

Trade Promotion Optimization for a Global Beverage Leader

Case Study

Business Impact

3-4% ↑

In Sales

4%

10% ↑

in trade promotion
ROI

25% ↑

improvement in
promotional
effectiveness

4-5% ↑

expansion in shelf
space

Problem Statement

The client faced difficulty in maximizing trade promotion ROI due to the lack of precision and adaptability in its legacy systems. Existing tools couldn't factor in variables such as seasonality, store-level inventory, company margin impact, and secondary sales. With limited ability to recommend the most effective promotions by region or SKU, the team was often forced to rely on intuition over insight. This led to suboptimal budget allocation and missed sales opportunities across various retail and digital channels.

Solution Overview

- Unified historical promotion data, sales trends, customer demographics, and market signals into a centralized dataset.
- Analyzed performance across locations to identify high-potential markets and SKUs most responsive to promotional activity.
- Derived insights from variables such as ad spend, promotional channels, economic indicators, and customer segmentation.
- Trained a robust predictive model to map complex relationships between promotions and sales outcomes.
- Continuously validated model accuracy using metrics like MSE and R², enabling iterative tuning.
- Embedded the model into the client's existing operational systems to enable real-time promotion recommendations.
- Deployed insights across retail outlets, e-commerce platforms, and DTC channels for consistent execution.