

Analytics for Improving Brand Growth

Fractal helps leading consumer package goods (CPG) company enhance brand growth by analyzing market share loss and identifying effective promotion opportunities

SUMMARY

- **Client**
A leading FMCG company*
- **Challenge**
Understand sources of market share loss and identify effective promotion strategies for a premium brand that was rapidly losing market share
- **Solution**
Analyze consumption data from a panel of households to generate data driven strategies
- **Result**
Used data to generate strategies for promotion and pricing for different geographies and segments.

* This case study is based on a Fractal client that has requested anonymity

■ The Business challenge

A leading brand of a CPG major was facing the problem of declining market share. The brand had been a premium brand and a market leader in its category for a long period of time. Faced with eroding market share, the company retained Fractal's analytical consulting services to help understand how market share erosion could be arrested. The key task was to segment and profile customers that were leaving the brand, identify the brands they were switching to and identify opportunities to effectively promote the brand so as to regain market share.

■ The Solution

The company collects monthly consumption information on over 3,000 brands from over 30,000 households that are empanelled for a monthly consumption survey. Apart from monthly consumption details, the company also has detailed demographic information on these households including income, socio-economic class, geography, media habits etc. The panel comprises urban households from major towns across the country.

Fractal analyzed the data from this panel survey to help the company better understand consumer behavior. A key challenge was that the panel was not a representative sample of the population. All analysis and findings had to be weighted to represent the actual population distribution by towns and socio-economic classes. The process of ascribing weights to the households on a dynamic basis was automated.

Large volume of consumption data was extracted, manipulated and integrated seamlessly with demographic and socio-economic data. The data extraction and integration process was also automated to compress delivery timelines for future studies.

The data was then analyzed to answer multiple questions and test multiple hypothesis. The entire study was broken down to answer multiple questions like:

- ▶ Which markets is the brand growing in and in which territories is it losing market share?
- ▶ What is the nature of the loss in market share? Are consumers just reducing the volume of consumption or are they switching out of the brand completely?
- ▶ What is the profile of the consumers that are migrating to other brands, and what brands are they migrating to?
- ▶ What are the key promotion opportunities that the brand can capitalize on?
- ▶ What has been the impact of price on demand?

Fractal used a wide range of proprietary tools and packaged software to perform varied statistical analysis including segmentation, clustering, tabulation, market basket analysis and regression analysis to arrive at answers to the above questions.

■ Result

Our analysis provided the company a concrete profile of customers that were leaving the brand and a good sense of why they were switching away from the brand. The results of our analysis were used by the client to redesign pricing and promotions strategies.

👉 About Fractal

Fractal is a leading provider of customer analytics to consumer banks, credit card issuers, CPG companies and telecom companies. Fractal's analytical solutions have helped companies across the globe enhance profitability by powering their customer management efforts with scientific decision making.



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