

Why trade promotions management?

Effective Trade Promotions Management can make all the difference to a CPG/FMCG companies profitability

The payment of a manufacturing company to retailers for product promotions and merchandising can be a huge expense - it accounts for up to 20 percent of sales and often is the second biggest cost after the cost of goods sold. To ensure maximum ROI on this investment, production companies must absolutely understand and manage the effectiveness of trade promotions. The typical trade promotion management (TPM) process is complex, uncoordinated and based on spreadsheets. Therefore, companies find it difficult to develop an understanding of the effectiveness of their trade promotions: Companies don't have or have limited access to the right information. Poor promotion processes make it challenging to determine how sales growth could be achieved using trade promotions. Companies are not able to compare the distributional effects of several financial and promotions with each other. Lack of measures of trade promotion data and performance signify companies lack the information on their effectiveness. Little automation between offices and branches on promotion plans execution. Trade promotions management software assists companies by managing every facet of complex trade promotion. Proper trade promotion management improves the transparency of and enables a precise evaluation of financial results. Trade promotions management software improves sales volumes and margins. Some solutions also include business processes and other features necessary to improve promotional activities, enabling the administration to make adjustments to advertising budgets, account planning, sales and receivables management. Documenting a trade promotion from inception through to evaluation. Typical trade promotion management software should have the following features: Automatic target-alignment of campaigns Evaluation option for marketing or account, managers, customers, brand and product. Volume and profitability forecasts for production planning. Real-time transmission of information. End-to end strategic planning from calendar execution to promo execution. Audit and settlement functionalities. Event planning, item selection and execution management capabilities. Enhance speed to market decision based on categories. Empower users to make instant decisions. In addition, the tool provides trade spend effectiveness reporting and metrics based on trade spend vs. budget, promotion ROI, trade spend uplift, trade spend on merchandise method, total promotion profit, order fulfillment and market share. Find out more: www.salesatwork.com Via: WhaTech

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