

Point of Sale Data Analysis to Improve Trade Promotion Management

Point of sale data analysis can open troves of insights to improve and better manage trade promotion, pricing, customer behavior, and more. But, even in today's big data world, inconsistent or poor quality data is the reality for most consumer products companies. This should not be a barrier to tackling analytical work; in fact, many of these data gaps or quality issues can be resolved through analytics. Creating a dynamic approach to replacing values known to be incorrect or filling in data that you're missing allows you to move forward with analytics, and even set up alerting or update your data going forward for a sustainable solution.

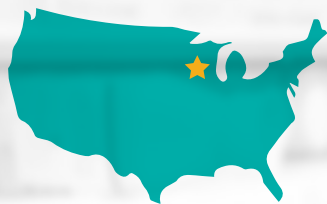
Clarkston was engaged by one of the nation's largest dairy brands, who saw inconsistencies in their price and volume data from their point of sale (POS) data provider. The client sought Clarkston's help in reconciling discrepancies they found in their POS data in order to more accurately measure their promotional effectiveness. In a commoditized landscape like the dairy industry, effective promotional activity and evaluating how price reductions affect sales volume plays a large role in managing margins and is major competitive advantage for the client.

Clarkston built a dynamic process to evaluate the client's price / sales volume relationship to predict new weekly sales volume quantities, while considering the effects of seasonality, product trend, price reduction, and competitor promotions for over 100 product and retailer combinations. This effort made way for the efficient evaluation of how the price reductions performed in store and how competitors' price reductions affected the client's weekly volume. The analysis also provided the client with a data-backed understanding of if retailers were running the client's promotions in-store. These insights can pave way for having negotiating power with retailers, with an understanding of who they may have strong relationships with when it comes to promotional effectiveness. Overall, the dynamic analysis allowed the client to have a single evaluation tool for both their own and their competitors' data, along with a template that can be easily uploaded to their existing TPM system.

Consumer Products Case Study

PROJECT OVERVIEW

HQ LOCATION:



La Farge, WI

INDUSTRY:



Organic consumer brand
and farmer co-op

PRODUCTS + SERVICES



Manufactures organic dairy products,
protein shakes, and meats

PRIMARY OBJECTIVES:

- Harmonize TPM system data and POS data across multiple data sources
- Revise POS base and incremental volume by reviewing each product by retailer
- Leverage provided data to conclude if retailers were running the client's expected temporary price reductions (TPR)
- Understand how competitor promotions affect the client's sales volume

RESOLUTION:

- Dynamically consolidated the multiple data sources into a single location for analysis
- Created a 'source of truth' for all POS information by revising the given POS data workbook
- Identified competitor promotions that occurred at the same time as the client's,
- Augmented the client's promotional plan data workbook by identifying if the planned promotional activity was represented in store

KEY BENEFITS:

- Brought efficiency to understanding promotional effectiveness through the dynamic analysis of 100+ product/retailer combinations over a two-and-a-half year period
- Enabled future data-driven decisions around promotional plans by organizing the data into a format to interface with the client's existing TPM system
- Created a dynamic approach to calculating promotional lift, allowing for quicker decision making regarding promotional effectiveness and alerting to any data quality issues
- Provided awareness of how competitive activity impacts the client's performance by identifying competitor promotions occurring in tandem with the client's
- Established a data-supported understanding of promotional effectiveness at individual retailers
- Re-established trust in the quality of the data used in determining promotional effectiveness

CLARKSTON
CONSULTING



**Revised over 27% of POS provider's
reported values for volume**



**Verified that 32% of expected price
reductions were not represented
in-store for products in provided
POS data**



**Analyzed 100+ product/retailer
combinations**

