



Case Study 4: Promotions

The client issue

The client – a cat food manufacturer – had very **aggressive brand growth targets** for the coming year. To achieve these targets the client needed to understand how the **promotional budget** could be **used most effectively**.

The client had made a significant investment promoting their pouch format cat food. They wanted to understand:

- if this investment was worthwhile
- whether the budget could work smarter or be more effectively deployed elsewhere.

The TNS approach

TNS recommended using **Worldpanel promotional optimisation techniques** across the whole trade to understand the shopper response to cat food promotions. The study could have been enhanced by in-store observations and/or **eye-tracking** to provide insights into effective in-store execution of the promotions.

Worldpanel is a **continuous panel of shoppers** who record the detail of every product they buy week after week. By studying individual shopper purchases over time (i.e. before and after any event), **promotional effectiveness can be quantified**.

The study enabled **identification of competitor activity over time** within the pouch format, as well as the type of promotional mechanic used. The effect of each promotion could be evaluated in terms of which shoppers bought the promotion, the source of any gains, category expandability, and weight of purchase. Overall brand benefit and retailer benefit could be assessed for each promotion.

The outcome

TNS conclusions and recommendations

- **One third of category buyers are “deal hunters”** who switch from brand to brand depending which is on promotion, but there is no medium term sales benefit to the promotions for the brand owner
- **Shoppers use 30% more** pouch food if they have purchased it on promotion, hence growing the segment
- Most promotional offers in the sector are **money off**
- Most shoppers buy **2 or more** packs of the promoted line on any single trip.

Next steps

Since the pouch format was proven to be highly expandable (shoppers use more when bought on promotion) and many shoppers already bought more than one pack at a time, **TNS recommended that promotional budgets could be more effectively deployed by using multibuy deals (e.g. 3 for 2) instead of price reductions**. This would encourage shoppers to purchase more volume, and lock out competitors for longer.

For more information please contact:

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