

Food and Beverage

Smart Promotions, Stronger Sales: Data Science in Alcobev Trade Optimization





Problem Statement

North America and Europe's largest alcoholic beverage manufacturer and distributor faced challenges in optimizing trade promotions.

With a diverse portfolio of over **150 products** and a wide array of **500+ promotional activities** spanning **30 different markets**, the company needed a sophisticated, data-driven approach to enhance promotion effectiveness and drive measurable results.



Solutions Delivered

► Understanding Promotion Dynamics with Light GBM:

It was used to analyze past promotions. This model helped identify which types of promotions worked best and how different discounts influenced sales.

► Learning What Customers Want with Conjoint Analysis:

This method helped uncover which features of a promotion—such as the type of discount or the timing—were most appealing to customers. This helped in designing promotions that were more likely to attract customers.

► Tailoring Strategies with Bayesian Analysis:

Hierarchical Bayesian Analysis was used for considering differences among various customer groups. It helped in tailoring promotions more precisely.

► Simulating Scenarios with Monte Carlo Analysis:

This technique involved running simulations to see how different promotion strategies might perform under various scenarios.

► Finding the Best Promotion Mix with Optimization Techniques:

including Stochastic Optimization and Genetic Algorithms, to explore numerous possible promotion combinations. These techniques helped identify the optimal mix of promotions that would maximize effectiveness and minimize costs.

Outcomes

Improved Business Outcomes:



**15% Increase in
Promotion
Effectiveness**



**\$50 Million
Annual Revenue
Growth**



**10% Reduction in
Promotional Spend (\$20
million in cost savings)**



**30% Faster TAT for
planning and executing
of promotions**



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