



SOLVING THE MYSTERY: BIG MARKETING ROLLOUT AND GREAT PRODUCT FEATURES — BUT SALES WERE SLIDING. NOW WHAT?

THE SITUATION:

An experienced food and beverage team had created a great new launch plan. Distribution buy-in was robust but actual sell-through was falling significantly short. The team was at a loss as to why. All the traditional metrics reflecting distribution, awareness and price said the product should be a big success, but revenue and share were below forecast ...and getting worse.

THE CHALLENGE:

The category was complex and crowded. Consumers could find many competitors and continual new offerings, so the potential for substitution was high. The brand team had a data-rich environment, and all the plan indicators were positive — except sell-through. Bottom-line: The team needed to act quickly to diagnose the root cause, install an effective fix and reverse falling sales or possibly see their new product dropped entirely.

THE SOLUTION:

A MarketSim™ category model was developed in just three weeks using all existing data, and fine-tuned for this scenario. The “calibrated” model clearly reaffirmed that the client’s product should be a winner. The analysis looked solid because shares of the other twenty brands, including several new ones, were well within one percent of their forecast. This meant the consumer choice process was accurately captured in calibration. There was a disconnect somewhere else. But where?

The team used MarketSim to conduct a “sensitivity analysis,” varying the marketing inputs one at a time. Product awareness, distribution, availability and in-store display were strong — but for some reason, the product was not adequately in the consumer’s “consideration set” (the set of products among which a consumer makes a choice when shopping). This disconnect led the brand team to focus on investigating *exactly how* the in-store display was impacting actual consumer behavior.

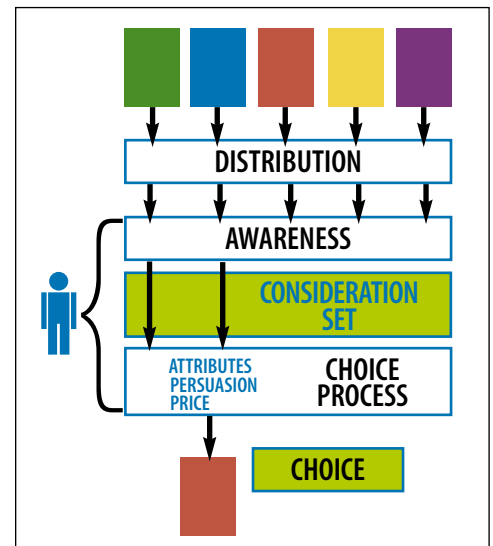
The team directed a series of in-store audits for tracking consumer movement and purchase. The audits indicated targeted consumers were choosing competitive products from a different aisle. The underperforming product might simply be on the wrong aisle. Conclusion: if product location is “wrong in the mind of the consumers,” they will have trouble finding and purchasing your product, even if everything else is right.

THE RESULTS:

Relocating the product to a prominent position on the correct aisle resulted in:

- Significant unit sales growth — within weeks.
- Increased distribution partner confidence.
- A big turnaround in sales without additional marketing expenditures.

Going forward, the brand team used this experience to adjust their problem-solving approach from product-oriented to a more “consumer-centric” view. This reoriented perspective continues to help the team focus on an effective consumer choice process with other products.



For marketing executives, brand managers, new product developers and market researchers within Global 1000 organizations, DecisionPower provides its marketing analytics software – MarketSim -- to create real-world market models on the desktop. Decision makers use these models to simulate realistic consumer and competitive behavior and develop, test, refine and act on winning solutions to complex consumer marketing problems.

For more information, call 408.379.9200, visit www.decisionpower.com or email info@decisionpower.com.