



Aplicaciones de la gestión de datos al Análisis de Mercados

Agenda

- Promo Analytics. Combining Price & Promo
- Case study 3: Pricing Analysis

Data & Analytics: application areas

CONSUMER INSIGHTS

- ❑ Social listening
- ❑ Trends
- ❑ Neuro-testing
- ❑ Segmentation
- ❑ Ethnography

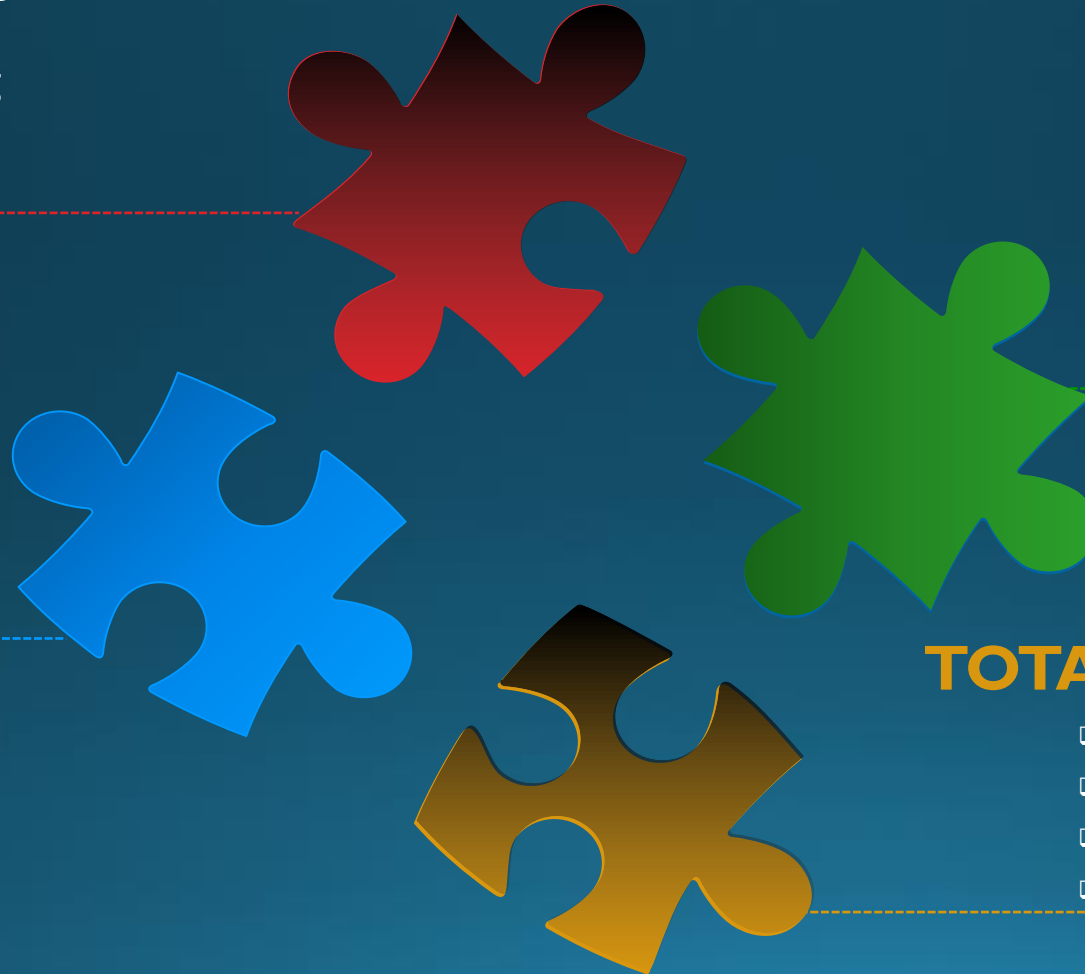
CUSTOMER INSIGHTS

- ❑ Price elasticities, price pack curves
- ❑ TPM, TPO
- ❑ Assortment & Mix
- ❑ Shelf
- ❑ Point of sales data
- ❑ Shopper/loyalty card data statistical analysis
- ❑ Field insights
- ❑ Image recognition

INSIGHTS INTEGRATION

TOTAL BUSINESS MODELING

- ❑ Marketing Mix Modeling
- ❑ Market structure
- ❑ Omnichannel
- ❑ Scenario planning



Pricing should balance your Brand Proposition

PRODUCT &
PERCEIVED EQUITY



PRICE STRATEGY
& PROMOTION

PRICING = BALANCE OF THE BRAND PROPOSITION.

- If the balance is not right...you will **not grow**
- Strong proposition (Product + Equity)...consumers **accept a higher price**

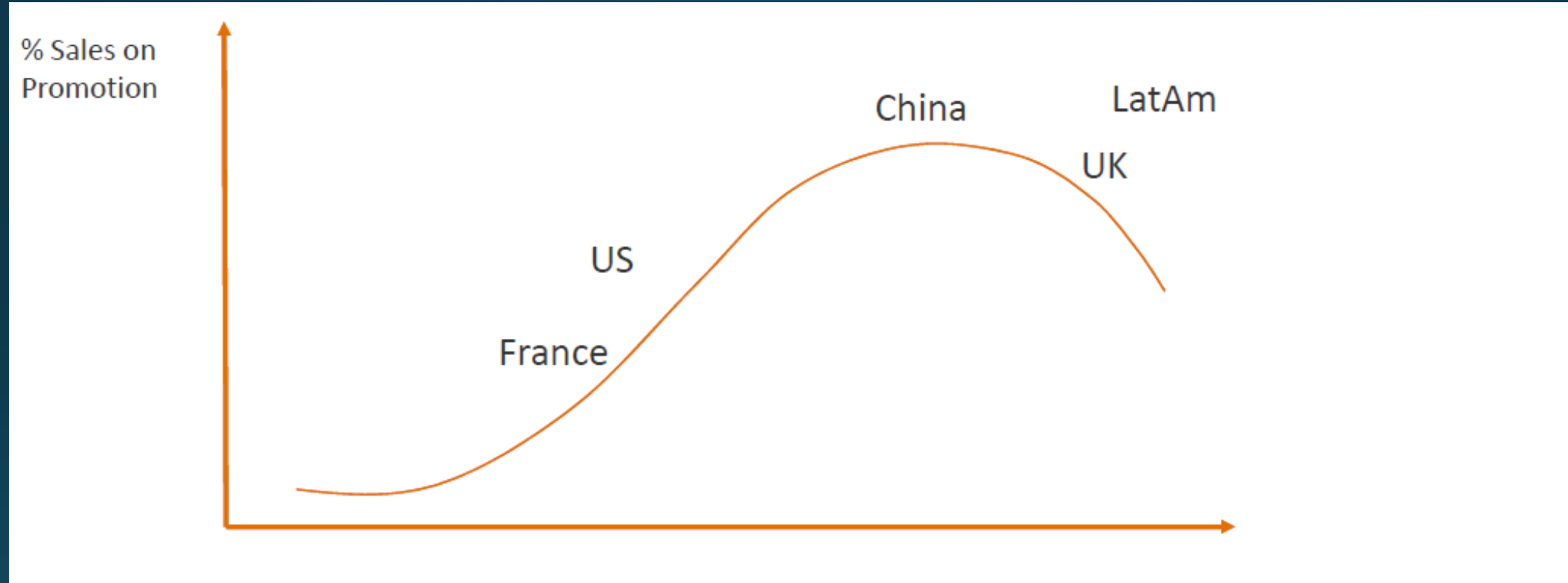
Promotions are not working



Pricing isn't either



Global Promotion trends



Lleva 3, paga 2

en los artículos señalizados
con esta promoción

3x2

Lleva 3, paga 2 3x2

SI ERES SOCIO DE EL CLUB CARREFOUR

TE DESCONTAMOS* EL IVA

En productos frescos, alimentación, bebidas, droguería,
perfumería, mascotas, bombillas, pilas menaje desechable.
Incluye nutrición e higiene infantil.

Y UN **10%** EN REPOSTAJES EN NUESTRAS GASOLINERAS.

*Acumulado en tu ChequeAhorro

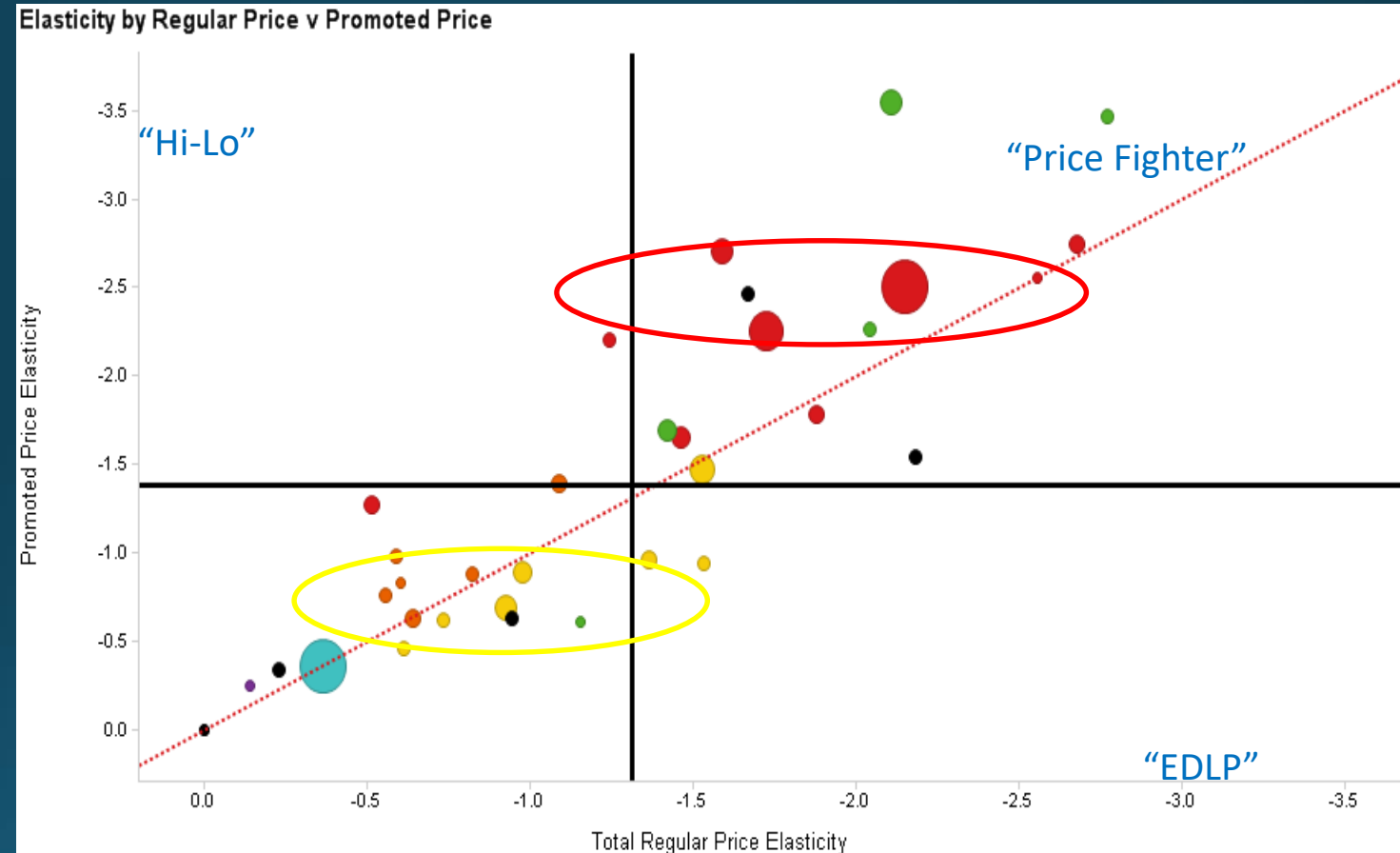


Designing Price & Promo Strategy

What happens when the brand promotes?

Sales change significantly

Sales hardly change



Sales hardly change

Sales change significantly

What happens when the brand changes price?

It is key to find the true impact



Case Study – Central Europe

PROBLEM

- Growing promotional sales participation
- Too expensive
- Losing customer perception

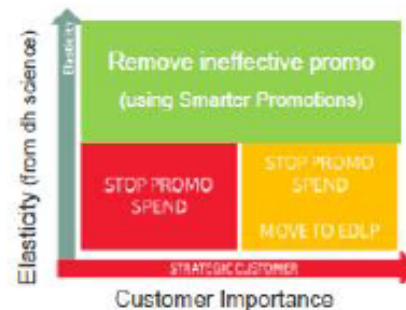
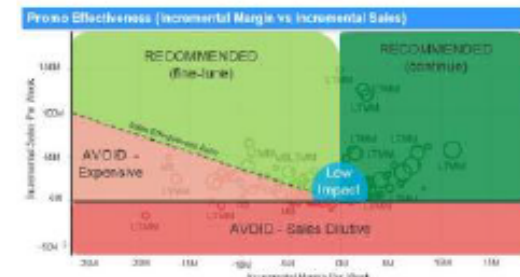
SOLUTION

- Cut the tail
- Run strong EDLP where relevant
- Neutralise profit impact balancing promotion savings into EDLP investments

20% of ineffective promotions removed

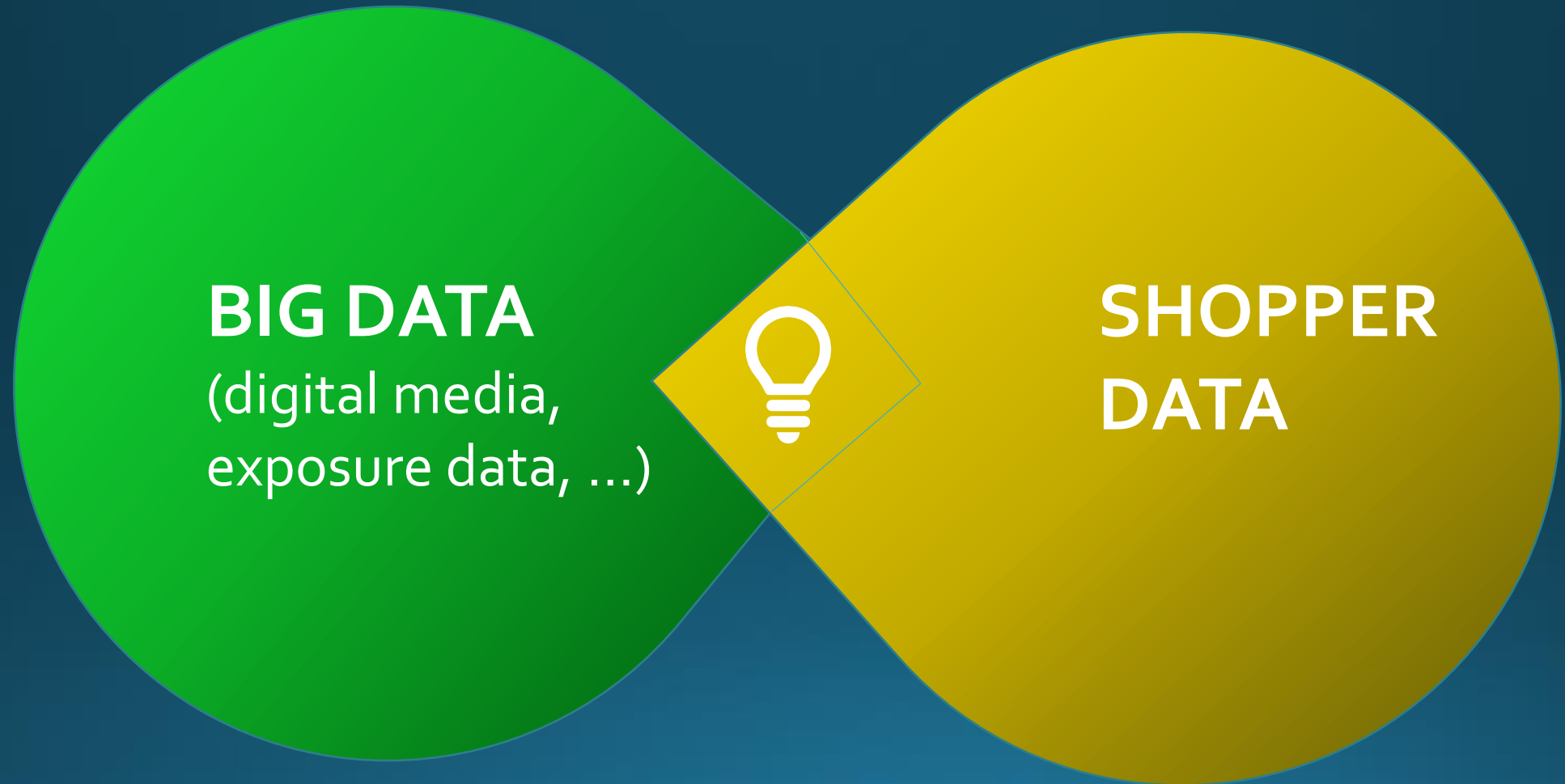
Sales Uplift > 20%
Profit Uplift > 7%

Cut the tail

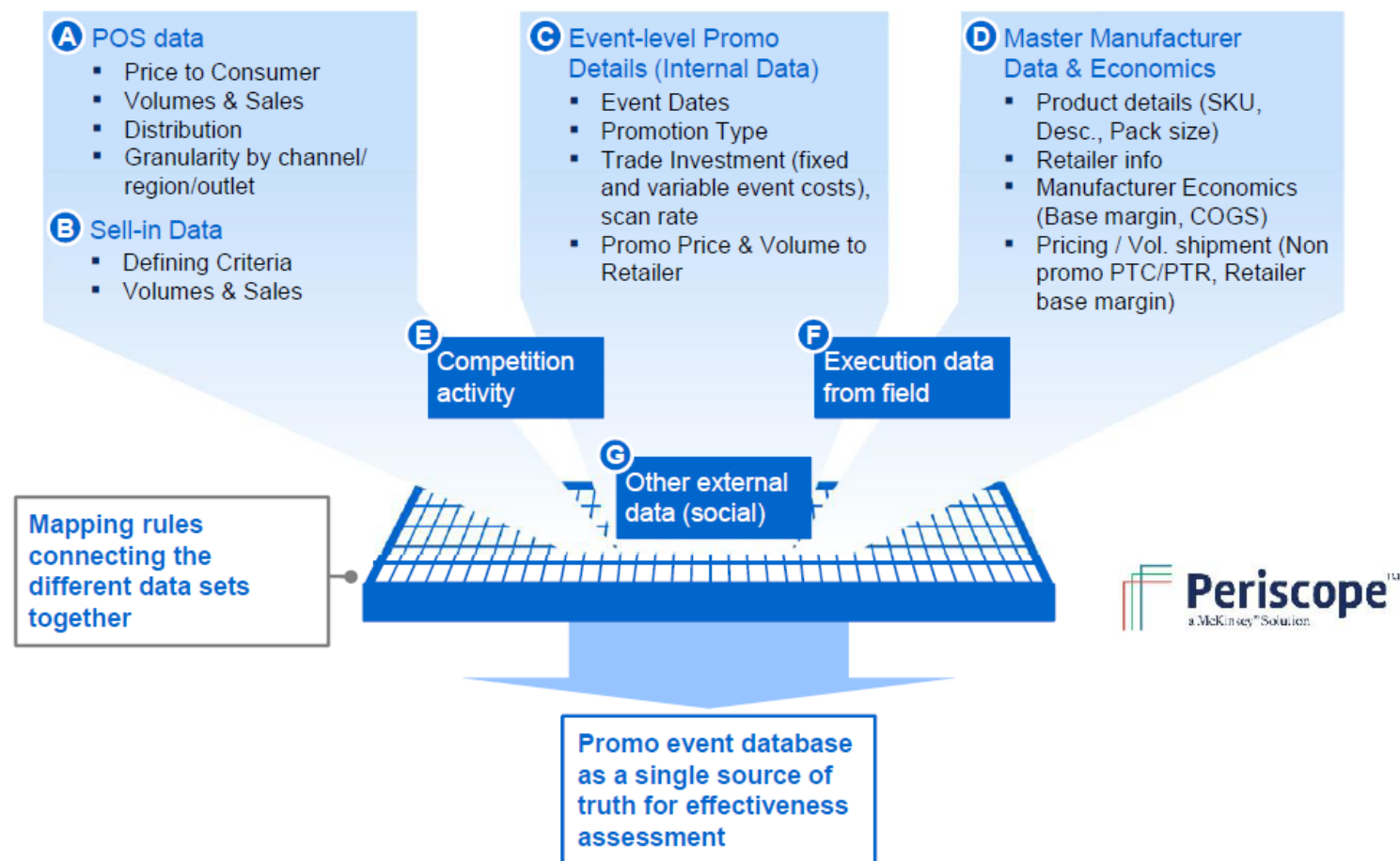


P&P Balance Matrix

Customer Science



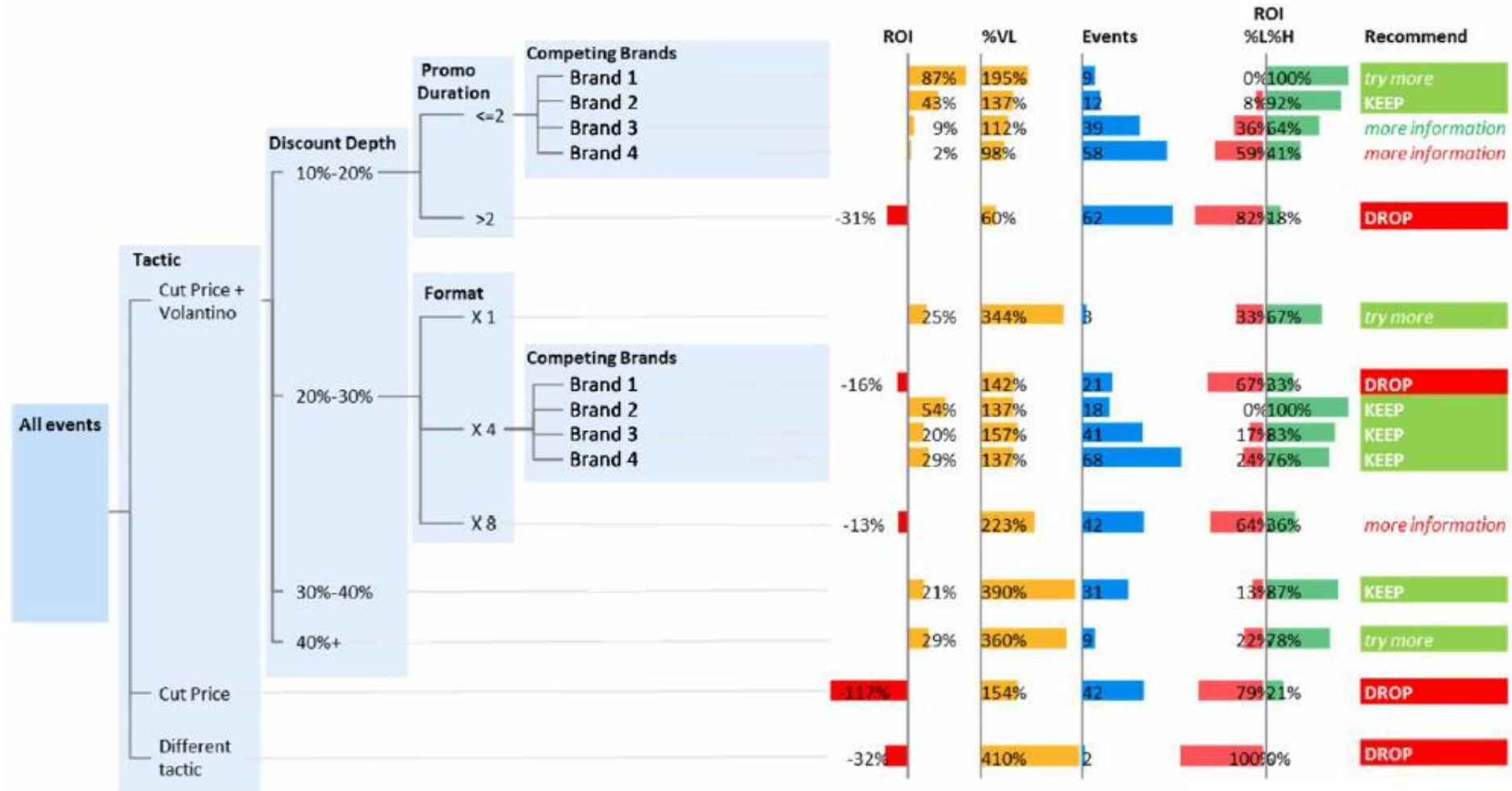
1 Promotion analytics of today is already all about Big Data



SOURCE: McKinsey

McKinsey & Company | 10

1 Post event pattern recognition engine – example of machine learning applied on the area of promotion analytics



2 Offer innovation: way to explore new offer tactics and mechanics in light of lowering returns for traditional offer schemes



Offer generation

Generate hundreds of virtual test offers



Example of offers characteristic

- Multibuy quantities
- Open vs. must buy
- Price points
- % off vs. \$ off
- Artwork and claims language
- Cross-merchandising
- Consumer segment targeting
- Geographic targeting
- Timing, Seasonal, Holiday, etc.
- Consumer and retailer specific segmenting

Micro-testing

Digitally micro-test with small groups of real shoppers in days



Test consumer engagement in a low risk environment:



- Facebook or other digital platforms to engage
- Reward App to redeem consumers based on proven purchase of a regular product

Analytics & rollout

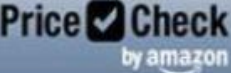
Identify the best promotions for roll-out





3 Shoppers have many apps to price compare and search for deals...





App encourages competitive “showrooming” and enables consumers to view detailed price / product comparisons on millions of products sold on Amazon







Scan It


Snap It



Say It

**Share In-store Prices with Us**


Take Price Check with you while you shop and share prices you find in stores. We'll use your feedback to keep prices competitive for all customers.

[Learn more](#)


Recent Price Checks



Nikon COOLPIX L24 14 MP Digital Camera with 3.6x...
Nikon




Center barcode between the arrows



Barcode will scan automatically.
Try to avoid shadows and glare.

Cancel



4 Retail environment is developing into a truly omnichannel mix – online gaining strong momentum

UK Grocery Example:

From “Big 4”



To multichannel, discounters and pure play



What this means for all

- Pressure to provide compelling offer/ specific assortment across a broader range of retail competitors/ formats and promotion channels – and driven by more than just the traditional large retailers
- All large retailers expand their multichannel setup
- Everyday shelf prices will change by retailer more frequently leading to demands for more dynamic margin funding models (i.e., trade)

4 Manufactures are also going digital – example P&G everyday, portal for consumers to interact with brands, browse content and look for deals



Coupons are consolidated on the site for customers to **print at home** to be used during in-store checkout

Customers with **shopper cards** for specific retailers can 'clip' the coupon online and have it added to their cards

P&G offer **free samples** for customers who sign up as a BzzAgent in return for their feedback and reviews

P&G also compiles all their coupons in a **booklet (P&G brandSAVER)** distributed in most Sunday newspapers

5 | Second machine age: inference engines taking over, controlling what the shopper sees and how he/she take choices

Before cookies: based on what is selling well

In product screen: based on items bundled together

What Other Customers Are Looking At Right Now



Just Dance 3
UBT Soft
Nintendo Wii
\$39.99 \$34.99



Kindle Touch 3G, Free 3G
+ Wi-Fi, 6...
Amazon
\$149.00



DEWALT DCD775KL-A
1/2-Inch 18-Volt...
\$458.00 \$169.99

Frequently Bought Together



Price for both: **\$40.45**

[Add both to Cart](#) [Add both to Wish List](#)

Show availability and shipping details.

- ☒ This item: Speedo Kid's Begin to Swim Fabric Baby Cruiser with Canopy.
- ☒ Huggies Little Swimmers Disposable Swim Diapers, Small, 12-Count \$10.

Customers Who Bought This Item Also Bought



Speedo Kid's UV Docket
Hat with Chin Strap
★★★★☆ (8)
\$10.10 - \$20.99



Huggies Little Swimmers
Disposable Swim Diapers,
Small, 12-Count
★★★★☆ (44)
\$10.50

Before signing in: based on browsing history

After adding item(s) to cart: cross category items based on your cart and wish list

More Items to Consider

Your viewed



In the Night Garden:
Welcome to the Night
Garden

Customers who viewed this also viewed



In the Night Garden:
Little Library
DVD



In the Night Garden:
Hello Everybody...
DVD



AmazonBasics High Speed HDMI
Cable with Ethernet...
★★★★☆ (78)
\$5.99
7 used & new from \$5.99

[Add to Basket](#)



Harry Potter - The Complete
8-Film Collection...
★★★★☆ (31)
\$20.99
22 used & new from \$10.99

[Add to Basket](#)

After signing in: based on search & purchase ...

...with option to improve future recommendations

After purchase: Recommendations based on your order and email follow ups about new, complementary items

Today's Recommendations For You

Here's a daily selection of items recommended for you. Click here to:



Zinbelle
Book
\$14.99



Zinbelle
Book
\$14.99



- ☐ This was a gift
- ☐ Don't use for recommendations

Recommendations Based on Your Order



Curb Your Enthusiasm:
The Complete...
Larry David
DVD
since \$14.49



Curb Your Enthusiasm:
The Complete...
Larry David, Cheryl Hines,
Jeff...
DVD
\$14.49 \$14.49





In the Night Garden:
Let's Go for a Ride
DVD

5 | Second machine age: new forms of sales stimulation are coming, exploring the area of 1:1 offering



“Incomplete offers” to drive promotional uplift

Incomplete offers in your trolley

Offer	Life
 Chicken Breast Chunks essential Waitrose 400g Buy 2 for £7 Last bought: 17/06/11	3+*
 Ocado Trimmed Fine Beans 300g Buy 2, save £1 Last bought: 12/06/11	4+*
 Yeo Valley Organic Fat Free Blueberry Yogurts 4 x 120g Buy 2 for £3 Last bought: 17/06/11	1w+*

Reminders of “forgotten” items

Did you forget?

Offer	Life
 Ocado Fairtrade Bananas 7 per pack Buy 2 for £2.50 Last bought: 04/01/12	3+*
 Columbian Blacktail Free Range Eggs Medium W... 6 per pack Save 33%, was £1.52 Last bought: 20/10/11	1w+*

Fresh Direct reports 10% basket uplift for customers using this feature

“Switch and save” to improve margin







Products in your trolley	Switch to these and save
 Large Pineapple Waitrose 350g Price per 100g: 76.9p 1 @ £2.69 Total: £2.69	 Pineapple Waitrose 200g Price per 100g: 74.5p 2 @ £1.49 Total: £2.98 Don't show me this switch again

Tailored special offers

Special offers you might like

Offer	Life
 Green Celery Hearts Pack Waitrose Offer price £1, was £1.44	4+*
 Cooks' Ingredients Large Bunch of Aromatic Coriande... 90g Bigger Pack, Better Value!	3+*

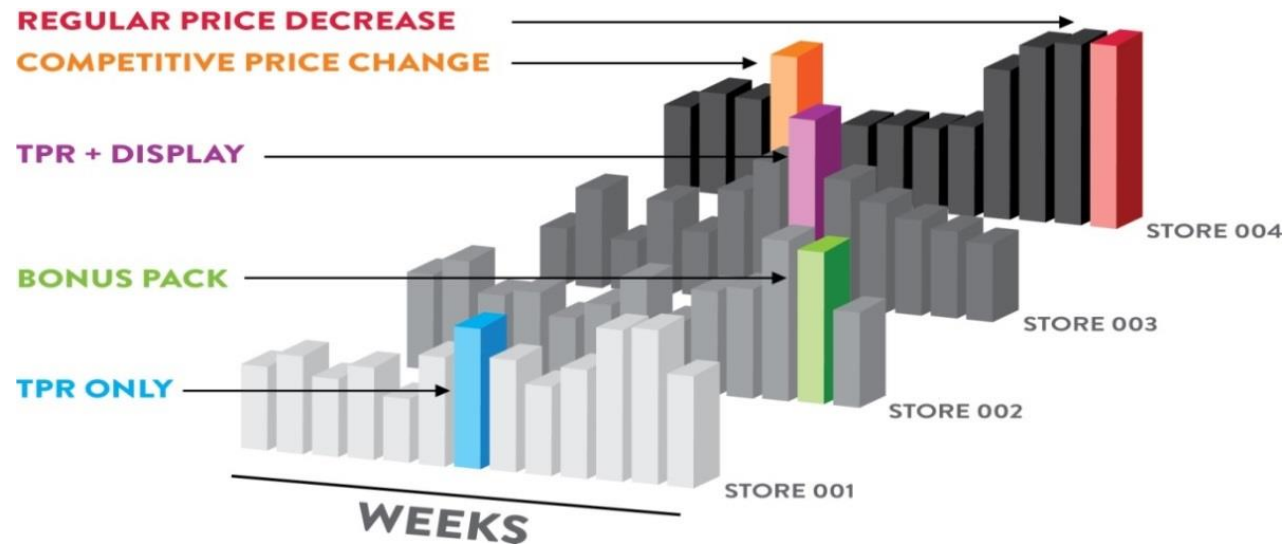
5 Glimpse of the new era: new rules will require different approach to eCategory management, including promotions

	Old playbook	New playbook
 Assortment	Physical constraints and a 'pay to play' assortment	Endless aisle combined with 'performance-based' assortment
 Merchandising	Basic product content (e.g. product images, copy)	Interactive product content (e.g. videos, buying guides) and intensified online partnerships
 Pricing	Consistent pricing across all channels	Dynamic pricing across all channels
 Promotions	Planned, chain wide offers	Personalized 1:1 offers based on individual shopper preferences
 Trade funds	Support the stores	Deliver an omnichannel experience
 Content	Circular driven	Customers are loudest voice, with curation possible

What is Price & Promotion (PnP)?

- Regression model
- Built off store-level data (300,000+ observations!)
- Helps answer a wide range of pricing and promotion questions

Total Units = Base Units + Promo Units



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Caso 3: Análisis de Precios (2 grupos)

- Objetivos: 1 y 2/ Análisis de precios por canal
3/ Detección de principales oportunidades para la marca SHAD (Grupo 1), Retailer Brand (Grupos 2)
- Preguntas clave:
 1. Total Canal: ¿Cuál es la estructura de precios por canal para la categoría? ¿Cuáles son los principales segmentos de precio en valor y volumen? ¿Cómo han cambiado los segmentos de precio a lo largo del tiempo?
 2. Posición de las marcas/canal: ¿Cuál es el posicionamiento en precio de las distintas marcas? ¿en qué segmento principal juegan cada una?
 3. Oportunidades principales para la marca: hay algún segmento en el que no participa?

