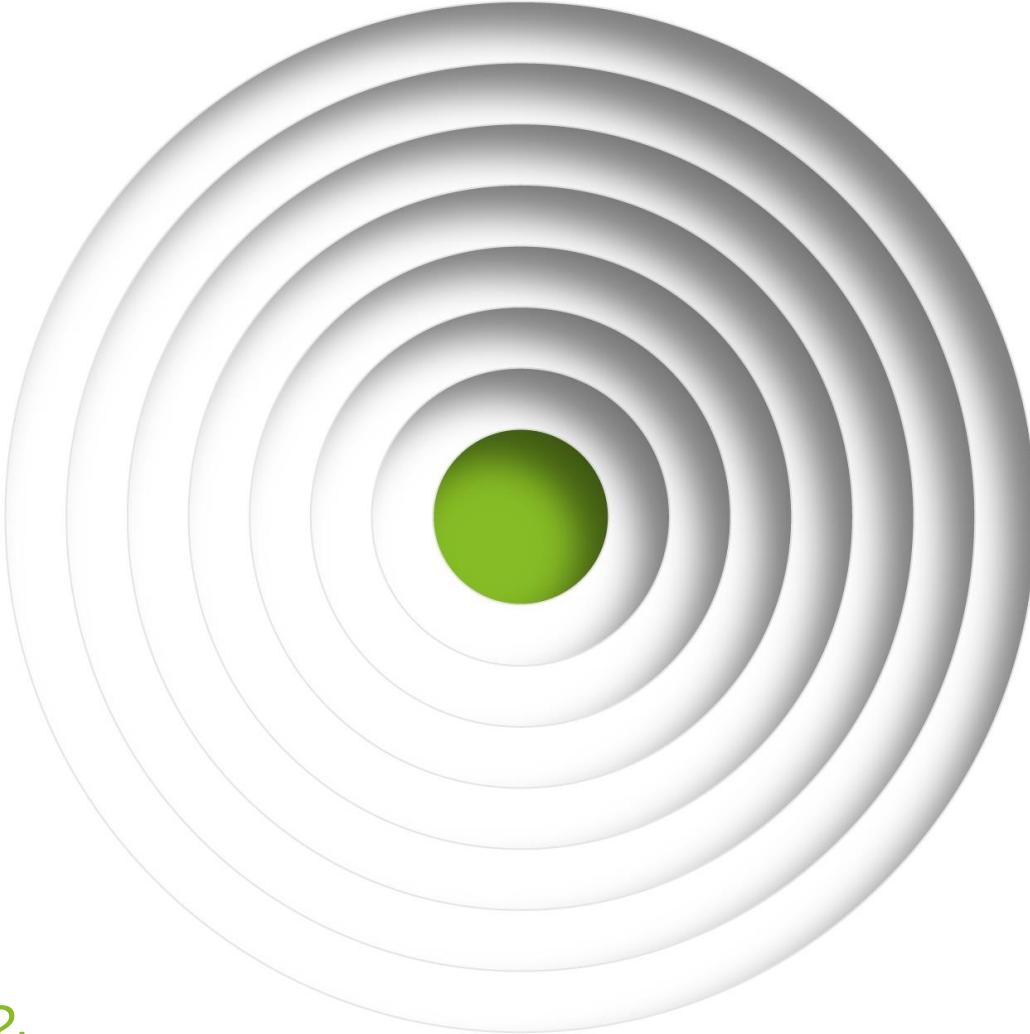


Monitor  
**Deloitte.**



Customer Strategy &  
Applied Design

Case Studies Pricing & Profitability

# Global FMCG Company

Get transparency about the effectiveness of trade promotions and derive mechanisms and processes how to enable improvements



## Key Customer Question(s)

In a highly competitive retail landscape such as Germany, consumer promotions are important and trade spend is a key tactical instrument to attract shoppers sustainably. However, in Germany, only part of the promotional spend is recorded, as most of the promotions are covered by contractual spend (other terms or business building terms). With lack of spending transparency and data spread across various systems, insights on promotion effectiveness were missing

profit



## Our Approach

- We built the fact base and allocated trade terms to promotional events for a promotion deep dive analysis (ex-post) to obtain full transparency about the effectiveness of the client's promotions across all defined categories and customers
- We evaluated uplift and ROI results per category and customer to identify levers for promotion success and derive recommendations for future promo programs
- We quantified impacts of the identified measures through calculation of gross profit opportunities and validated these opportunities in the organization together with key account management. Finally we prepared a playbook for customer negotiations



## Resolution / Outcome

**11mio. €**

**gross profit increase** through promotion efficiency recommendations across customers and categories

**Offering:** Trade Promotion & Optimization

**Industry:** Consumer Products

## Interested?

Contact Thorsten Zierlein or Anna Krug for more details and any questions or inquiries.



# Global Beverage Company

Improving business insights into customer and product profitability to achieve the client vision of a long-term profitable sales growth



## Key Customer Question(s)

The client's past is characterized by high growth with a low focus on price and profit. This lack of focus lead to inflated trade spends and an eroded Net Sales Value. Deloitte conducted an as-is assessment that revealed the following key issues: Value did not grow with volume; high proportion of unconditional trade terms; actual differs from what has been agreed in contracts



## Our Approach

- We defined a common trade spend framework and a consistent breakdown structure to measure profitability, in line with strategic sales drivers
- We designed a global and local customer hierarchy, reflecting pricing and negotiation points and allowing to maintain trade spend conditions on specific hierarchy levels
- We re-engineered client processes including master data, condition maintenance, trade term execution and settlement, as well as reporting and implemented an integrated system replacing excel sheets. Responsibility shifted to the sales department, supported by a change initiative to embed a profitability driven mindset



## Resolution / Outcome

**Shift in sales negotiations towards a profitability and pay-for-performance driven mindset, creating win-win scenarios for the client and its retail partners**

**2%**

**Increase in Net Revenue  
within 2 years**

**Offering:** Insights Driven Revenue Management  
**Industry:** Consumer Products

## Interested?

Contact Thorsten Zierlein or Anna Krug for more details and any questions or inquiries.



# German Retail Bank

Design and end-to-end implementation of monetization strategy for banking offering around current accounts, payments, saving, investments & financing



## Key Customer Question(s)

- How to turn stagnating topline results into growth again?
- How to increase customer activation for both new and existing customers?
- How to increase up- and cross-selling among customers better by utilizing customer data and data driven marketing approaches?



## Our Approach

- Design of a freemium model for all key offerings for private customers consisting of broad free offerings and context-based modularized bundles. Application of value based pricing approach (EVE© & Van Westendorp) to find right price points
- Development of value proposition and narrative for new offering including development of prototypes and customer UX/UI testing
- Target architecture design, derivation of requirements, market screening, proof of concept phase with SaaS vendors to prepare MoB decision to implement “Modul-Shop”
- Continuous implementation support of product team for offering launch



## Resolution / Outcome

**New offering designed, willingness of pay and attractiveness of offering tested with customers, proof of concept and recommendation of SaaS provider, technological and operational set-up for launch of MVP**

**20%**

**Expected increase in topline result after 3 years**

**Offering:** Monetization strategies for digital products & services  
**Industry:** Financial Services

## Interested?

Contact Thorsten Zierlein or Carina Garbe for more details and any questions or inquiries.



# Global Manufacturer of Power Tools

Develop a value-based pricing to cater for customers' willingness to pay for selected parts & accessories, leverage revenue potential while securing parts revenue in the long-term and further drive customer-centricity



## Key Customer Question(s)

- Untapped revenue potential for parts as historically pricing and its segmentation are heterogeneous and based on mark ups and technical factors rather than commercial aspects
- Competitive pressure and online retail drive price transparency and pressure



## Our Approach

- We conducted as-is analysis of current accessories pricing incl. pain points across markets, set a reference basket and analyzed the aftermarket landscape
- We elaborated the hypothesis on value drivers (technical, commercial) in workshops series
- We designed, executed and analyzed market survey: Voice of the Customer and dealer surveys to analyze customer needs, test value drivers and purchasing behavior
- We identified levers to optimization of the pricing approach regarding fairness (price logic), consistency and margin optimization



## Resolution / Outcome

**Voice of the Customer and dealer insights regarding customer needs, purchasing behavior, and willingness to pay with aligned value drivers and levers to boost parts business**

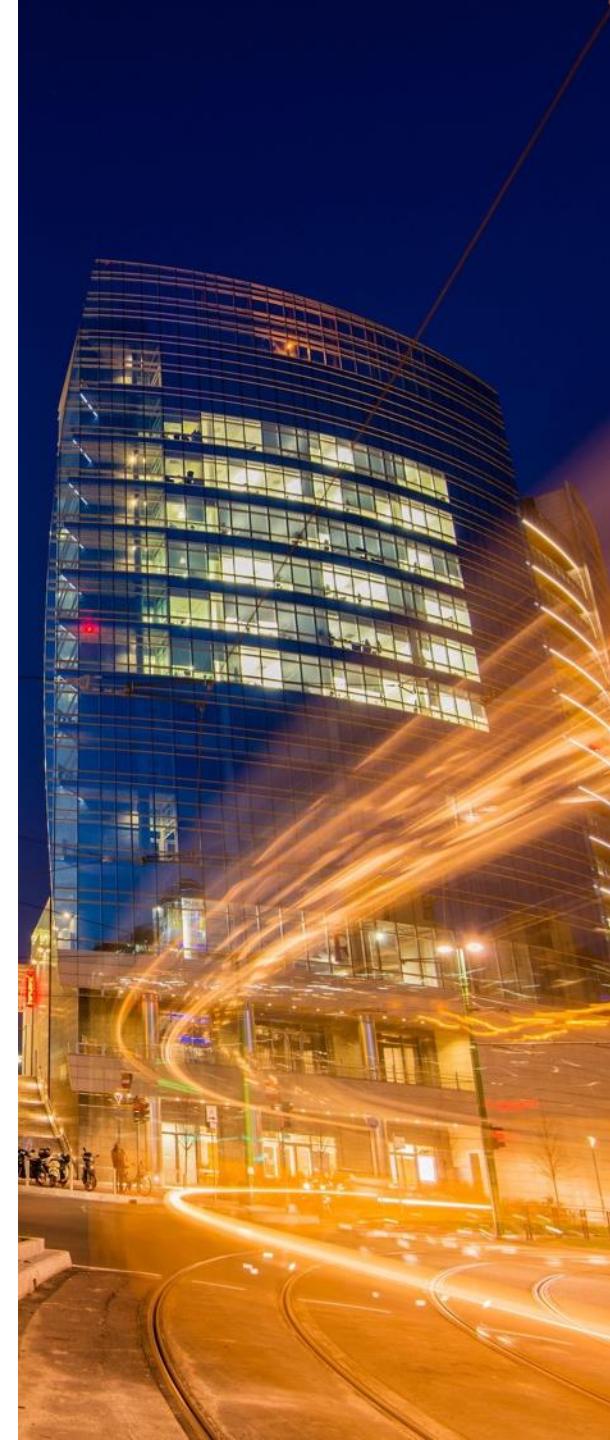
**9%**

**Increase in Net Revenue within next years**

**Offering:** Spare Parts Pricing  
**Industry:** Industrial Products

## Interested?

Contact Christoph Beuter for more details and any questions or inquiries.



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