

Beverage Manufacturer

Case Study

Strategy & Performance

CONSUMER GOODS & RETAIL

PMSI Brand Performance Decomposition Module

Background

An alcoholic beverages company was experiencing performance issues in one of its major European markets. The market was characterised by a high proportion of sales going through major retailers (off-trade), with high levels of promotional support and consumer price-sensitivity.

The client was aware of strong brand presence and enjoyed high levels of brand equity within the market, however insight from the field was patchy and there were no obvious trends as to why distributor relationships varied in profitability terms.

PMSI was asked to review the performance of the main brand within a full market context, as well as make specific improvement recommendations.

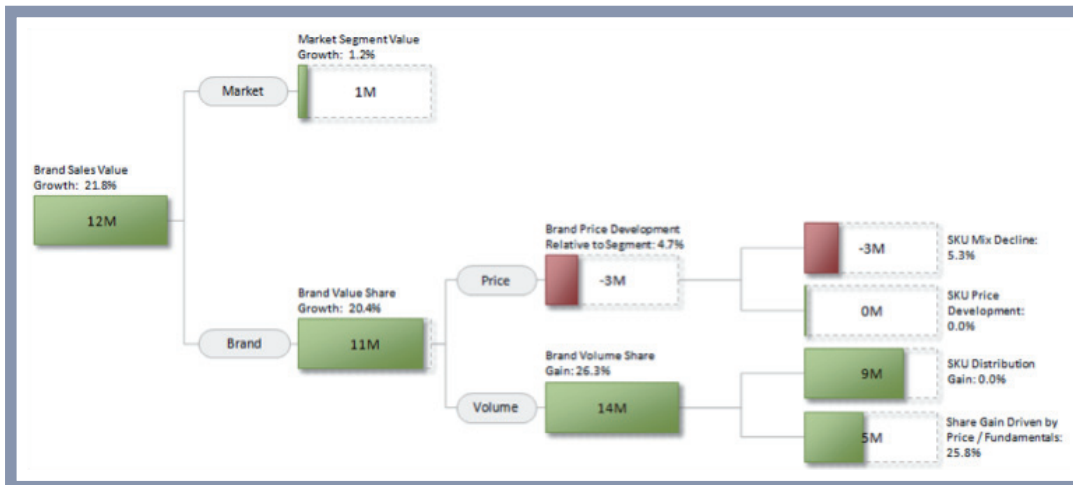
Challenges

The client enjoyed an established and robust analytics approach, with data sources well managed and integrated for reporting purposes. However, as for any organisation there remained ongoing challenges, including;

- EPOS / Retail Audit data and effective integration with visible market trends
- Competitor's performance at different retailers varied widely, so each retailer account had to be analysed separately
- And the high-seasonality of retailer's performance and the effect promotions were having on market-share growth and overall profitability was unclear.

PMSI approach

PMSI were able to quickly deploy the BPDM to understand performance issues at market level, and then drill down to understand performance within each key account:



This initial work allowed the client to put existing insight into context and gain clarity on a number of drivers of distributor relationship success, previously unidentified. One of these issues included pricing, which although the client was aware of, not to the level required to make operational changes with a clear understanding of impact.

This initial work also identified promotional performance as being the key issue, and further analysis was undertaken across key accounts to uncover areas for improvement and detail specific recommendations.

Outcome

The PMSI BPDM reinforced the client's strong brand equity within the market, while clearly demonstrating where performance was being dragged down by the existing promotional strategies.

Specific recommendations were made to focus and optimise the promotional programme; improving on key aspects including frequency, timing and more importantly, pricing.

After implementing a cross-section of recommendations, the client was able to arrest the slow-down in performance and aim to review using the PMSI BPDM across all brands on an annual basis.