

Enhancing Promotion Effectiveness

Fractal helps CPG company to measure and enhance the effectiveness of promotion program

SUMMARY

- **Client**
A leading CPG company*
- **Challenge**
To assess the effectiveness of distributing promotional packs with internal brands and to identify most effective brands to use as promotion vehicles
- **Solution**
Performed brand affinity studies and mapped target segment profiles to identify appropriate brands as promotion vehicles
- **Result**
The company could identify most effective brands with which to distribute promotional packs, and also measure the results in terms of reach and subsequent impact on sales

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

■ The Business challenge

As a CPG company with a large pool of products and brands, one of the easiest ways of promoting a brand is by distributing promotional packs of the brand with other brands of the company. The challenge for the brand manager, as with most promotion programs, is to find out if the promotion program is meeting the desired objectives. In such a situation, the choice of the brand that is used as the vehicle for distributing promotional packs is critical. The brand used as the promotion vehicle will determine the target audience to which the promotional packs reach.

The brand manager is faced with all of the following tricky but vital questions:

- ▶ Will the promotion packs reach the desired target audience?
- ▶ Will the promotion help in gaining market share from competition or will it cannibalize other internal brands?
- ▶ What is the impact of the promotion on consumer behavior and ultimately sales?

■ The Solution

As a first step the brand managers were asked to answer key questions about the promotion program with respect to the objective of the program, the target audience desired, the geographies where they wanted to run the program etc. It was also important to understand which brands they were competing with directly.

Once this was established, Fractal proceeded to perform brand affinity analysis (also known as market basket analysis) in different geographies. The basic principal was to identify those internal brands that were consumed strongly along with competitive brands but were not consumed heavily with the brand that was to be promoted. Also, consumer profiles of the brands to be used as promotion vehicles were mapped onto the target profile of the promotion brand. Finally, brands to be used as promotion vehicles were evaluated for their market penetration and reach.

■ Result

The above analysis helped the brand manager identify internal brands that would help them take the promotional packs to the desired target audience. By using household panel data it was possible for the brand managers to assess the reach of the promotion program. Also, through subsequent analysis of the panel data it was possible to measure the impact of the promotion program on different customer segments.

📌 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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