

Worldwide Food Manufacturer Uses Trade Promotion Intelligence to Drive 4-7% Sales Uplift

By optimizing trade promotions with AI, this leading food manufacturer opened the door to increased revenue, fewer lost sales, and more accurate modeling.



Choose Your Promos Wisely

With budgets stretched tight and multiple departments contending for every dollar, businesses need strong results from their promotional spends. For one of the world's largest food companies, though, there was a noticeable gap between expenditure and outcome.

This client was spending a significant amount on trade promotions. However, they had to rely on a traditional parametric model, which limited their ability to deliver the right promotion at the right time. This led to a loss of potential revenue.

To solve the problem, they deployed the world's first Trade Promotion Intelligence (TPI) solution, which uses AI and machine learning (ML) to improve promotion selection and timing.

More Accuracy, Better Results with AI

By moving to a more accurate and comprehensive AI-based solution, the client saw modeling error shrink from about 20% to less than 5 percent. They also were able to make promotion decisions faster, thanks to real-time optimized calendar generation. This led to:



5.3% annualized incremental sales (\$1.73 million).



A 4.7% sales uplift for their largest US retailer



A 7% sales uplift for their second-largest US retailer

On-the-Fly Promo Calendar Optimization

Two of the main factors impacting this company's promotional efforts were a lack of speed and limited data inputs. With AI at the solution's core, additional data sources could be included in the process, resulting in models that were far more accurate. An optimization engine analyzed customized business constraints and generated calendar options geared toward maximizing sales in all feasible scenarios. And a machine learning layer continuously improved performance.

To put these insights directly into the hands of decision-makers, an interactive user interface was developed. Simple yet intuitive, this allowed non-technical users to easily model complex scenarios, identify new opportunities, and preview the expected results from these actions.



Leading the Way with TPI

Since deploying their industry-leading TPI tool, this food manufacturer has been able to generate detailed, goal-based recommendations for their retail partners in mere minutes. Their AI- and ML-enhanced solution not only gives them a fuller, more accurate picture, it also allows them to make better decisions while keeping up with the pace of today's markets.

