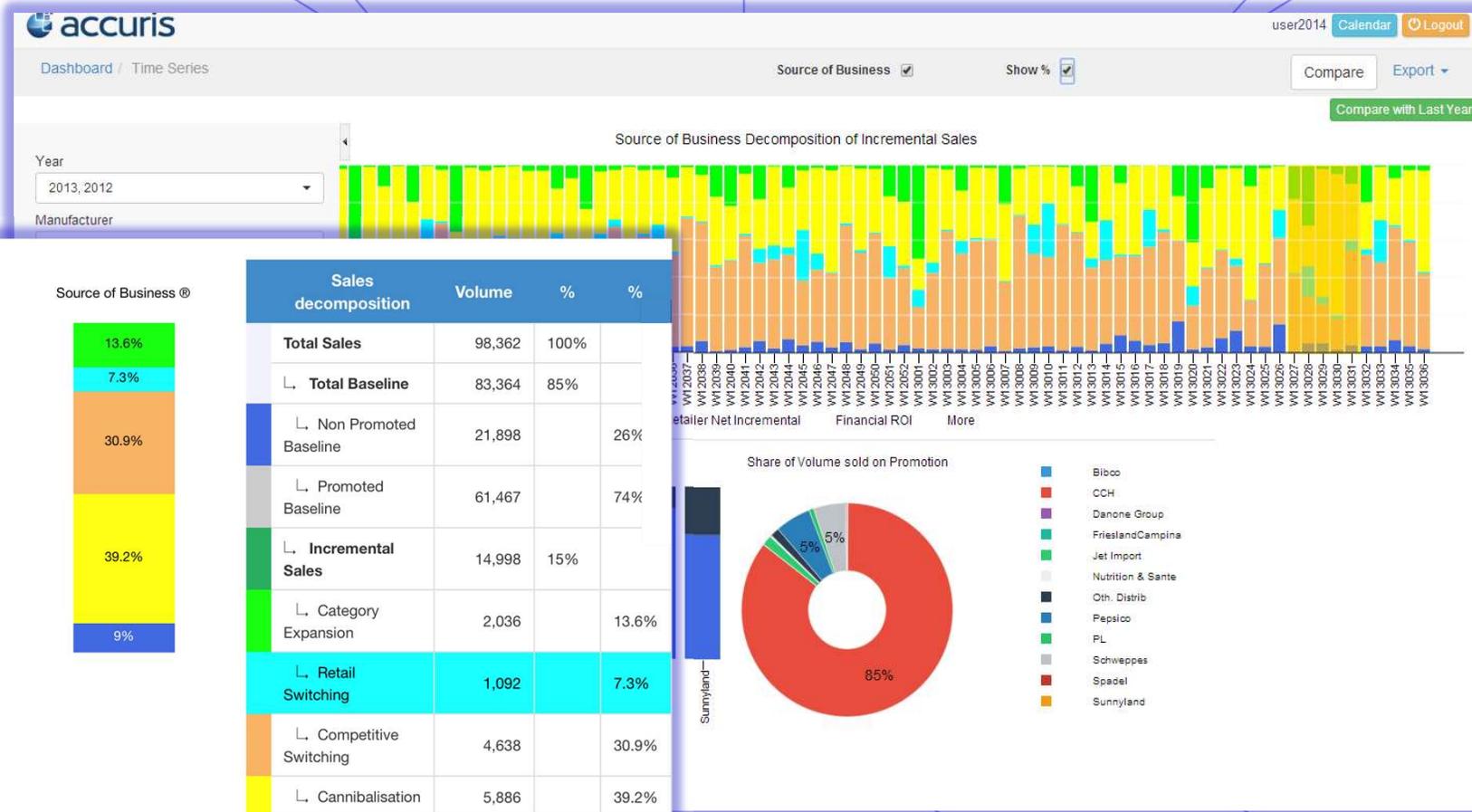
Analyse net uplifts by promotion, by mechanic, by brand and by customer. Measure and track (negative) switching and net incrementals.

Which promotions cause cannibalisation?

Are incremental sales growing?

Do we promote more than competitors? Do we promote differently or more effectively?

Which mechanics cause switching between stores?



Which promotions deliver market share gains?

Which promotions generate category growth?

FAQ

What makes this report special?

It gives you far greater insights into the performance of each promotion, including cannibalisation, competitive steal and other sources of revenue (see first page). You can use this detail to go much further in optimising your promotions, as well as leading your retail customers in running promotions that create value for them and for you.

The benchmarking allows to understand strengths and weaknesses and will reveal the recommended promotional strategy for your category.

Which data is required?

The report is produced using 104 weeks of scanning data, full category, all SKUs, all retailers. Only the most recent 52 weeks are reported back, the older 52 weeks are used to calibrate the model.

What about confidentiality?

Before uploading your data, Accuris will issue and sign a non-disclosure agreement. Alternatively, we will sign an NDA proposed by you. Your data is not shared with anyone else.

When will it be available?

Two weeks after we receive your input data.

How many brands are reported?

This report is limited to 15 of your own products (SKUs) and 10 competitive products. Your selection of products determine the brands that will be reported.

How many retailers are reported?

3 retailers of choice can be reported. However, input data for all available retailers is required, in order to have accurate retail switching calculations.

Can I have exclusivity?

The report is offered to all FMCG suppliers and no exclusivity can be granted.

Will you share my data with anyone?

None of your data will ever be shared with any other supplier, retailer or any other company whatsoever.

Can I share the results with retailers?

You have full discretion on what to share and who to share it with. We recommend, however, not to share named data on competing retailers with any customer.

What is the benchmark?

The benchmark is based on 44 categories across food, non food and beverages, with results for 2017, 2018 and 1st half of 2019.

How much does it cost?

The study costs £18,900 for one category. Integration of Metrico/Brandview data is £2,000 extra. Every extra category is charged 80% of the first category.

Can I receive the same analysis for 2020?

Yes, it is possible to either track promotions monthly or quarterly, or have an update of the full year in January 2021.

Can I add more retailers?

Yes, extra retailers can be added for £2,500 per retailer.

Can I add more products?

Yes, extra products can be added for £1,500 per 5 extra products.

What we do

Accuris integrates a wide range of data sources and uses machine learning algorithms to detect how shoppers switch between brands, stores and segments. Its Source of Business® model explains revenue streams generated for each promo and media campaign or for new product introductions and assortment changes.

Why it matters

Revenue indicators based on gross rather than *net* impact will lead to sub-optimal or even wrong decisions. Net effects strip out back-and-forth switching and other false positives. Promotions, price increases and new listings can lead to strong revenue increases in gross terms, but net results may be much lower or negative, thereby possibly misleading decision making.

What other agencies do

Data providers and research agencies do not integrate all required data sources to get the full picture of how shoppers behave. They tend to use static methods or once-a-year regression approaches to explain market dynamics. This was perhaps sufficient a decade ago but is not enough for modern markets and categories where shoppers switch between offers on a daily basis.

Please reach out to Accuris for support on:



Data integration: scanning, shipment, calendars, financial, competitive data



Modelling: baselining, seasonality, Source of Business®



Reporting: Excel, interactive dashboards, BI software, SAP/ERM/TPM integration



Consulting: analysis, workshops, recommendations



Monthly tracking: modelling, reporting, evaluation, optimisation

Accuris provides analytics for promotions, pricing and revenue management.

Our clients are consumer goods companies across Great Britain and Europe, including many regional champions and two thirds of the top 10 FMCG multinationals.

You can reach us at: RGM@accuris.com



Analytics for Revenue Management

18 / 2 Westland Place, London N1 7TT
+44 20 8144 9500
www.accuris.com
Email: londonoffice@accuris.com