

Promotion optimisation



55% OFF

DEAL of the DAY

was **£45.54**
now **£20.49**

55% off
Kumala Zenith wines
(case of 6)

[buy this offer ▶](#)

The problems

- Promotion execution compliance is poor
 - There is massive variation in uplift between retailers, and also between stores within retailers' estates
 - Key reasons include:
 - Promotions don't appear in every agreed store
 - Promotions start too late or finish too early in-store (or sometimes both!)
 - Elements of agreed promotions are missing
 - POP, Price, Skus, etc.
 - Yet features have been paid for!!!
- Promotional planning is caught up in a vicious circle
 - Future forecast is based on past (imperfect) performance
 - Rogue stores will continue to under-perform
 - Top stores will suffer from availability crises during peak selling days
- But customers are pressurising us for even greater trade investment
- And the company requires a reduction due to poor payback
- But next year's revenue target is larger!

The consequences

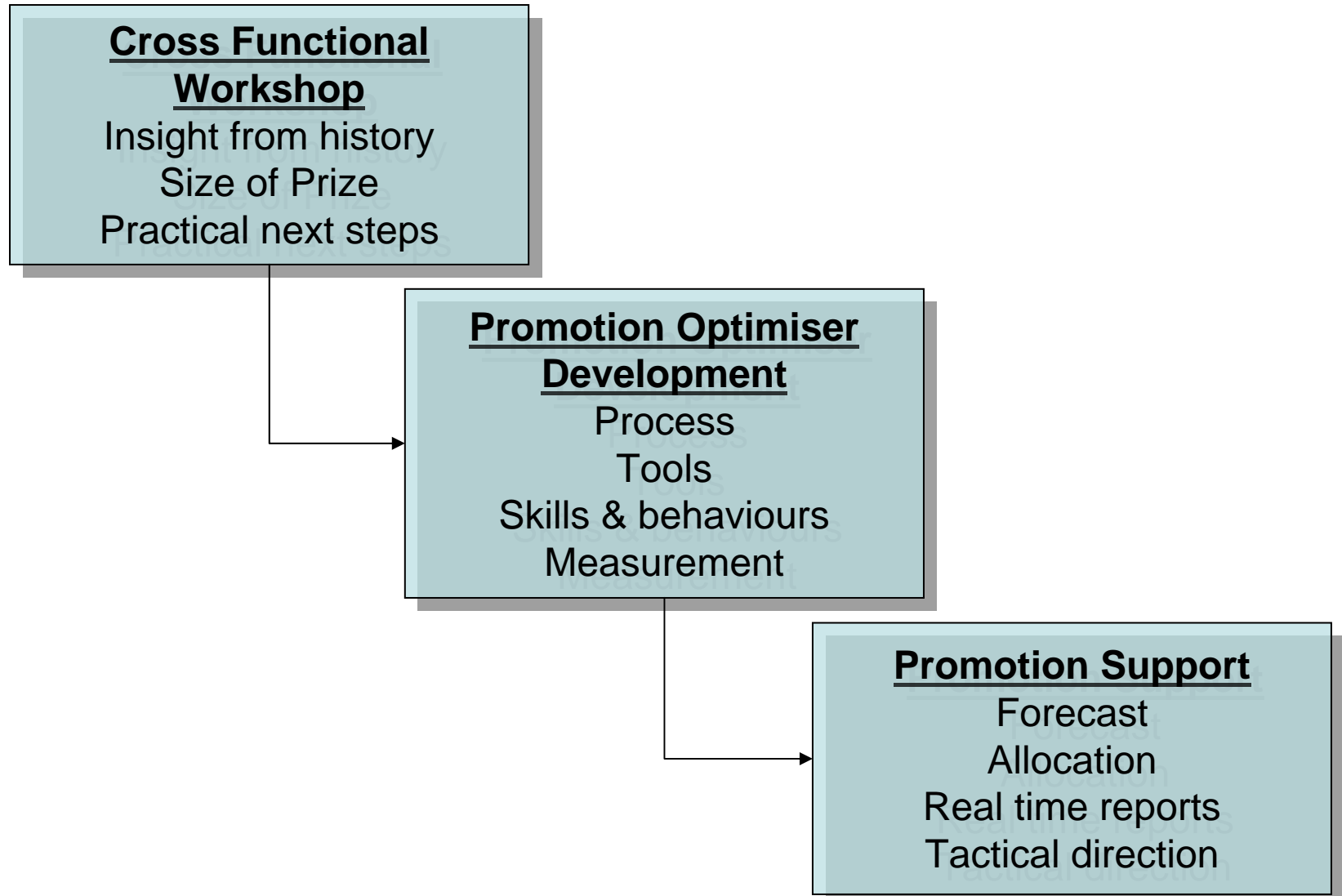
- Revenue is weaker than forecast
 - Consumer / shopper off take is less than projected
 - Trade spend ROI is not maximised
 - Customers become dissatisfied with the performance of promotions
 - Promotions become un-profitable
 - Future promotions are undermined
- Budget
 - Danger of missing next year's revenue target

The solution

- Meridian's Promotion Optimiser
 - Highlights all the issues to the stakeholders
 - Shows what has worked best in the past
 - Highlights rogue stores, accentuates best practitioners
 - Quantifies the value of getting it right
 - Identifies the tools and actions that are required to improve performance
 - Develops a pragmatic action plan to improve excellence of execution
 - Supports each promotion as required

Promotions meet volume and profit objectives

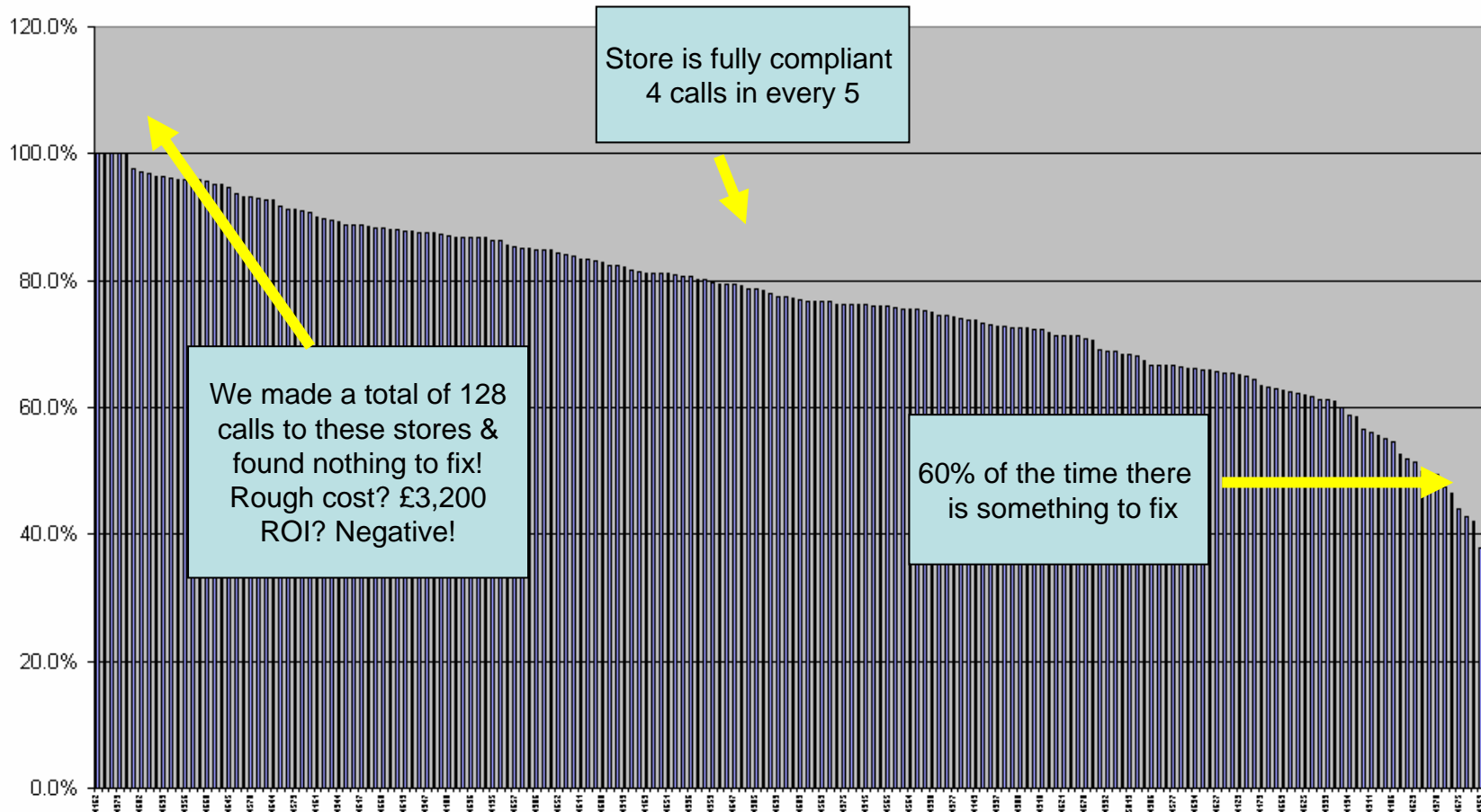
The methodology



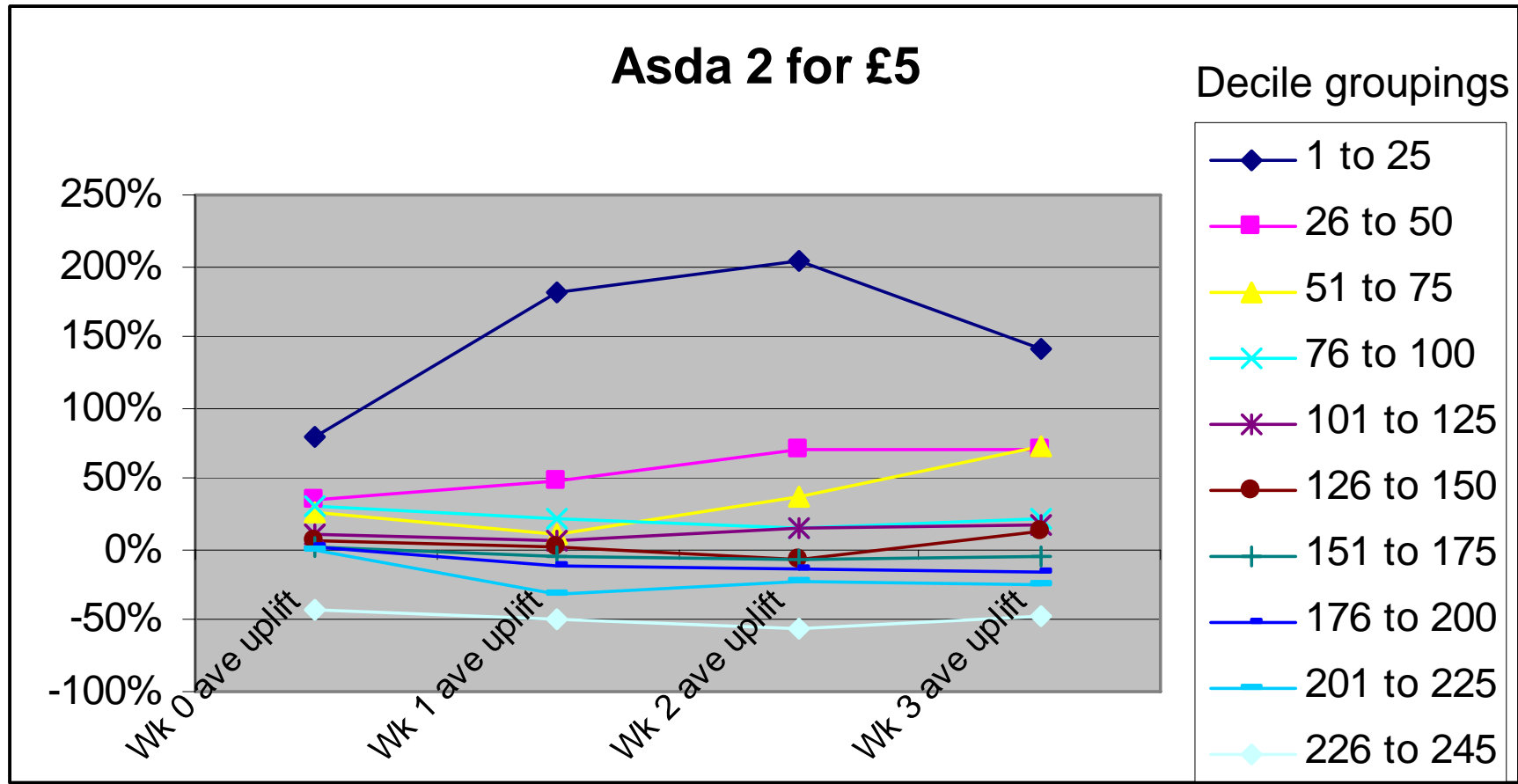
Store promotional compliance (last 5 promotional events) on entry varies from 100% to 37%

Conclusion? Send resource to the problem stores, test a sample of the best stores to verify continuing excellence

Entry Compliance by store



Week 3 peak – slow to start, big gap between top group of stores & ‘the rest’



Top sku only – massive variation in daily sales during the promotion

Top 15 stores (overall promotional uplift)

Store Nbr	Store Name	Average % Uplift Rank	Vol Uplift Rank	SKU	Average Pre Pro	23/06/2005	24/06/2005	25/06/2005	26/06/2005	27/06/2005	28/06/2005	29/06/2005	30/06/2005	01/07/2005	02/07/2005	03/07/2005	04/07/2005	05/07/2005	06/07/2005	07/07/2005	08/07/2005	09/07/2005	10/07/2005	11/07/2005	12/07/2005	13/07/2005	
4156	GREAT YARMOUTH	1	29	2	1	4	7	2	0	2	4	13	17	15	2	7	4	5	4	13	8	0	6	9	1		
4666	MANSFIELD	2	34	3	6	6	11	0	5	1	4	3	4	2	5	37	8	9	14	4	24	9	9	7	8		
5761	HARLOW	4	69	2	2	5	2	2	2	3	3	3	11	14	12	7	4	7	8	6	14	7	5	7	5		
4169	BLACKPOOL, GB	5	79	3	1	9	8	3	5	9	12	9	7	17	6	8	8	7	19	10	5	6	3	7	4		
4930	WINSFORD	6	90	2	2	0	2	3	3	0	1	10	12	8	7	12	6	12	13	7	14	3	6	3	3		
4604	HARPURHEY	7	142	2	1	6	4	0	4	2	11	7	9	13	5	8	9	5	2	12	3	1	8	4	3		
4671	WESTON-SUPER-M	8	60	2	3	7	5	4	0	9	8	17	15	21	12	13	6	4	5	10	17	6	8	5	5		
4617	NORWICH	9	5	3	3	6	7	2	6	5	2	12	40	21	14	19	18	12	20	17	21	15	21	19	7		
5818	WIDNES (NEW)	10	62	2	4	1	2	1	2	1	5	9	17	7	8	11	4	11	9	10	9	6	9	6	4		
4216	EASTGATE	11	46	2	2	4	6	0	0	2	9	20	15	17	8	12	11	6	14	17	8	14	6	5			
4692	WASHINGTON	12	24	6	8	13	8	2	6	11	11	36	28	25	12	25	35	23	23	9	17	9	15	8	15		
4905	ASHFORD, GB	13	58	3	5	3	11	2	2	6	6	12	19	29	14	18	13	8	13	9	20	9	10	12	5		
4152	ST.AUSTELL	14	28	2	6	3	3	0	0	13	11	21	14	16	16	20	15	9	11	10	14	5	8	7	5		
4693	CHATHAM	15	8	6	9	13	13	7	12	9	13	19	25	23	13	18	16	14	21	33	28	16	19	15	12		
4657	GREAT BRIDGE	16	64	3	8	5	8	1	1	4	2	2	17	9	16	3	8	5	7	19	12	11	8	8	3		

Baseline sales

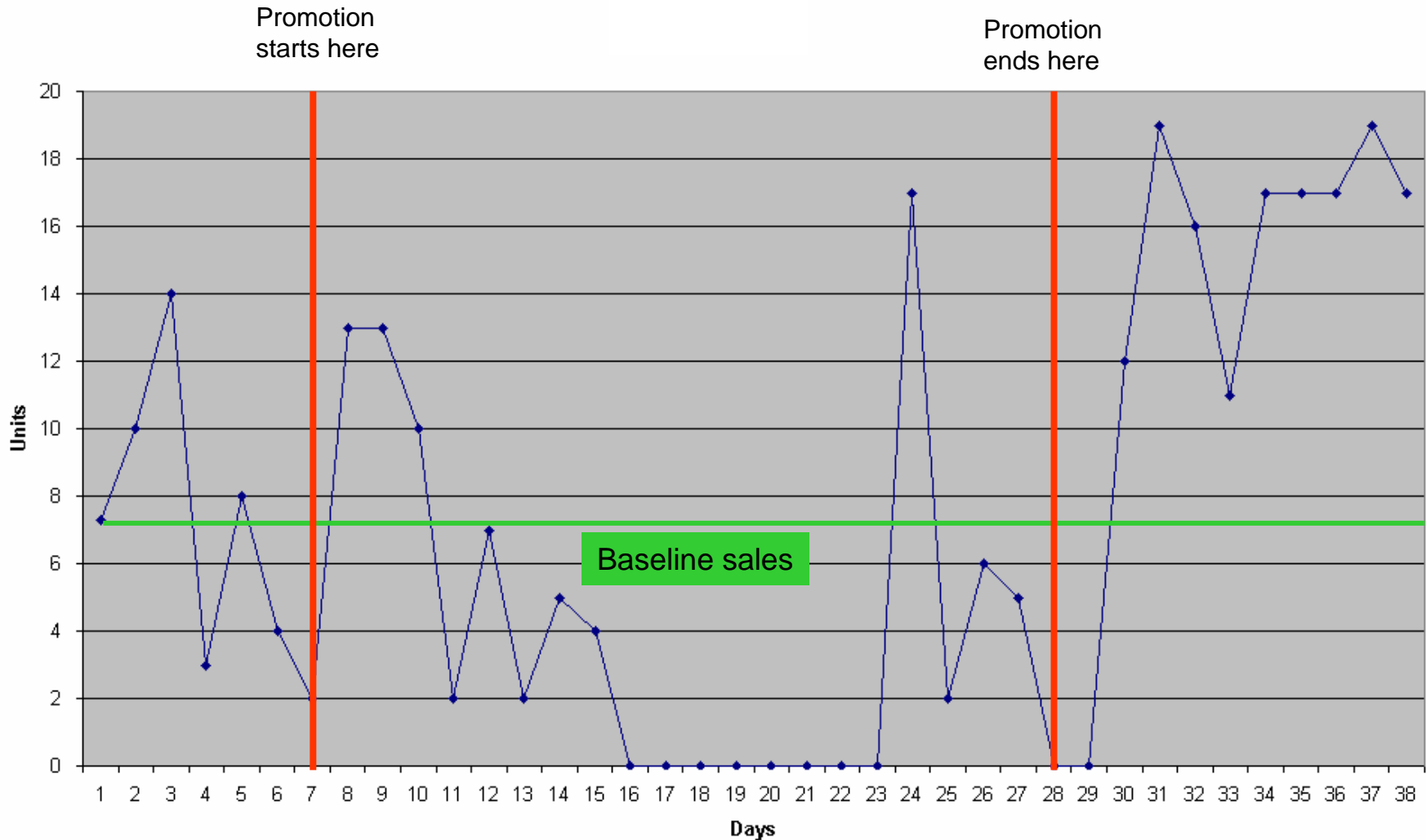
Key – red = zero sales, yellow = lower than baseline, green = higher than baseline sales

Daily sales (units)

Bottom 15 stores (overall promotional uplift)

4180	RAWTENSTALL	256	256	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4922	WESTBROOK	257	255	3	4	2	2	7	2	3	1	4	9	1	2	1	1	0	3	0	0	2	1	2	2			
4576	DEWSBURY	258	258	3	2	1	4	1	0	3	4	1	3	2	1	4	0	0	2	2	0	3	0	3	3			
4649	KINGSTON UPON T	259	259	2	1	2	4	3	4	0	0	4	3	1	1	3	1	0	5	0	2	0	1	1	1			
4960	PERTH	260	259	4	1	5	4	6	2	1	4	1	1	3	2	1	1	4	2	0	2	2	1	3	0			
4918	BROMSGROVE	261	261	1	1	5	2	2	2	1	1	1	3	3	3	2	2	2	2	4	1	1	2	0	1			
4938	HYSON GREEN	262	262	3	3	2	0	1	3	1	4	7	3	3	0	4	1	0	4	6	6	5	6	2	0			
4127	BOLTON	263	263	2	1	3	4	2	2	2	4	1	0	1	0	0	2	0	2	1	4	0	1	2	0			
4932	ROEHAMPTON	264	266	4	2	4	15	2	7	6	7	3	5	9	6	8	5	6	7	6	6	3	5	2	3			
4952	SITTINGBOURNE	265	264	3	0	5	2	1	3	1	3	1	4	3	2	6	1	2	4	5	7	1	4	2	3			
4601	ROCHDALE, GB	266	265	4	2	0	10	5	4	4	4	3	3	7	0	3	1	3	4	7	3	3	3	1	1			
4986	SOUTHAMPTON	267	267	2	3	3	1	1	1	0	3	2	2	2	0	6	3	2	3	3	1	0	4	0	0			
4162	CHADDERTON	268	269	4	1	7	7	2	2	1	4	6	7	4	0	9	5	2	4	2	5	2	0	8	0			
4572	TUNSTALL, GB	269	268	2	5	4	7	2	1	1	4	4	1	0	0	0	0	0	0	0	0	0	2	3	1			
4909	BEARSDEN	270	270	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			

Tunstall (worst store) sales of top sku– availability issues clearly suppress sales - 7 days off sale.
Display compliance also in doubt with only 4 days above baseline.



The next steps

- Talk to us about running the workshop
 - Lasts half a day
 - Brings Customer Management and Customer insight together
 - Identifies real opportunities to improve

“Will identify a minimum of a 10:1 ROI opportunity for an ongoing service. If we don’t we won’t propose developing Promotion Optimiser for you!!!”