

AD-IN™ INCREASES MARGIN BY 8% WHILE INCREASING TRAFFIC BY 1%



Department: Center-Store



AD-IN™, developed by Willard Bishop and Prognos, uses sophisticated, pooled demand forecasting to determine the optimal mix of products and price points to be included in each circular.

The solution, which is deployed using an ASP model (Application Service Provider), determines demand sensitivities, price elasticities, and shopper appeal for each sale item. The solution then generates recommendations for the total ad circular (front page and inside pages) and TPRs.

To learn more about increasing margin and traffic through ad balancing, contact
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A Case In Point by Willard Bishop

Challenges

Traditional grocer wanted to “heat-up” their circular’s front page to combat declining sales.

The executive management team needed to enhance their price image by:

- Identifying the right items to promote
- Determining the optimal price points
- Projecting the impact on profits and store traffic
- Leveraging vendor provided trade funds

Inside the Insights

Willard Bishop used AD-IN™ to balance the retailers ad circular and TPRs with their targeted customer profiles. Specific tasks and insights included:

- Evaluating 52 weeks of promotion history
- Modeling price point ranges, traffic impacts across all activity
- Measuring investment requirements
- Optimizing the item mix and prices for the front page, inside pages and TPRs
- Maximizing all “offer” dollars
- Implementing ASP model and obtaining
- Delivering significant performance improvements in less than 100 days

Margins Improve by 8%

- Grew promoted margin \$ over 8%
- Financed new front page; flat subsidies
- Increased traffic over 1% above trend