

Largest dairy manufacturer in Asia-Pacific – Recommended trade spend optimization uncovering \$8-16mn opportunity, in a commercial workstream of an RTS program

Client context

- **World's largest exporter of dairy products** – \$23 billion in revenue
- **Only a handful of major retailers** with strong bargaining power in Asia-Pacific market - simple promotions mechanism (price discount)
- **Diagnosis of consumer trade spend effectiveness** for 4 largest categories:
 - Yoghurt
 - Cheese
 - Butter
 - Ice cream

Client name: X
Team set-up: X
Fees Structure: X

Approach

Data

- **Collected and managed** data to build integrated trade spend DB:
 - Promotional event calendar
 - Weekly event level transactional data
 - Financial data
- **Developed a ETL (Extract Transform Load) process** on Alteryx and output into a Periscope tool - Promotion Advisor

Analysis

- Analyzed **macro and promotion ROIs**
- **Recommended on pricing to retailers, optimal discount depth, and new promotion mechanics**

Team

CST

- Oskar Tetzlaff
- Marc Walker
- Beth Dowe

Periscope

- Brad Kasell
- Thibaut de Hollain
- Micah Yoo

What was unique: X

Impact

- Identified an L2 impact of **\$7.6-15.9mn** against a current trade spend of \$39.2mn
- Client is ready to micro-test the potential improvement of **allocating promotions budget to optimal discount depths** for a major retailer
- Feasibility of introducing and applying **new promotional mechanics** are in discussion
- Possible opportunity for McKinsey and Periscope to apply the model in other countries in the APAC region – incorporating advanced analytics (e.g. pattern recognition)