



eyeon
YEARS AHEAD



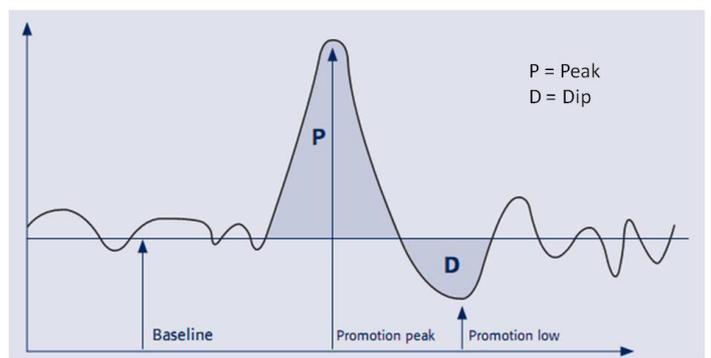
EYEON PRODUCT PROMOTION PLANNING



Within Fast Moving Consumer Goods (FMCG) promotions have a severe impact on business planning. If you're able to forecast promotions overall predictability is easy! As the frequency and depth of promotions is steadily increasing in many different product categories, the need for a more professional promotion planning process is inevitable. It will help organizations to better anticipate on upcoming promotions and achieve a higher service level. For marketing & sales, a promotion forecasting model allows for better insights in the effect of various promotion drivers (such as price discounts) on the sales uplift effect.

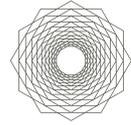
EyeOn approach

Based on industry research on best practices and successful implemented projects, EyeOn developed a method to set up a professional promotion planning process supported by state of the art forecasting methodology.



The EyeOn 7-step approach

1. Understand the types of promotions that your organization applies, trends in promotion tactics and assess current Demand Planning processes.
2. Workshop to list the potential promotion drivers that influence the sales volume & order pattern.
3. Data collection:
 - Determine & collect available promotional data.
 - Cleaning & formatting of the data.



4. Modeling:

- Determine the significance of the listed promotional drivers.
- Calculate correlations with the promotional effect as a whole and the timing (peak and dip) for the significant promotional drivers.

$$y_t = \beta_c + \sum_{i=1}^4 \beta_i dSEASON_{i,t} + \beta_5 TEMP_t + \beta_6 SUNHDAY_t + \beta_7 dHOLIDAY_t + \beta_8 dEVENT_t + \beta_9 dTHEME_t$$

$$+ \beta_{10} lnBS_t + \beta_{11} CPI_t + \beta_{12} CPI2_t + \beta_{13} PROMPRES_t + \sum_{i=1}^4 \beta_{13+i} INRPROMWEEK_{i,t}$$

$$+ \sum_{i=1}^3 \beta_{17+i} dBRAND_{i,t} + \beta_{21} dFOLDERFRONT + \beta_{22} dMULTIBUY + \beta_{23} dTV$$

$$+ \sum_{i=1}^6 \beta_{23+i} dRETAILER_{i,t} + \sum_{i=1}^9 \beta_{29+i} dCBRAND_{i,t} + \sum_{i=1}^9 \beta_{38+i} dSRCBRAND_{i,t}$$

5. Install supporting promotion planning tool:

- Setup variables for promotional drivers.
- Load forecasting models.
- User-Acceptance Testing.

6. Agree on the demand planning process for promotion including:

- Embedding of the promotion planning tool within the existing demand planning process.
- Agree on data collection process of promotional drivers.

7. Hand-over to the operation.



Results

EyeOn is able to show you what drivers have a significant effect on your promotion volumes and to set up a customized tool to forecast your promotions integrated in your existing demand planning processes. This will support your planners and sales organization to achieve better service, lowers stocks and less supply chain costs.

CEO food multinational: "It is almost impossible for the supply chain to keep up with the ever increasing promotion pressure."

A Food Manufacturer: "EyeOn delivered an excellent promotion planning tool that allows us to create a statistical based promotion forecast which we use to plan our promotion volumes."

What does EyeOn stand for?

EyeOn helps large companies in running the best possible planning process for steering their business. In order to be successful, large companies continuously have to combat the natural tendency to increase internal complexity. EyeOn is convinced that the quality of their planning processes, focusing at driving the business as an integrated whole, is the discriminating factor in this. We help our clients to design, implement and execute excellent planning processes.

Interested?

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