



Market6 Key Application Area: Promotion Execution

Existing and emerging tools have driven more effective promotion planning, but the industry still lacks a closed-loop promotion planning and execution process. DemandView™ from Market6 links promotion planning to store-level execution, providing a solution that *operationalizes* promotion plans by providing real-time sales and inventory information back into the forecasting, distribution and ordering processes.

Several challenges complicate the attempt to improve promotion execution:

- Lack of visibility to store plans for promotion support, including display planning and timing.
- Lack of feedback to incorporate store behavior into the initial and replenishment ordering plans.
- Excessive store-level inventories caused by a lack of understanding of consumer demand.
- Lack of time and resources to make adjustments *in flight* that would tailor product shipments to meet consumer demand and inventory investment goals.

DemandView™ drives innovation in promotion management by:

- Estimating an advanced modeled perpetual inventory
- Forecasting daily, at the item/store/SKU level, by utilizing existing forecasts and external demand drivers
- Devising ordering logic based on dynamic item-level inventory targets
- Enabling item-level inventory adjustments and providing previously unavailable information about in-store promotion activity back to the forecasting, distribution and ordering processes.

DemandView™ uses an approach designed to add rigor to the promotion execution process by allowing the process to be broken into logical waves. This enables mid-stream course corrections, avoiding costly overstocks while avoiding out-of-stock conditions. The ability to modify planned distribution activities *n flight* allows for greater flexibility to respond rapidly to changes in consumer demand. The steps shown below provide a high-level depiction of the overall process flow:

The DemandView™ Promotion Execution Process

Step 1: Receive data - POS, Item Master, Pricing and Order, Delivery and Merchandising (ODM) schedules. DemandView™ receives and cleans retailer data, obtains other relevant data from other internal and external sources and stores and aligns this data so that supply chain decisions are made closer to the end consumer from better information.

Step 2: Forecast demand and store orders 31 days before the promotion. DemandView™ calculates initial order quantities (from POS and Forecast) and also calculates re-order quantities (from ODM schedules)

Step 3: Pre-promotion course corrections. DemandView™ provides the opportunity to modify order quantities based on changes in demand forecasts.

Step 4: Monitor sales vs. forecasts. DemandView™ quickly summarizes information to identify which stores are out of stock, and which stores will be, to respond quickly to adjust re-order quantities based on sales, demand and inventory.

Step 5: Post-Promotion Impact Reporting and Analytics. Market6 can deliver analytic insights that provide an understanding of promotion effectiveness to all levels of the organization.

DemandView™ permits trade promotions to run more effectively by accurately forecasting demand at the store level (by item), providing visibility to the demand signal so promotional orders can be shipped, and replenished, to optimize the promotion. By correctly estimating the initial promotion shipments and replenishment orders needed to maintain secondary displays *plus* monitoring the promotion volume vs. expected volume daily – by item, by store – DemandView™ dramatically simplifies the task of monitoring and evaluating promotions *in-flight*. This helps decrease promotional out-of-stocks while balancing store level inventory, thus increasing sales and providing a higher level of customer service.