

Consumer Products Case Study

PROJECT OVERVIEW

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Retail GEO Analysis

Consumer products manufacturers are facing an increasingly difficult pricing landscape, partially due to a network consisting of tens of thousands of retailers with varying maturities of data collection and sharing methods. Compounding this, certain manufacturers leverage an Everyday Low Price (EDLP) model, requiring that their product is the lowest priced in the store, making it difficult for others to compete on price and protect margins.

A leading consumer products manufacturer with a large spread of products in convenience stores and retail locations engaged Clarkston to help maintain share and profitability in these stores, particularly in the face of a competitor's EDLP model. Sales representatives serve as their primary channel for negotiating with retailers to discontinue the EDLP model so equipping the sales representatives with more effective tools is critical. With historical data and regional examples, the sales representatives can show retailers the sales dollars and volumes similar retailers have experienced while not on the EDLP program.

Clarkston helped enable the sales force by developing interactive and engaging dashboards that sales representatives could reference when meeting with retailers. Clarkston was able to integrate data from multiple sources into Azure Analysis Services, making this the first project the client promoted all the way from development to production in the platform. This work served as a template and precedent for future work through formalized processes.

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PRIMARY OBJECTIVES:

- Build dashboards for the sales representatives to share with retailers leveraging data-backed evidence in pricing negotiation
- Integrate with Azure Analysis Services to vet the technology stack and processes around getting solutions into production
- Enable the sales force with 'What-If' analysis using historical data and instances from other retailers to share the expected sales volumes at varying pricing levels
- Embed dashboards within the tools the sales representatives are already using to make a seamless transition to the improved toolset
- Broaden the adoption of visualization toolsets to demonstrate the value of analytics and capture ROI

SOLUTION:

- Two dashboards: Retail Geo Analysis, Everyday Low-Price Model
 - **Retail Geo Analysis**
 - This dashboard aimed to give the sales representative a well-rounded perspective of the individual store's performance. The dashboard shows the stores performance individually, performance relative to its trade area, how different manufacturers perform within store.
 - **Everyday Low-Price Model (EDLP)**
 - This dashboard displays key metrics that help the retailer understand why they should not be on the EDLP model. The dashboard is also enhanced by the "What-if" analysis, allowing the sales representative to try almost any pricing strategy to show the retailer various results.
- With the integration into Azure Analysis services the team was able to implement automatic data refreshes, load testing, version control, and model development and management
- The team was able to embed the dashboards into the manufacturer's salesforce platform with dynamic filters

RESULT:

- Empowered end-users (sales representatives) to make more informed selling choices and pitches through "What-If" analysis. This analysis allows user to interact with the data and dashboards to enable better positioning when selling to retailers
- Set precedent of process for developing projects in Azure Analysis services and moving them into production
- Broadened Power BI skills implementing complex DAX formulas and various other functionality
- Exposure and understanding of Azure Analysis Services potential in supporting reports and visualizations, as well as developing models

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783

Converted 783 priority stores from EDLP –
already more than 10% of the total
number of stores to convert

45%

Prior to Clarkston's tool, an average of 76 stores were converted per month (January - April). Upon full release of the Retail GEO tool, the monthly average shot up to 110 per month (July - August). This 45% monthly average increase continues to trend upwards. After 104 stores converted in July and 116 in August, there were an additional 85 converted just five days into September.

4.8%

From a daily conversion rate perspective, for March and April (the two months leading up to the pilot) the average daily conversion rate was 3.8. After production release, the daily rate grew to 4.8 (through September 5), meaning the business is converting at least 1 additional store every single day.