

Marketing Trade Promotion Management

Entersoft Business Suite® | Entersoft CRM®

Application help & User Guide

Identity

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1. Trade Promotions

Trade promotion is a marketing activity used by industries that sell into the retail channel or through dealers or wholesalers.

A trade promotion takes place within a specific time period and aims to:

- Increase brand capital
- Increase brand awareness & market share.
- Improve product image
- Increase sales volume
- Launch new products or product lines

You can use trade promotion to do the following:

- To create trade promotion programs
- To execute & generate promotional agreements for different point of sales (business addresses)
- To review and monitor the performance of a trade promotion program

In the context of trade promotion management, the following functions are provided:

- Create and manage trade promotions
- Generate point of sales agreements
- Update point of sales promotion rewards
- Assign or update point of sales category (prerequisite for trade promotions)
- Analyze the performance of a trade promotion

Trade promotion management is connected to the iPad merchandise sales force application. In this context, trade promotions agreements are transferred to the mobile devices in order to be agreed by each point of sales that participates to the promotion program.

2. Trade Promotions prerequisites

In order to use the functions provided by trade promotions you have to set the following parameters (located in the central configuration menu of your company in the marketing category):

- Point of sales category
- Merchandise counting object (item or item catalogue)
- Assign or update point of sales to a category
- Business rule 'Trade promotions' must be enabled. By default, it is auto activated.

3. Creating trade promotion programs

The structure of a trade promotion program is as follows:

- Header data
 - Program name
 - Budget of the program
 - Execution period data
 - Reward period data
- Details
 - Conditions & Reward rules

You can use conditions and rewards to offer your business accounts special discounts or free goods for a specific order item or item category. The mobile system (iPad app) uses reward for pricing. The server system (ERP/CRM) determines if the agreed conditions lines are met in order to release the associated rewards.

A trade promotion can be created using the relative menu action from Marketing\Trade promotions. Considering the above structure, the following header fields should be completed as appropriate:

- Name of the program
- Execution period type – Monthly or Weakly. It is used to calculate the period of the program. Moreover, it is related to the period of related reward dates
- Start & end dates related to acceptance of the program by the point of sales that participate to the program.
- Rewards relative dates - Define the period where the rewards are given to the accounts – point of sales that succeeded to the conditional terms of the program. In this way the following reward release period types are available:
 - End of next month after the end of the program
 - Days after the end of the program
 - Months after the end of the program
 - Weeks after the end of the program
 - Specific date

3.1 Conditions & Rewards

A trade promotion provides the following condition types:

- Sales quantity quota for the program period: It defines the target-limit that must be achieved by the point of sales that agrees to participate to the program
- Sales quantity quota per month of the program period: It defines the target-limit that must be achieved per month by the point of sales that agrees to participate to the program
- Sell out quota: It is defined as the quantity sold to the end customer. It is calculated as follows:
 - Last item counting before the **start** of the program - Last Item Counting before the **end** of the program + Sales quantity between the two counting dates
- % of succeed visits based on stock quota: $\text{Stock} = \text{Counting} + \text{Sales Quantity}$. For this condition type you need to select the number of visits and the percent of these visits where the stock quota must be achieved.
- % of succeed visits based on sales quantity quota: For this condition type you need to select the number of visits and the percent of these visits where the sales quantity quota must be achieved.

In the conditions related to the % of succeed visits, the defined number of visits represent the minimum number of times where the assigned sales representative must visit the business address. For example, you have defined a condition with the following terms:

- Condition item category: 'Cosmetics X'
- Number of visits: 3
- % of succeeded visits: 80%
- Sales quantity: 50 pcs.

If the number of visits for the period of the program is less than 3 then the condition state is updated as 'Failed'. If the number of visits is equal or more than three then the server system calculates for each completed visit the actual sales quantity for the targeted item category. In this way, for example, if the number of visits is 6 with 5 succeeded visits (Sales quantity ≥ 50 pcs) then the actual figure is $5/6=0.83$ or 83% which is greater than the target, therefore, the condition is updated as 'Completed Successfully' otherwise as 'Failed'.

Each condition can be related with one or more rewards. The following rewards types are available:

- Monetary discount. For example, 100 EUR. The monetary discount is applied to the item lines of an invoice.
- Free item: For example, 3 pieces of item 'X'
- Items with specific quantity and value: For example, 3 pieces of item 'X' for 40 EUR.

When a condition is related with more than one reward the following scenarios may be covered:

- Tier based target: For example, if the achievement is ≥ 50 pcs then 100 EUR as monetary discount, if the achievement is ≥ 80 then 150 EUR as monetary discount.
- Tier based target with different gift options: For example, if the achievement is ≥ 50 pcs then the reward is 3 pieces of item 'X' but if the achievement is ≥ 80 then pcs then the reward is 3 pieces of item 'Y'.
- Tier bases target with different reward types.

In order to work with condition and rewards the following actions are provided:

- Create a condition with one reward
- Create an additional reward for a selected condition in order to create a tier based target for the selected condition with different reward options
- Copy an existing reward in order to create a tier based target for the current parent condition
- Delete condition(s)
- Delete reward

The UI form of trade promotion provides also a context hierarchical report that can be used to copy conditions and rewards from other promotion programs. In this context, you can minimize the data required to fill in the required data. The report provides an action to copy the selected program conditions-rewards to the current program. You may also change the key figures by editing the values you want using the editable columns provided by the report (highlighted columns).

3.2 Generate POS trade promotion programs

When a trade promotion plan has been created, you can use the action 'Create program by POS' to generate a program for each business address that participates to the program (indirect assignment based on the selected POS category).

The action uses the following rules to generate conditions/rewards for each POS:

- If a condition row is referred to a specific POS category, then all business addresses that belong to this category inherit the specific condition line with its associated rewards.
- If a condition row is referred to all business addresses (POS category is null) then all business addresses inherit the specific condition only if there is no other condition assigned to specific POS category that matches the following condition details:
 - Condition type
 - Item hierarchy/item category/item
 - Measurement unit

For example, we have the following condition lines:

Line Number	Condition Type	POS Category	Item Condition	Measurement Unit
1	Sales quantity quota for the program period	Large Super Markets	Item Family 'X'	Piece
2	Sales quantity quota for the program period		Item Family 'X'	Piece

Considering the above conditions, line number 1 will be generated for the programs that are categorized as 'Large Super Markets' where line 2 will be generated to all other business addresses.

4. Update POS program's quotas

You can use this report to update reward quotas for one or more selected business addresses. In this order to execute the report you have to fill in the following mandatory parameters:

- Trade program
- Condition type
- Reward type

The report provides the following two actions:

- Update target and reward: Using this action, you can update the target values defined for the selected reward type.
- Delete rewards

The report provides also the following parameters to filter the data:

- Geo parameters (Postal Code, City, Region, District)
- POS Category
- POS Group Account

5. Trade promotion analysis

You can use this interactive analytical page to monitor the progress of a trade promotion program.

You need first to select the program that you want to analyze.

The page provides the following items:

- Budget versus actual label indicators
- Interactive Bar chart that shows the number of conditions by state (open, in process, accepted, cancelled, not accepted).
You may click a data point to see analysis by state
- Table grid that shows analysis by business address for the defined quotas and the achieved values. The table is filtered by the above bar chart.
- Drop down selector to filter the data of the analysis by business address
- Slider that can be used to filter the data of the analysis by business address to see which POS achieved more than a specific actual achievement (e.g. >70%)

6. Trade promotion jobs

The following jobs must be scheduled in order to monitor the performance of trade promotion programs:

- **LTMP_CalcFigure:** It is used to calculate the actual achievement for each accepted condition. The following parameters must be completed:
 - Sales document types
 - Include return sales document: If it is true then actual sale key figure is calculated as Actual-Return for the period program
 - Achievement before the end of program: if it is true then rewards can be released before the end of the program
- **LTMP_email_notification:** it is used to notify selected representatives about the budget vs. actual performance of the running trade promotions. You need to select the resource role before scheduling this job.