

CatmanGuide

The Category Management Concept from GfK



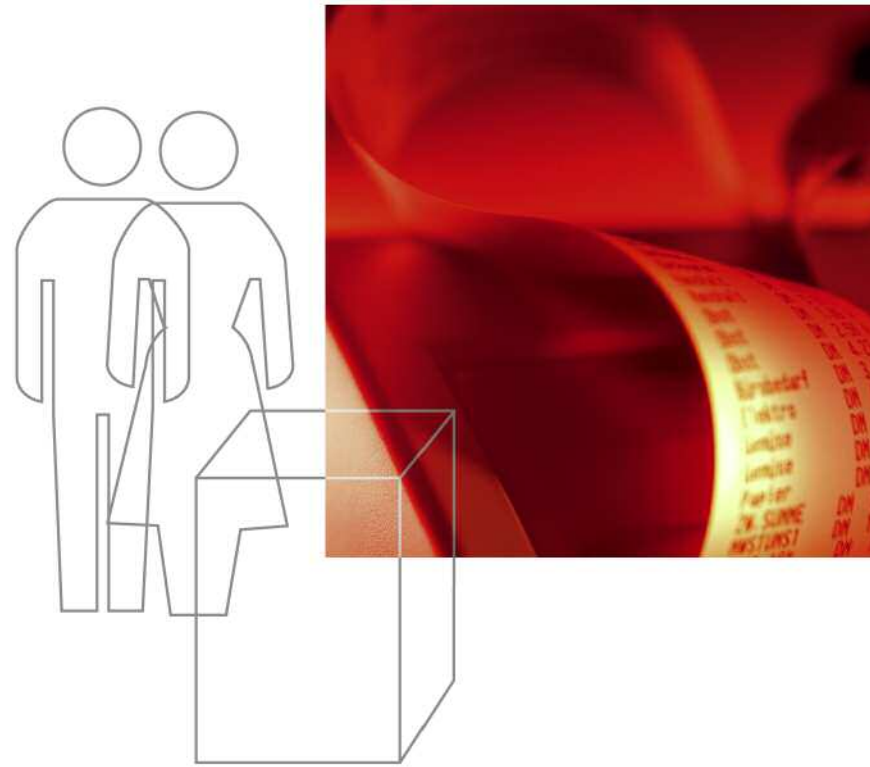
For supplementary information contact:

GfK Austria GmbH
Consumer Tracking
Ungargasse 37
1030 Vienna

Phone +43 (0) 1 71710 344
Fax +43 (0) 1 71710 314
E-Mail consumertracking.austria@gfk.com
Internet www.gfk.at

2. Analysis of customer loyalty:

This checks whether a particular promotional offer has attracted consumers. It means ascertaining the consumers who have been attracted away from other retail outlets/other brands and/or to what degree, these outlets/brands have retained consumers for repeat purchases.



Effect of promotions on customer loyalty:

	Pre-promotion sales = 100 %		Post-promotion sales = 100 %	Customer loyalty change: Brand X	Point of Sale
Brand X/Same retailer	23.5	← Brand X buys during promotion →	24.5	+ 1.0	+ 1.0
Other brand/Same retailer	20.7		20.1		- 0.6
Other brand/Other retailer	31.9		31.0		
Brand X/Other retailer	23.9		24.4	+ 0.5	+ 0.4
				+ 1.5	

Interpretation: Brand X promotion gives the retailer additional promotion-related sales of 0.4 percentage points

3. Analysis of tie-in effects:

This analyzes the power of a particular promotion to woo buyers away from other outlets/brands and what the value of buyers gained represents for the brand and/or outlet (tie-in buys).

This approach to analysis facilitates new efficiency evaluations and subsequently releases new optimization potential.

The aim of any promotion optimization measure in terms of category management should be to increase consumer loyalty towards outlets/brands and to thereby counter the effects of the cherry picking trend.

Value of tie-in buys to retailer Y:

	Pre-promotion sales	Brand X buys without promotion 50 % = 100 %	Brand X buys with promotion 50 % = 100 %	
Brand X/Same retailer		38.9	23.5	change with/ without promotion = number of new customers gained
Other brand/Same retailer		14.3	20.7	
Other brand/Other retailer		24.4	31.9	+7.5
Brand X/Other retailer		22.3	23.9	+1.6
				430,000 new customers = € 7.16 m

Interpretation: Promoting Brand X gives the retailer 430,000 new customers with a total added purchase value of € 7.16 m.