

HOW AI HAS CHANGED THE ECONOMICS OF TRADE PROMOTION

To make trade spend more profitable in increasingly competitive retail channels, Trade Promotion professionals are investing in a new category of AI-powered solutions to optimize trade spend.

CPG companies that are adopting Artificial Intelligence (AI) in their Trade Promotion programs are seeing impressive results.



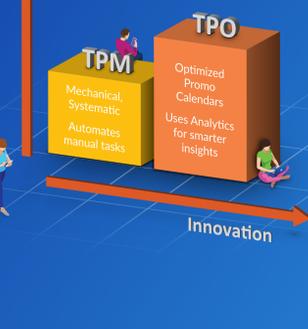
TPM & TPO ARE NOT ENOUGH

We'd like to think a lot has changed in the last 20 years. And in some ways it has.

Trade Promotion Management (TPM) software has moved the mechanics of planning and tracking trade promotions from spreadsheets to applications. This has saved time for sales people, and improved tracking for management.

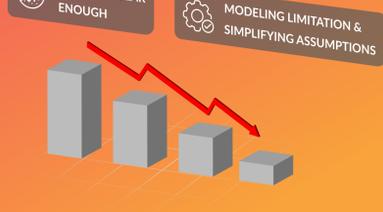
In the last few years, Trade Promotion Optimization (TPO) solutions have applied data and analytics to better plan programs at a more granular level—by SKU, by PPG, by region, etc. This innovation has yielded an ROI in the 1-3% range.

But this is no longer enough to stay competitive.



TPM & TPO LIMITATIONS ARE INHIBITING GROWTH

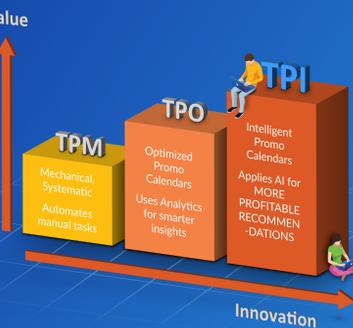
Making the right decisions for trade promo optimization is very complex due to involvement of multiple stakeholders, external factors and sub-optimal methodology.



TPI TRADE PROMOTION INTELLIGENCE

Artificial Intelligence is applied to make real-time goal-based recommendations and build Trade Promotion calendars at the individual retailer level.

Trade Promotion Intelligence (TPI) solutions go beyond adding some AI to TPO solutions. TPI solutions like NAVIK TradeAI are designed with AI at the core, then use machine learning (ML) to continuously learn and improve Trade Promotion recommendations.



TPI CAPABILITIES ARE FUELING GROWTH



Trade Promotion recommendations base on AI guide trade promotion professionals to detailed calendars that meet specific business goals like increasing revenue, margin or share.

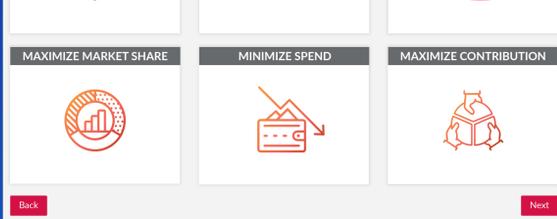
HOW IT WORKS...

It's easy to create intelligent promo calendars on-the-fly for each retailer



How it looks...

1 Start by simply choosing your business priority

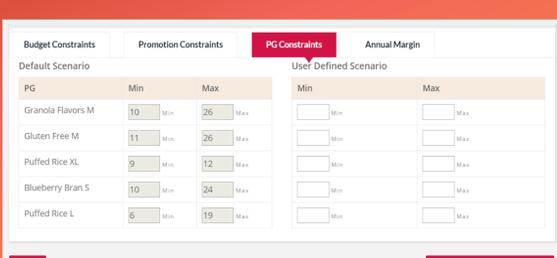


Easy-to-Use

For your chosen retailer, simply select a business objective...

NAVIK TradeAI

2 Set preferred business constraints to customize your calendar

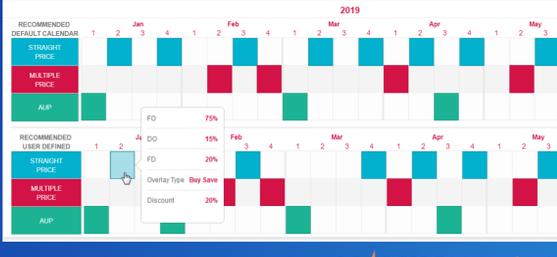


Easy-to-Change

Adjust controls anytime, and your new optimized calendar is created for you.

NAVIK TradeAI

3 See the recommended Trade Promotion Calendar



Easy-to-Act

For each retailer, see which promotions to run for which SKUs/PPGs, and for how long—including expected results.

NAVIK TradeAI

Examples of specific recommendations and expected results...



Trade Promo Recommendations Example for Retailer A

For an expected **5% uplift** in Q2 revenue, the following changes were made to this Trade Promotion Calendar for Retailer A



5.0% Decrease in promotion frequency from 117 to 111 promotions in Q2

5.0pp Increase in average discount offered (from 18% to 23%) across promotions for Q2

4 Additional PGs promoted in Q2 when compared to plan

3.2pp Increase in the average discount offered for Straight Price tactic (most common promotion)

5x Increase in the frequency of AUP price tactics; Multiple down by almost 65%



Trade Promo Recommendations Example for Retailer B

For an expected **7% uplift** in Q2 revenue, the following changes were made to this Trade Promotion Calendar for Retailer B



29% Decrease in promotion frequency from 64 to 45 promotions in Q2

3pp Increase in average discount offered (from 24% to 27%) across promotions for Q2

2 Fewer PGs promoted in Q2 when compared to plan

1.3pp Increase in the average discount offered for Multiple price tactics (most common promotion)

0.5x Decrease in the frequency of Multiple price tactics; Straight is almost the same

WHY AI?

Real business impact can be seen quickly, and that impact extends over time.



- Build superior predictive models with Self Learning capability
- Leverage a large number of rich data sources that extend over a longer period of time
- Create optimized trade promo calendars based on complex business variables
- Model complex interaction scenarios between the manufacturer, retailer and consumer

Trade Promotion professionals need to incorporate TPI capabilities now, or risk losing to competitors and disruptors who are already deploying artificial intelligence.

The NAVIK TradeAI TPI solution from Absolutdata was created for Trade Promotion professionals based on 15 years of experience with large global brands in CPG, retail and hospitality. TradeAI also runs on the NAVIK AI Platform, creating scalable business impact for the enterprise.

I'd like to talk with a Trade Promotion AI Expert

