



Global Revenue Management Study 2024

The AI revolution:
Augmenting human acumen with cutting-edge technology

4th Edition



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Executive Summary

In this 2024 edition of the Global Revenue Management Study, XTEL has engaged with FMCG executives to delve into the AI revolution in Revenue Growth Management (RGM). The consensus is clear: AI is no longer just a buzzword—it's a business reality.

The 4th edition of the Global Revenue Management study highlights how four years of market disruptions have impacted performance and priorities among FMCGs and the critical role of digitalisation and AI in shaping a data-driven, competitive, and forward-looking FMCG sector.

Consumer goods manufacturers share a very high confidence level in AI for RGM. This trust is propelling them to embrace AI for more sophisticated purposes, such as prescriptive analytics and insights augmentation. This is driven by their need for a competitive edge and the belief that their teams are ready to augment their human judgment and RGM acumen with machine intelligence.

As FMCGs recognise RGM as less of an art and more of a science, they continue to invest in expanding their internal teams - with significant involvement of IT and Data Science functions - refining their data infrastructure and moving towards revenue growth management analytics applications to address their industry-specific business logic and needs.

FMCGs are also doubling down their focus on profitability and revenue growth, emphasising trade promotion effectiveness and volume growth, while giving less attention to price realisation. Acknowledging that pressing challenges across all commercial levers will persist over the near future, FMCGs plan a continued increase in trade spending over the next 12-18 months. They are also continuing to recalibrate investments across channels to enhance trade effectiveness and sustain their growth objectives.

The shared perception among FMCGs is that they have good visibility over the key drivers of margins generated for their trade partners and that they are receiving a fair share of that value. This belief aligns with their greater confidence in the structure, transparency, and traceability of their trade terms frameworks, while it contrasts with their stated challenges with 'pay for performance' execution.

This study, and the outlook and trends presented within it, leverages data collected from four consecutive years of research with FMCG executives. We invite you to read about revenue management in the following pages and hope the emerging insights combined with our expert recommendations will inspire you to consider how to improve and accelerate your organisation's revenue management journey.

[Please contact us](#) to further discuss this study's findings and learn how XTEL can help your organisation to revolutionise revenue management and transform every team member into a growth catalyst with proven AI-driven digital transformation.



Key Findings

1 AI adoption and confidence are soaring in the FMCG sector

Trust in AI at a new high

94% of respondents have a strong confidence in AI for RGM, driven by the need for a competitive edge and belief in their team's ability to leverage AI insights.

Current and future AI utilisation

FMCGs are using AI to ingest, harmonise, and enrich commercial data for descriptive analysis. Looking ahead, they intend to increase the usage of AI capabilities to expand the scope and detail of this analysis, develop industry-specific RGM algorithms, and use those to prescribe optimal RGM recommendations.

Interactive and transparent AI systems

Executives also highlight the necessity for AI tools that combine machine intelligence with human judgment, advocating for a move towards transparent and actionable AI solutions.

2 The pivotal role of data management and the adoption of RGM applications

Crucial data management investments

A high number of FMCGs are investing in data infrastructure such as data lakes (77%) and data warehouses (93%), and in dedicated data & analytics teams (60%).

Growth in specialised RGM analytics applications

50% of FMCGs are moving towards specialised RGM solutions, reducing reliance on traditional tools like Power BI and Excel.

Ongoing challenges in RGM integration

Data access and harmonisation remain significant barriers to fully integrating RGM practices within FMCG organisations.

Prioritising investment in RGM capabilities

FMCGs are focusing on promotion, assortment, and trade terms analytics, with a growing emphasis on omnichannel strategies.

3 The evolution of RGM functions and practices

Shift in RGM perception

FMCG companies have transitioned from viewing RGM as an area of interest to recognising it as a sophisticated and expansive practice, and 90% of them consider themselves leaders or equal to competitors in RGM.

Global and local RGM teams' expansion

Approximately 60% of companies have global or a mix of global and local RGM teams, and report an increasing number of employees dedicated to the function.

RGM governance

Internal teams dedicated to data analytics and RGM practices are considered key for maintaining a competitive edge.

Technology and data science-driven RGM

RGM practices are increasingly empowered by technology, particularly AI analytics, with significant involvement from IT and Data departments.

4 The business challenges Revenue Growth Management needs to solve for; The landscape yesterday, today and tomorrow

Sustained increase in trade spending and strategic adjustments across channels and levers

In 2023, 42% of companies increased their trade spending, continuing the trend from the post-COVID-19 recovery and high inflation period of 2022. As FMCGs recalibrated their trade investments across channels, the most significant increases were in e-commerce and a renewed focus on the modern trade channel. Most revenue management levers remained stable in 2023, but, in line with the strategic efforts made to navigate a landscape of slower demand and intensified competition, there were notable increases in trade terms related to Trade Promotions and Assortments.

Future strategies and trade investment priorities for 2024 and beyond

FMCGs are renewing their focus on profitability and revenue growth, emphasising trade promotion effectiveness and volume growth while dedicating less attention to price realisation. Acknowledging the pressing challenges across various commercial levers, FMCGs plan a continued increase in trade spending over the next 12-18 months to enhance trade effectiveness and sustain growth trends.

FMCGs and their retail partners, visibility and value sharing

The majority of FMCGs believe they have good visibility over the key drivers of margins generated for their trade partners, and that they are receiving a fair share of that value. This belief aligns with their greater confidence in the structure, transparency, and traceability of their trade terms frameworks, while it contrasts with their stated challenges with 'pay for performance' execution.

Recommendations

1 Enhance and expand your Revenue Growth Management practices

Strengthen the organisational commitment to RGM

Given the increasing market complexity and evolving performance benchmarks, reassessing commercial strategy has become essential. As the RGM function continues to evolve, it is vital for businesses to proactively enhance their RGM processes, capabilities, and tools. Key focus areas should include expanding RGM teams, investing in technology, and fully integrating RGM practices into the organisational structure. This integration is particularly crucial in areas such as customer and omnichannel planning and analytics.

Leverage technology and data science in RGM

The evolution of RGM from a primarily business-led function to one that is enabled by technology and data science represents a critical development. Companies should continue to invest in AI-driven models and systems, with a particular focus on enhancing roles in information technology and data & analytics. This technological integration will support more sophisticated analytics and democratise insights across the organisation, enabling every stakeholder to become a growth agent.

Optimise RGM teams and practices for greater efficiency

Many FMCGs have already adopted global or hybrid RGM team models; however, there is still significant room for improvement in optimising RGM practices. Companies should transition to a more integrated approach to ensure that RGM practices are better structured, governed, and scalable across markets and categories.

2 Maximise the data opportunity: Get data where and how you need

Establish a trusted foundation of high-quality data enabled by AI

Revenue management strategies must be built on a foundation of trust. This is achievable through cleansed, harmonised, enriched, and accurate always-on data. An effective data management approach should dismantle silos of information and automatically identify and correct data discrepancies and inaccuracies. Adopt AI-driven data management solutions precisely designed to simplify the complexity of FMCG-specific data challenges and manage the detailed intricacies of the industry business logic, to deliver high-quality data pipelines and thus power advanced analytics across your entire revenue management cycle.

Drive data integration and operational efficiency

Prioritise advanced AI-driven data management systems that seamlessly integrate into your existing digital ecosystem. Such integration provides flexibility, enhances data governance, and improves cost efficiency. Automated data management systems should require minimal computational resources, thereby enhancing operational efficiency and allowing for greater consistency and objectivity in data handling. This frees up skilled personnel to focus on higher-value tasks such as innovation and business transformation.

3 Put AI analytics to work: Master Revenue Management strategy drivers

Augment human insight with cutting-edge technology

Revenue Management strategies are inherently complex, involving competitive actions, distribution channels, and consumer preferences in intricate, non-linear relationships that must adapt to changing consumer behaviours and seasonal variations. Adopt AI models that are transparent, explainable, and designed to amplify human expertise, thereby enhancing the decision-making processes.

Deliver optimal growth strategies with holistic AI analytics

Utilise an industry-centric, holistic AI model that integrates all aspects of Revenue Management. This approach ensures that each decision supports and enhances overarching business objectives. By evaluating the collective impact of various factors, the AI system should identify synergies and potential trade-offs, shaping strategies that optimise the complete business agenda – focusing on maximising profit, revenues and market share.

4 Propel Revenue Management digitalisation with advanced composable AI solutions

Implement robust and flexible AI solutions

Deploying suboptimal automation and digitalisation strategies hinders success in Revenue Management. Building proprietary AI-driven data automation and analytical applications is a potential solution, however it often involves inherent risks and significant costs related to deployment, maintenance, and continuous updating. Adopt a sophisticated Enterprise Revenue Management Platform that provides robust AI-driven data and analytics solutions tailored to specific FMCGs' needs and deployable precisely where required. Such a platform should automate and manage data within your cloud of choice and integrate seamlessly with your existing technology stack, ensuring top-tier data quality is available exactly where it benefits your operations most.

Deeply integrate Revenue Management across the business

Develop a strategic vision to deeply embed Revenue Management at pace into your core business processes. FMCGs can significantly impact their competitive edge while driving financial and operational efficiencies by focusing on driving growth while leveraging a powerful Enterprise Revenue Management platform that features advanced data management, AI models, and RGM analytics applications that are continuously maintained and enhanced with cutting-edge technology and business acumen.

5 Catalyse growth: Power up the organisation with cutting-edge technology

Embrace new ways of working and decision-making

Harness the power of generative AI to transform revenue management decision-making processes and facilitate the widespread adoption of technology across your organisation. Look for AI Revenue Management solutions that mimic human reasoning, and transform complex data into intuitive, strategic insights and recommendations that are understandable and which are available to every stakeholder, at all organisational levels.

Ensure secure, scalable AI-driven growth

Leverage generative AI to securely deliver transformative capabilities. Choose AI-enhanced solutions that have robust security protocols at every layer to guarantee the protection of strategic assets as teams utilise them to drive revenue and operational efficiency.

6 Optimise investments with a strong RGM framework

The balancing act of Revenue Growth Management

FMCGs can evolve from the 'What' to the 'So what' and 'What's next' by harnessing advanced AI analytics that encompass all the levers and their interactions. Prioritise AI-enabled RGM solutions that provide a comprehensive understanding of opportunities across your entire product portfolio and all RGM levers. These solutions go beyond analysing just the 'Top X customers' and 'Top Y SKUs.' By embracing data-driven, AI-enabled RGM, companies can make informed decisions about where and how much to invest, ensuring optimal returns across different channels, customer segments, product categories, and brands.

Master omnichannel complexity through enhanced data management and AI-augmented analytics

Omnichannel strategies introduce an additional layer of complexity to analytics. Different channels employ distinct go-to-market models and metrics, making sophisticated data management and master data creation essential. This ensures not only well-structured hierarchies but also that all components of the value chain are adequately captured. While metrics across channels might differ, the foundational elements of volumetrics and financials remain constant, allowing varying causal factors to clarify the context of activities. Leverage AI to simplify and enhance the master data setup and support the effective deployment of analytics. This will enable a holistic view of the various channel components that can be dissected to understand business drivers and impacts. This results in an integrated view for organisational management as well as channel and retail level analysis, enabling the full realisation of opportunities.

2024 XTEL Global RGM Study

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Living up to the hype: The transformative power of AI in RGM

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RGM and FMCG's: Optimism fostered by growing maturity

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The RGM digitalisation journey

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The RGM future outlook

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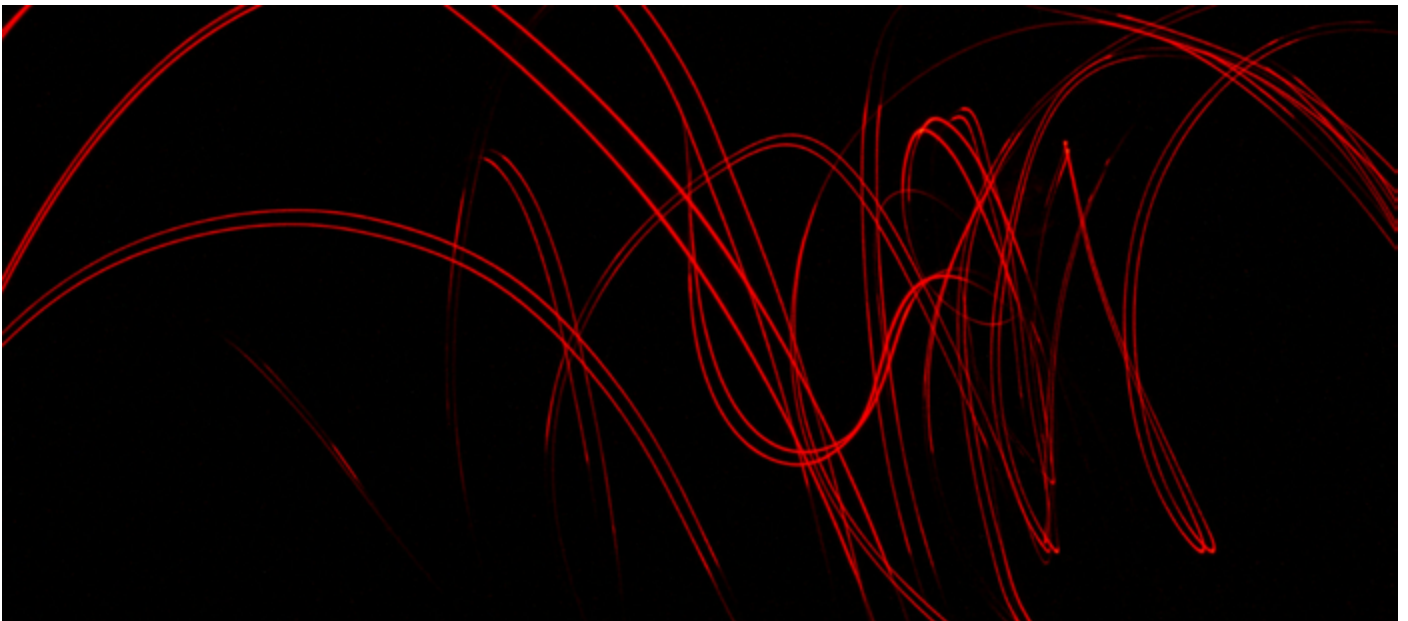
The business challenges RGM needs to solve for: The 2023 landscape

6

The business challenges RGM needs to solve for: Now and 2025 horizon

Living up to the hype: The transformative power of AI in RGM

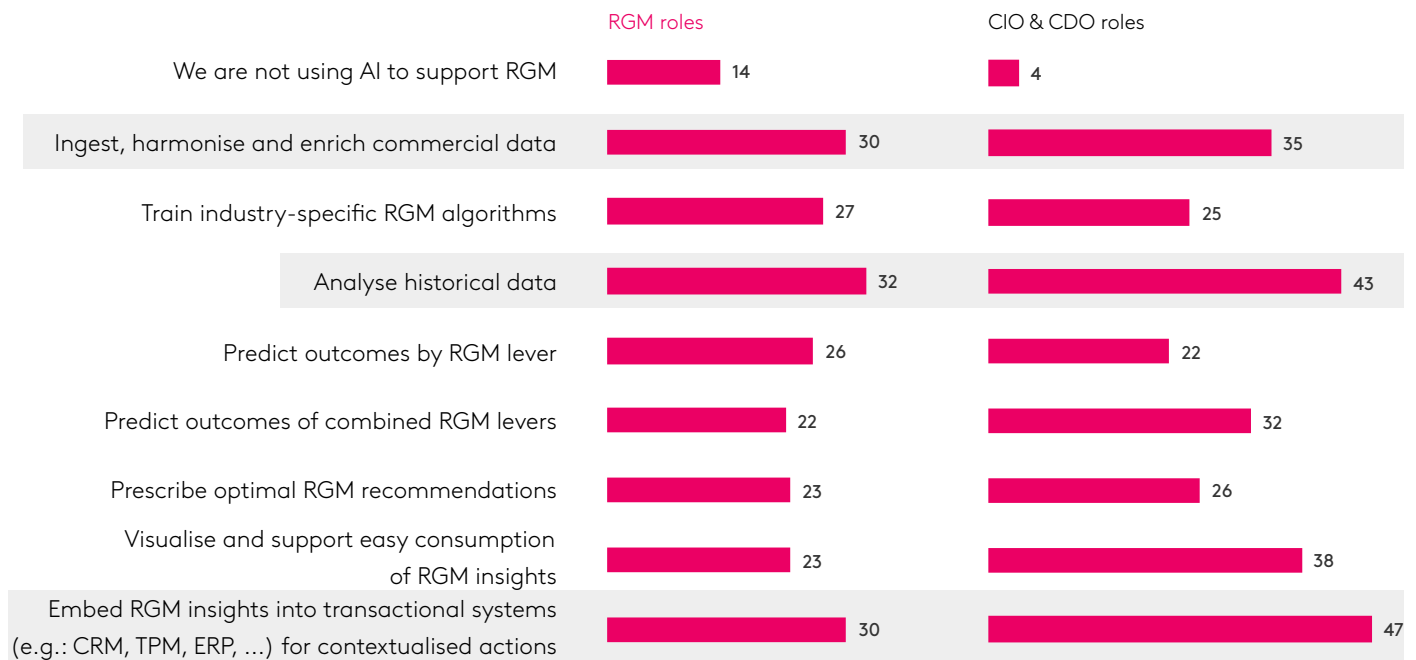
In our 2024 edition of the Global RGM Study, XTEL has asked FMCG executives across the RGM, IT, and Data Science functions for their perspectives on AI's current and future use for RGM purposes.



Current usage of AI

Survey respondents indicate that their organisations leverage AI mostly for ingesting, harmonising, and enriching commercial data, analysing historical data, and embedding RGM insights into transactional systems.

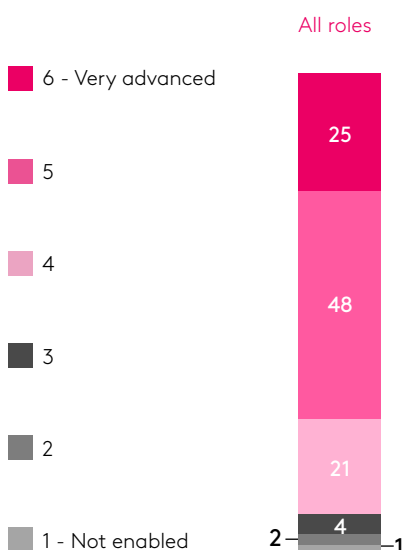
AI usage spectrum



Confidence in AI-generated recommendations

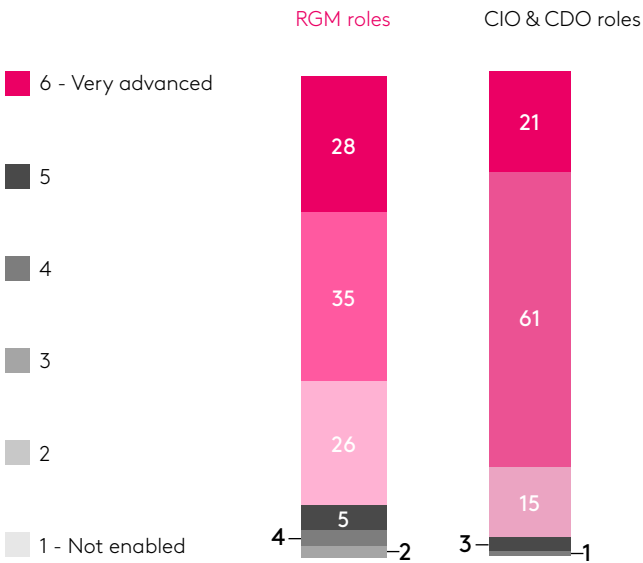
Almost two-thirds of respondents indicated their teams have high or very high confidence levels in AI-generated RGM recommendations, with nearly 94% showing a good level of trust.

Trust levels in AI recommendations



A closer look shows that IT and Data professionals have an overall level of trust in AI that is higher than that of their business partners, amounting to a 19-percentage point difference between the two groups.

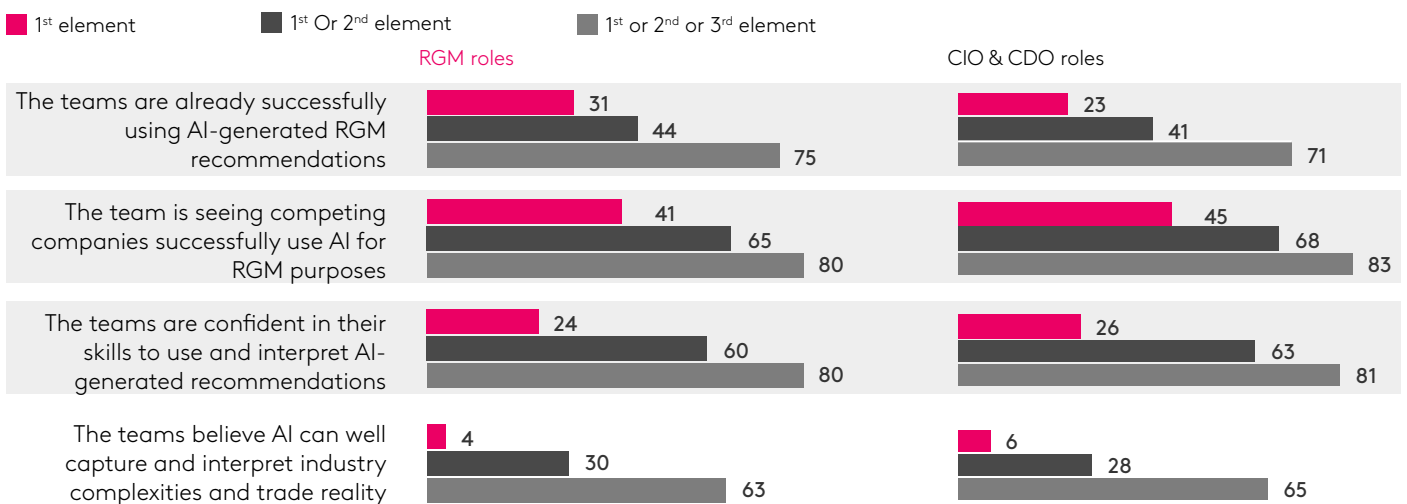
Trust levels in AI by roles



Trust factors

Trust in AI is motivated by two main reasons: the successful use by competitors of AI for RGM purposes, and the belief that internal teams have the right skills to leverage AI-generated RGM recommendations. FMCGs are also encouraged by the successful use of AI-generated RGM recommendations by their own teams.

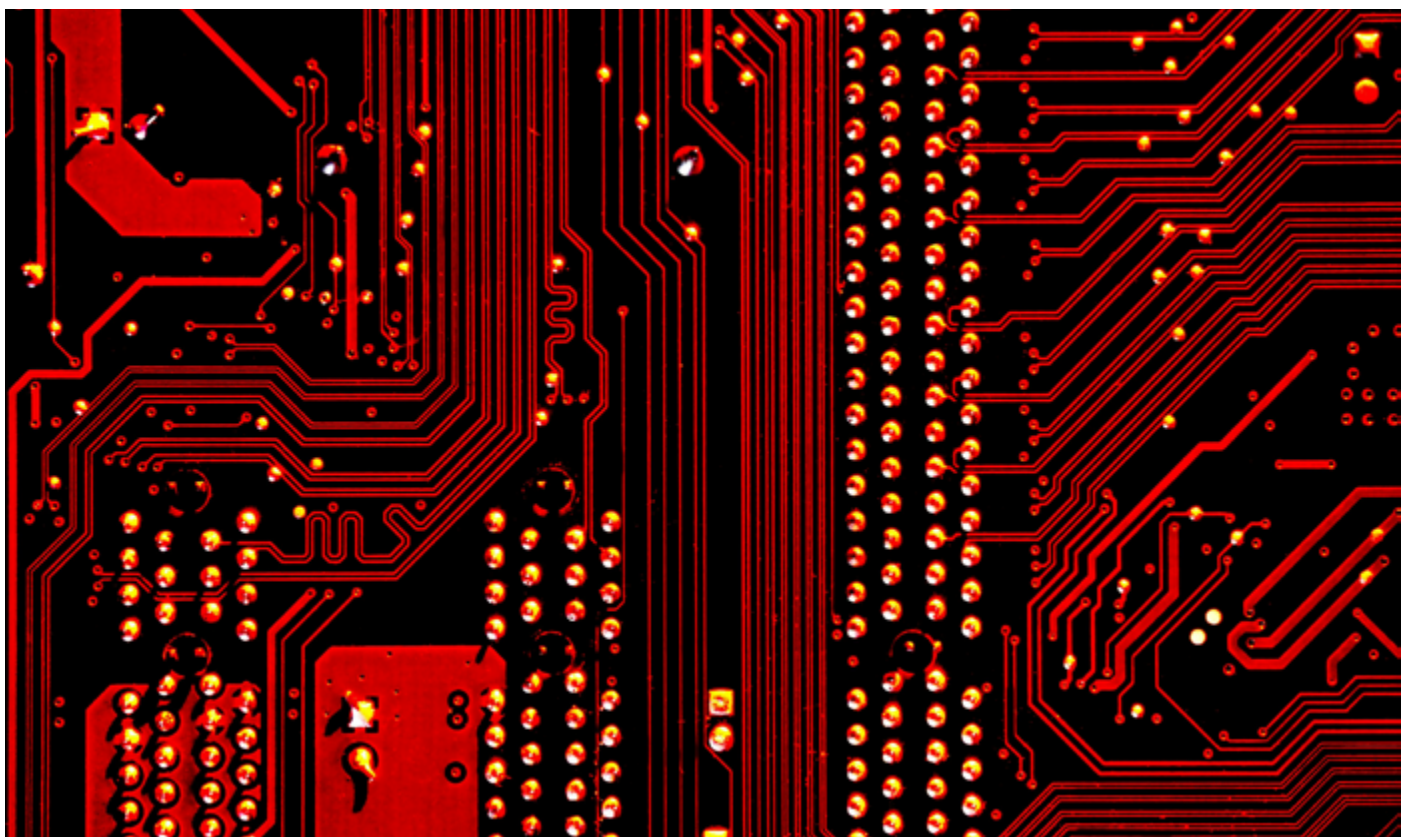
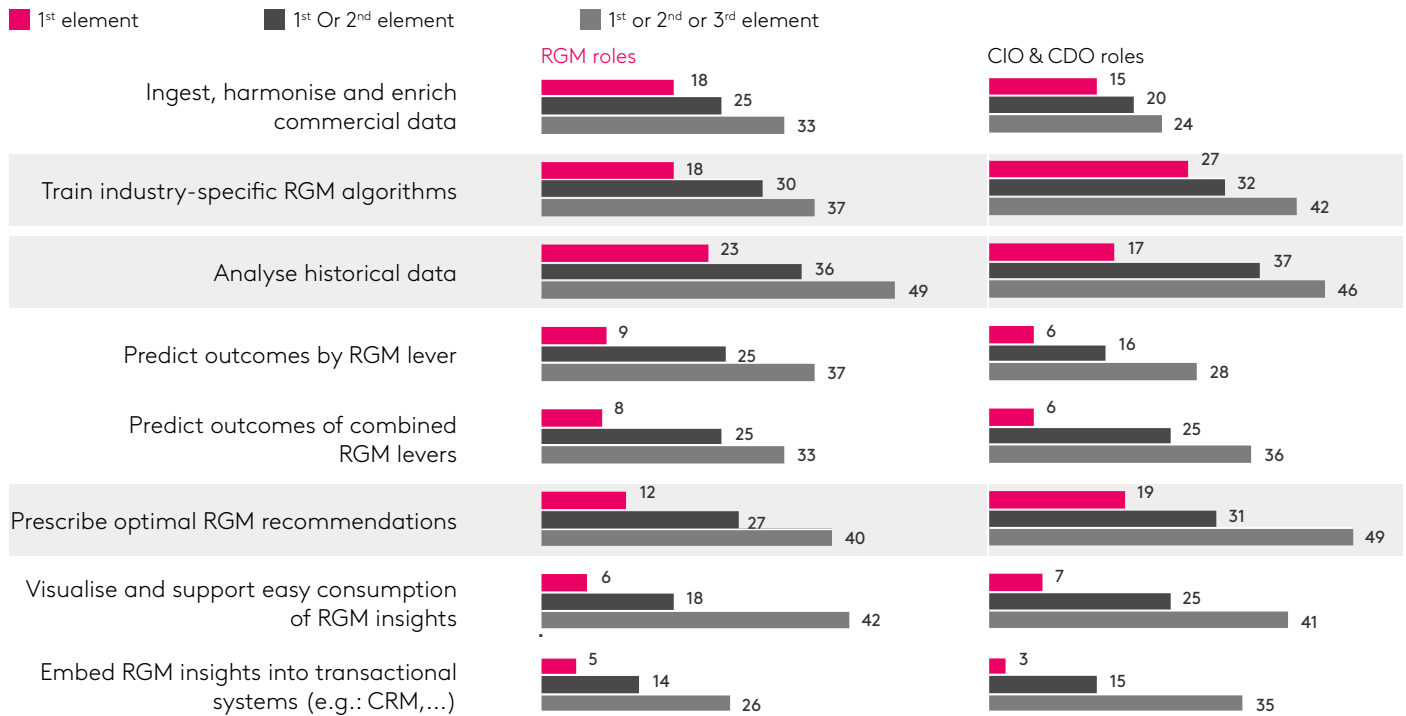
Factors contributing to trust in AI



The future of AI in RGM

When it comes to the use of AI for future improvement, respondents share again a common view on the priority areas. Analysing historical data, followed by training industry-specific RGM algorithms and prescribing optimal RGM recommendations are shown as the three key capabilities FMCGs believe AI can aid the most.

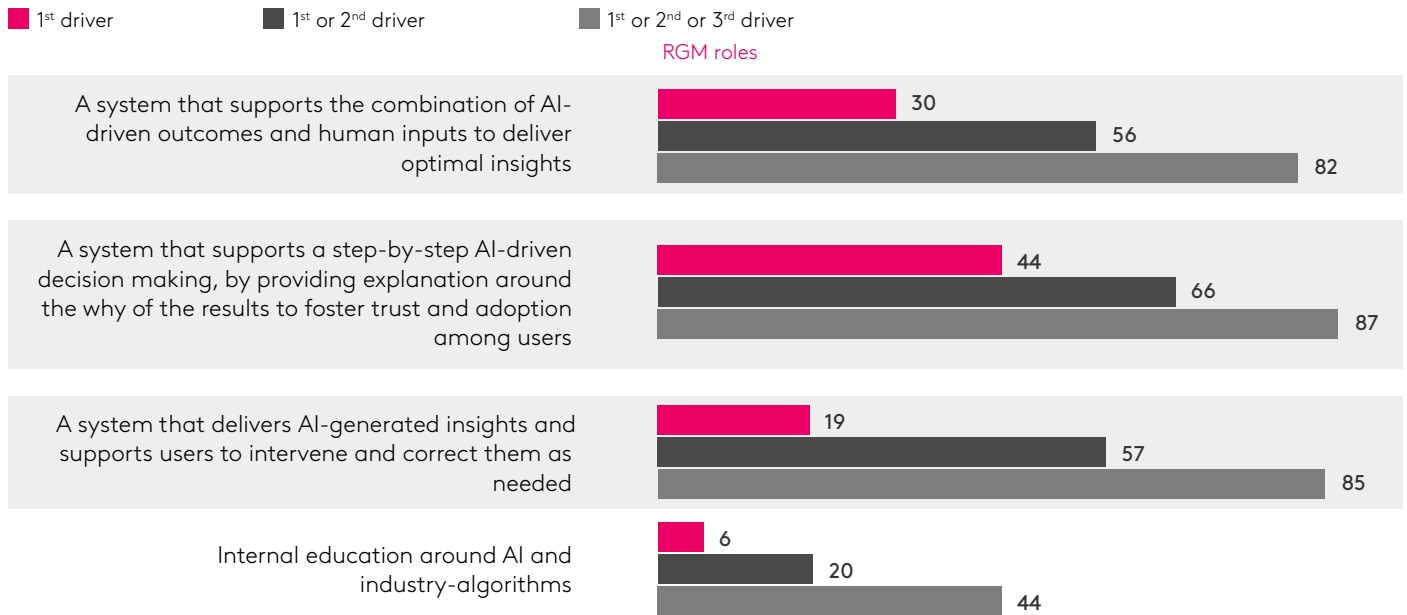
The AI future use forecast



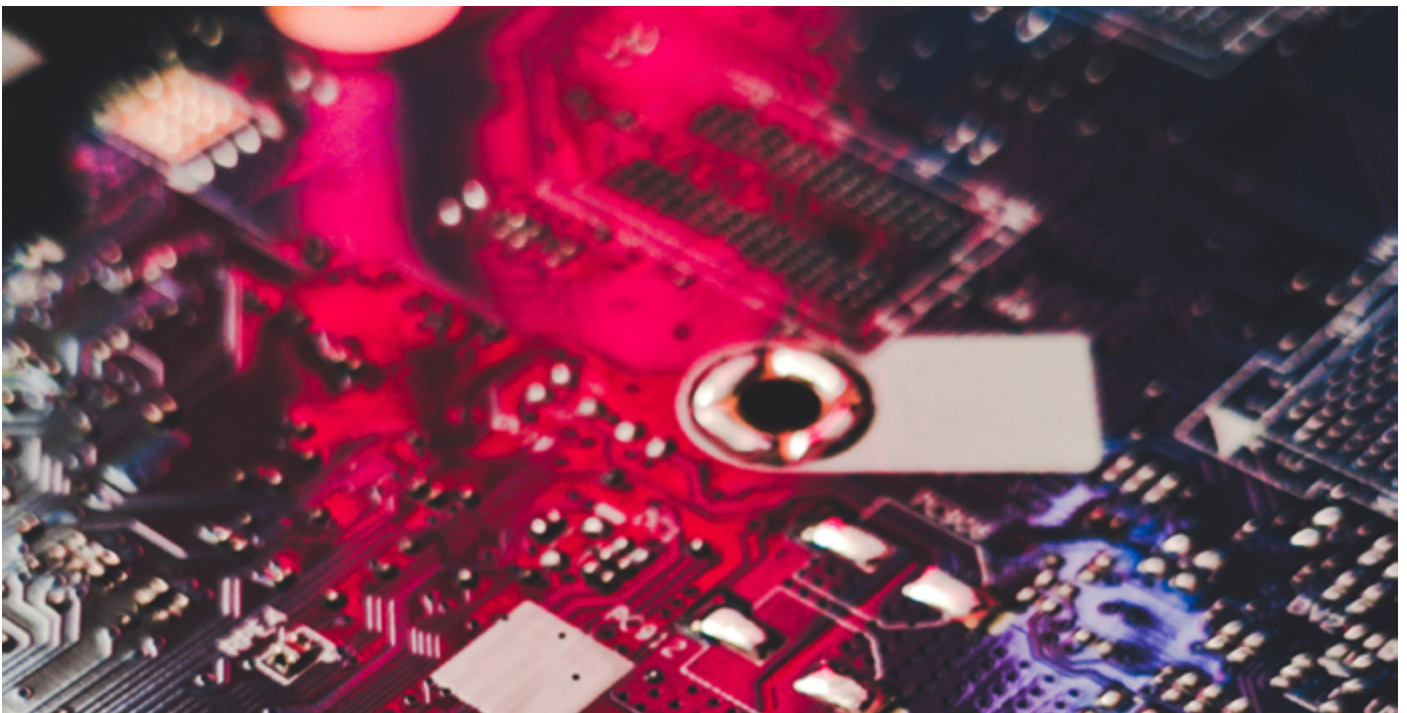
Accelerating AI adoption

When asked to indicate the drivers for further AI adoption among teams, FMCGs identify systems that support step-by-step AI decision-making as the primary driver. Respondents also believe that systems that support either a combination of AI-driven outcomes and human inputs or user intervention to correct outcomes can drive greater AI adoption among teams. This result confirms that a black-box approach to RGM analytics is not only undesired but also counterproductive.

Driving forces behind AI adoption



The transformative power of AI in RGM is not just living up to the hype—it's setting a new standard. This 2024 study reveals the critical role of AI in shaping a data-driven, competitive, and forward-looking FMCG sector.



RGM and FMCG's

Optimism fostered by growing maturity

Continued optimism for an expansive practice

Over the past four years, a noticeable evolution has occurred in how Fast-Moving Consumer Goods (FMCG) companies perceive and implement their Revenue Growth Management (RGM) practices. What began as an area of burgeoning interest ripe for investment has matured into a sophisticated and expansive practice.

This year marks a new milestone in FMCGs' journey, reflecting a shift in self-perception: more companies now evaluate themselves as significantly outperforming their competitors in delivering effective RGM practices. Moreover, a resounding 90% of companies maintain the belief that they are either ahead of, or at least on par with, their competition in this domain.

How do you rate yourself in the deployment of RGM practices against the competition?

- Significantly ahead of the competition
- Slightly ahead of the competition
- About the same
- Significantly behind the competition
- Slightly behind the competition

| 2024



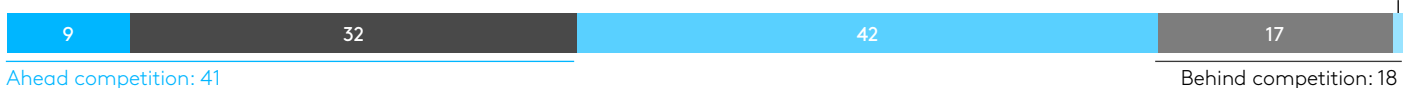
| 2023



| 2022



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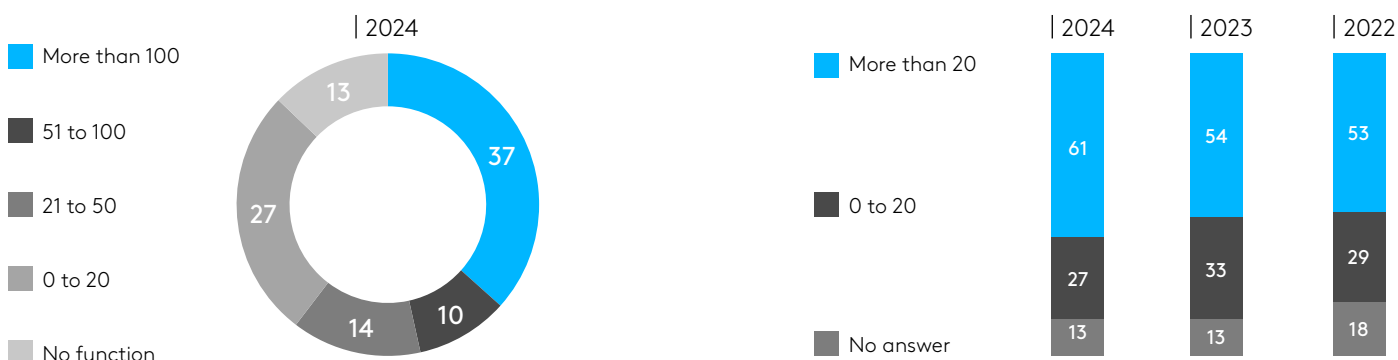


What is fueling this optimism? Are FMCGs reaping the fruits of their investments in stronger RGM practices?

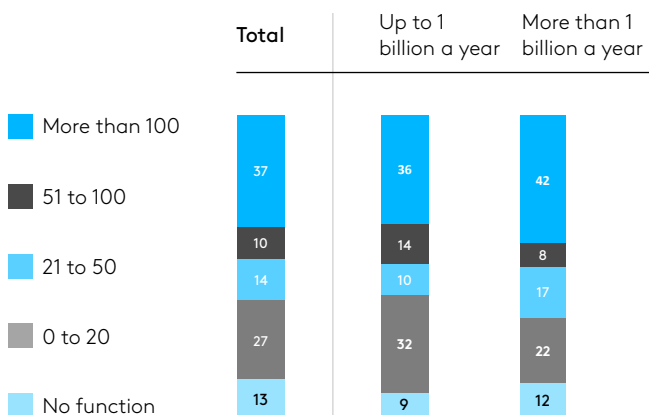
Revenue Growth Management: A structured and governed practice

The commitment of companies to cultivate a robust RGM practice is unwavering. Data from the past three years reveal a consistent growth trend in the size of RGM teams within the FMCG sector. Currently, 60% of respondents report having more than 20 full-time employees (FTEs) engaged in the RGM function, and 27% are in the process of constructing a dedicated RGM team. Only a minority, 13%, have yet to deploy such a function. Consistent with findings from previous years, it is observed that the larger the organisation, the more substantial its RGM team tends to be.

People currently working in the RGM function (2022 - 2024)



RGM function by company size

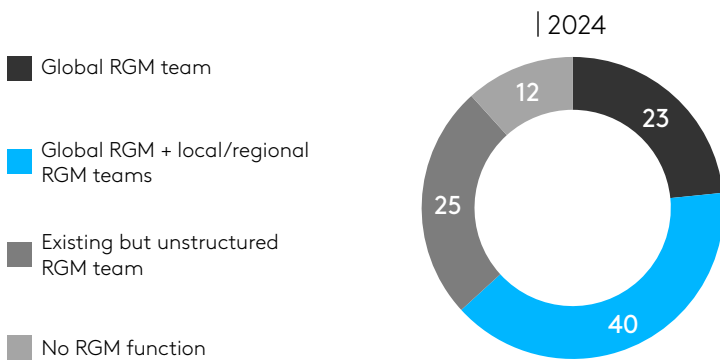


Embedding RGM teams within the organisation

In examining the organisational structure of RGM teams, the results show continuity with prior years: 60% of the companies have either established a global RGM team or a hybrid model that combines global oversight with local teams. However, 25% of companies still operate with an informal RGM team structure.

This data reaffirms the FMCG sector's dedication to embedding RGM expertise within their organisations. However, it also highlights an ongoing challenge: finding the most effective way to structure, operate, and scale these practices for optimal functionality.

RGM function: How FMCGs are organising their practices

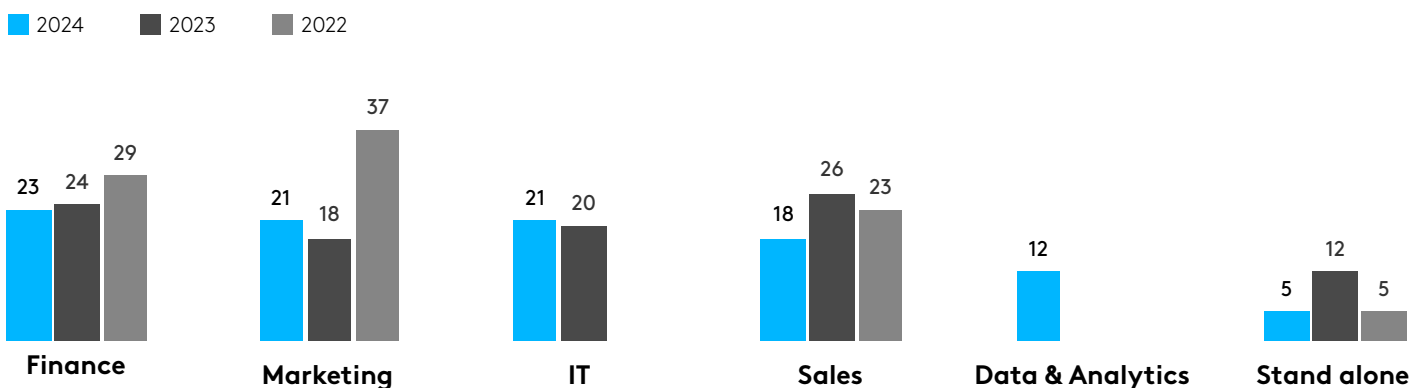


Revenue Growth Management: Less of an art, more of a science

While FMCGs make efforts to build their RGM expertise and practices, the RGM function evolves into the organisation from a pure business-led function to a more technology and data science-enabled function. The latter was propelled by the rise in the adoption of AI-driven analytics models and systems.

2024 results show that while the Finance department remains key for FMCGs in deploying RGM initiatives, the IT and Data departments have started playing a very important role in the evolution of the RGM practices.

RGM function across departments over the years



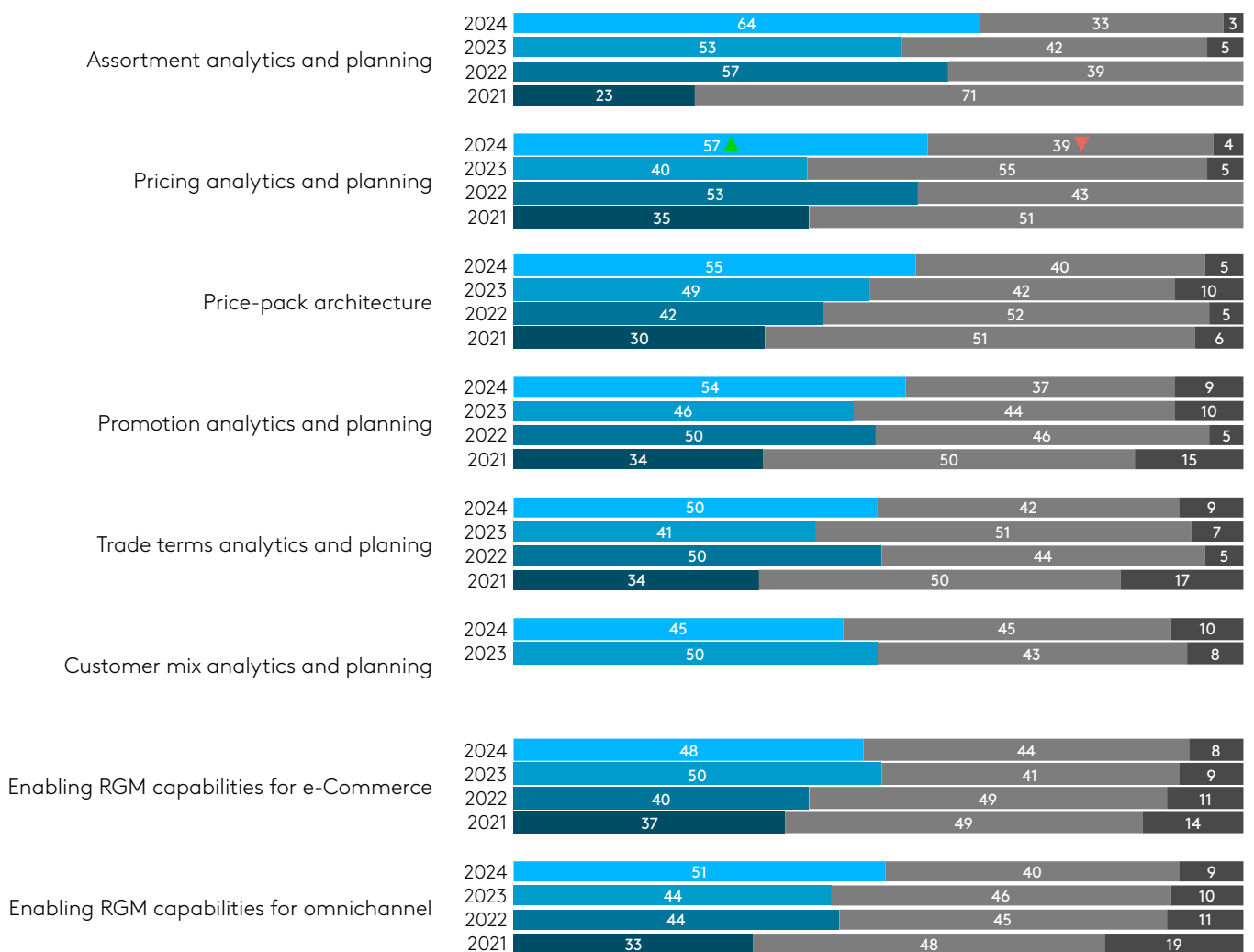
Accelerating readiness through continuous growth

Following on their path to fixing shortcomings exposed by the latest four years of market disruptions, FMCGs' answer to the current state of RGM processes and tools made to support their commercial levers indicate a continuous improvement implying also a higher level of satisfaction.

Particularly noteworthy in this year's responses, is the perceived increase in support for assortment, pricing analytics and planning, and price-pack architecture. These specific improvements are likely connected to the initiatives companies implemented to cope with high inflation and changes in shopper and trade behaviours that occurred during the previous years.

How current processes and tools support the different RGM levers

■ Fully supports
 ■ Supports partially
 ■ Does not support



Winners in the RGM space: The RGM trailblazers still on top

The Consumer Packaged Goods (CPG) manufacturers recognised as benchmarks for successfully executing RGM practices include stalwarts such as Coca-Cola, Nestlé, PepsiCo, and Unilever. These brands have been not only consistently acknowledged by survey respondents since the inception of this global study, but have also maintained the lead, jostling for the first and second positions over the years. In essence, the early adopters and pioneers of RGM are not just viewed as setting a positive precedent for other consumer goods companies; they continue to forge ahead successfully, remaining at the forefront of the RGM field.

RGM trailblazers

Coca Cola
Pepsico
Unilever
Nestlé
PG
L'Oreal
LG

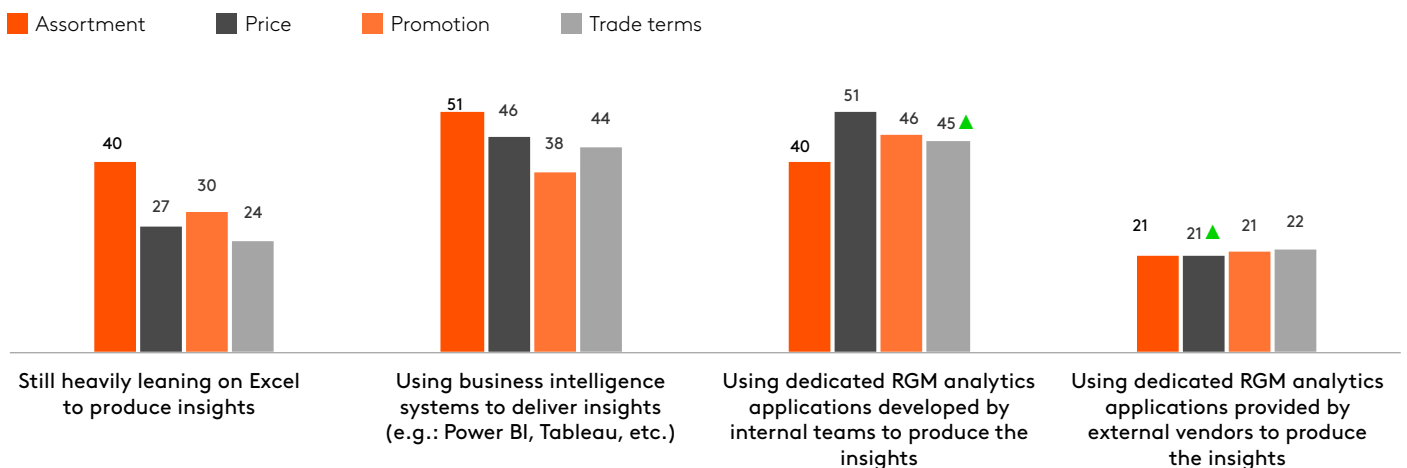


The RGM digitalisation journey

Getting even more ready to address specific RGM requirements

FMCGs continue to accelerate along their path to RGM practices digitalisation. This year, one out of two respondents claim to be using dedicated RGM analytics applications, while reliance on both business intelligence systems and Excel-based insights is an option reported by a reduced percentage of interviewees. This trend seems to confirm the inadequacy of addressing the specific RGM analytics requirements of the tools that were the most commonly adopted over the past years and used for the purpose.

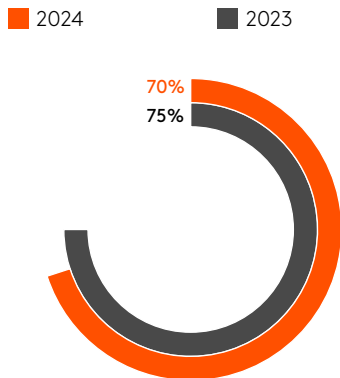
RGM digitalisation across key levers



On-premise vs. cloud deployments

Consistently with last year's results, RGM tools are mostly deployed in either the FMCG premises or in their private clouds, even if the percentage is slightly reduced.

Location of RGM analytics applications



RGM tools deployed on either the FMCG premises or in their private clouds

Internal teams are still key

As FMCGs equip themselves with RGM-dedicated teams, they confirm to rely mostly on their internal capacity to process data and produce RGM insights, either on a continuous or one-off basis.

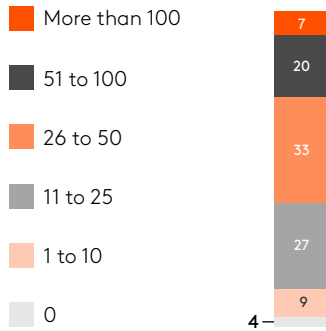
Resources leveraged to process data and produce RGM insights



The rise of Data Management and Science: How FMCGs support their business functions

Confirming FMCGs investments in data & analytics to support their business functions, 60% of survey respondents indicate their organisations have an analytics data and modeling team of between 11 and 50 individuals.

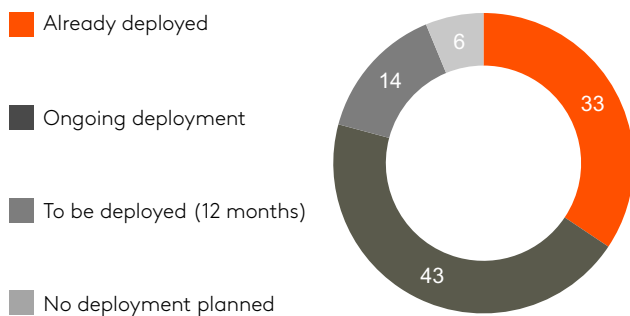
Size of data and analytics teams



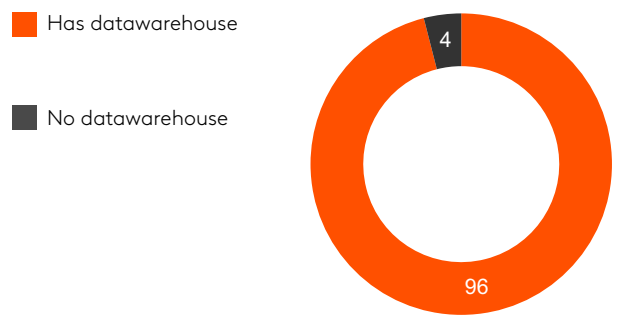
Data lakes and data warehouses

Most FMCGs have either already been implemented or are in the process of deploying data lakes (77%) and data warehouses (93%). This substantial adoption rate underscores the central role of data consolidation and management for effective RGM analytics.

Data lakes deployment



Datawarehouse deployment

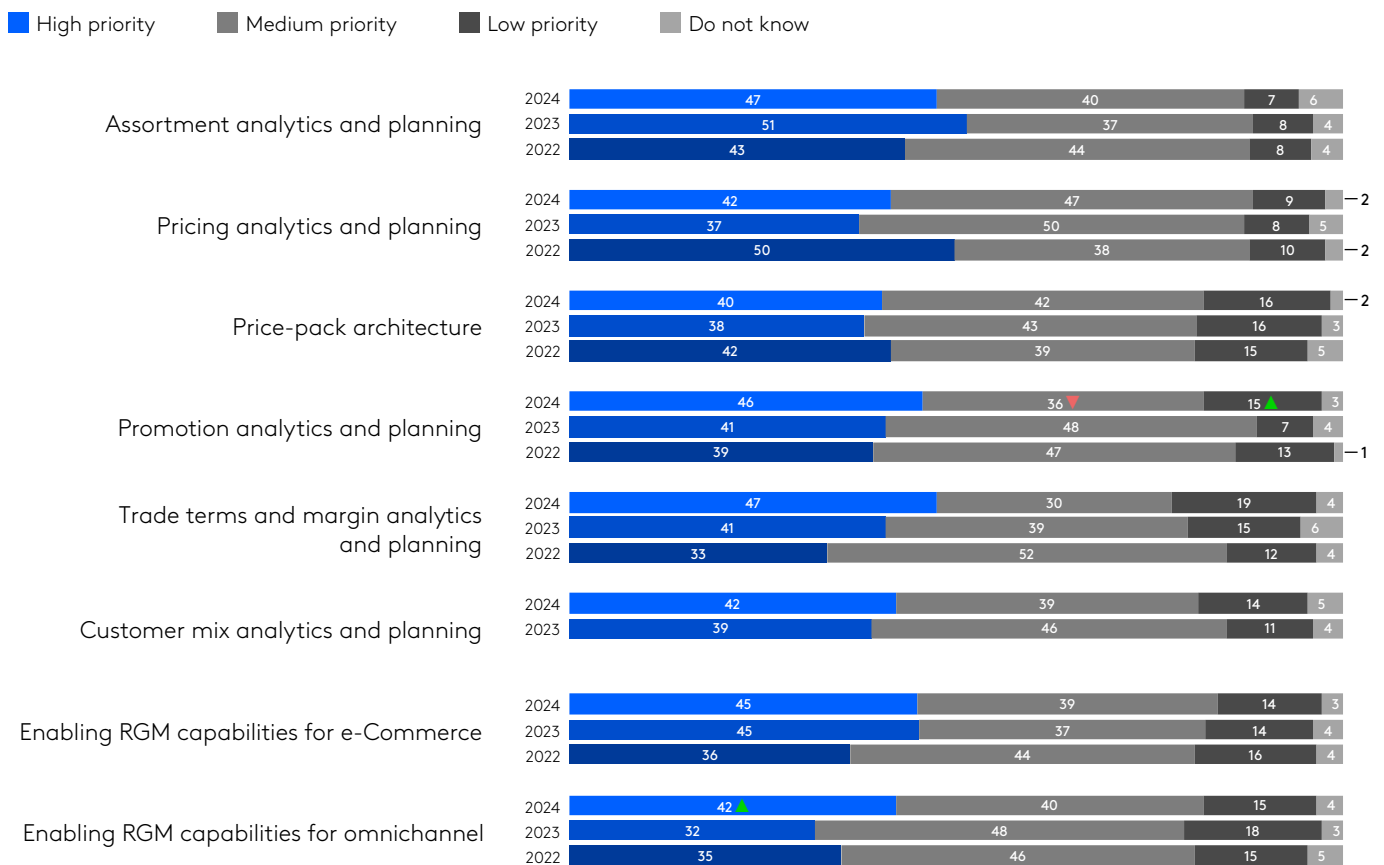


The RGM future outlook

RGM investment priorities

FMCG companies continue to rapidly escalate their investment across various RGM capabilities. In 2024, the reported investment priorities are centered on assortment, promotion, and trade terms analytics and planning. Additionally, when compared to 2023, there is a noticeable shift in priorities towards enabling RGM capabilities for omni-channel strategies, while the intentions to bolster e-Commerce capabilities have remained steady.

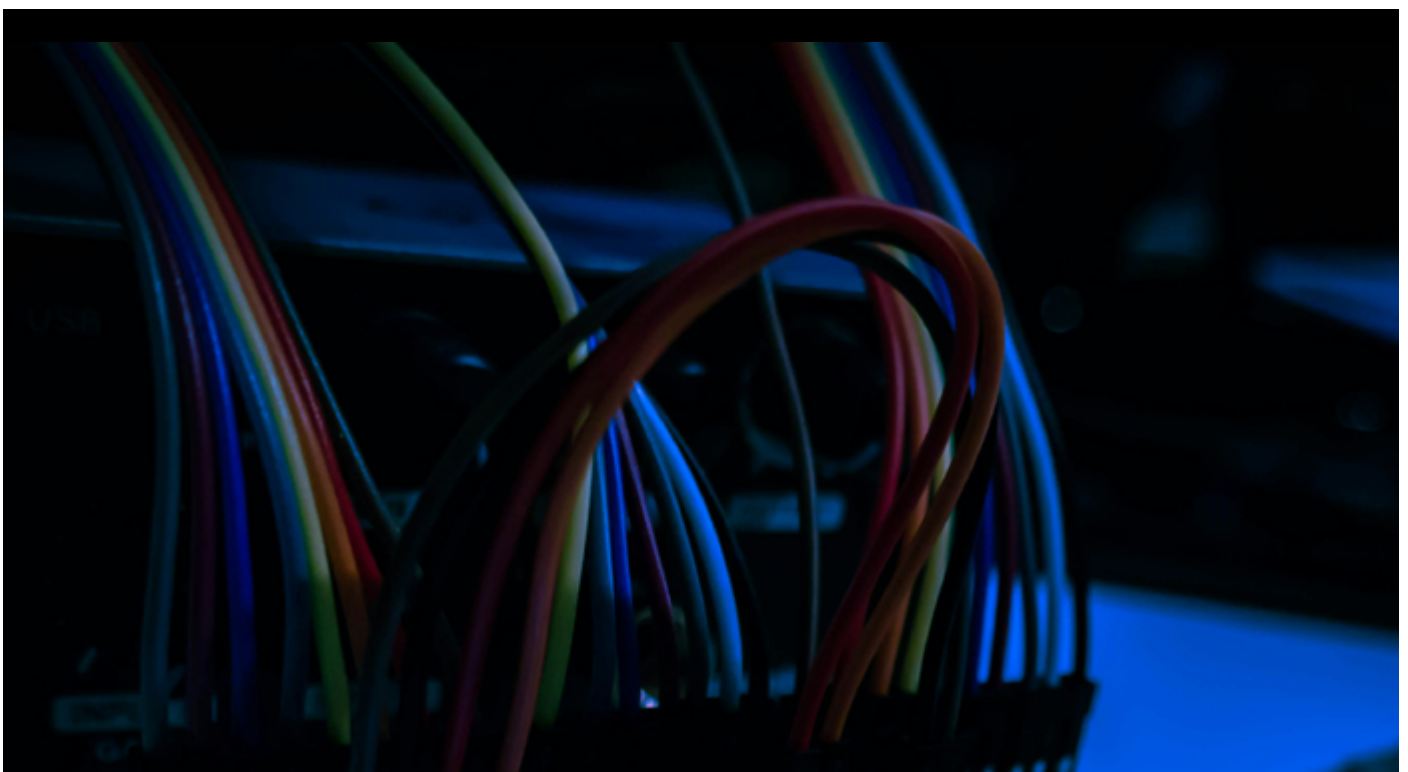
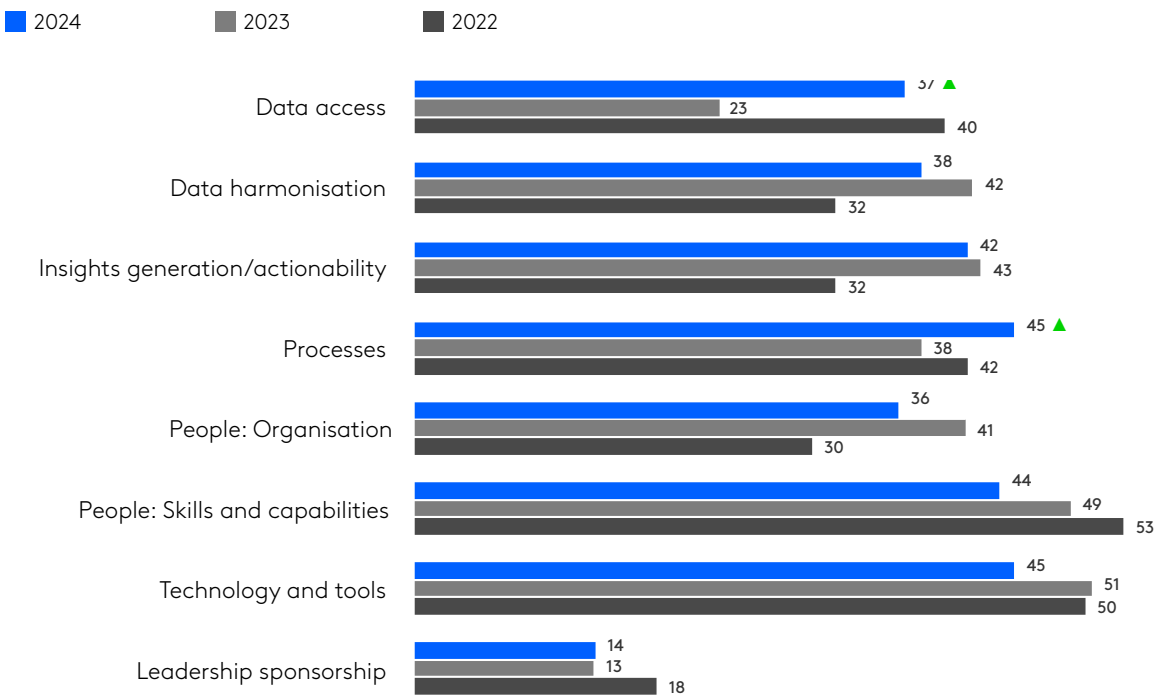
RGM capabilities: priority areas of investment (12-18 months)



Barriers to RGM development

The challenges impeding the full integration of RGM within FMCG organisations remain consistent with those of previous years. Firms are diligently working to structure their internal processes, digitise their RGM practices, and enhance their teams' skills. This concerted effort aims to instill Revenue Growth Management as both a strategic mindset and a shared discipline across all business areas. In 2024, the foremost cited obstacle to RGM enablement is data access, which has seen a slight increase in mentions compared to previous years.

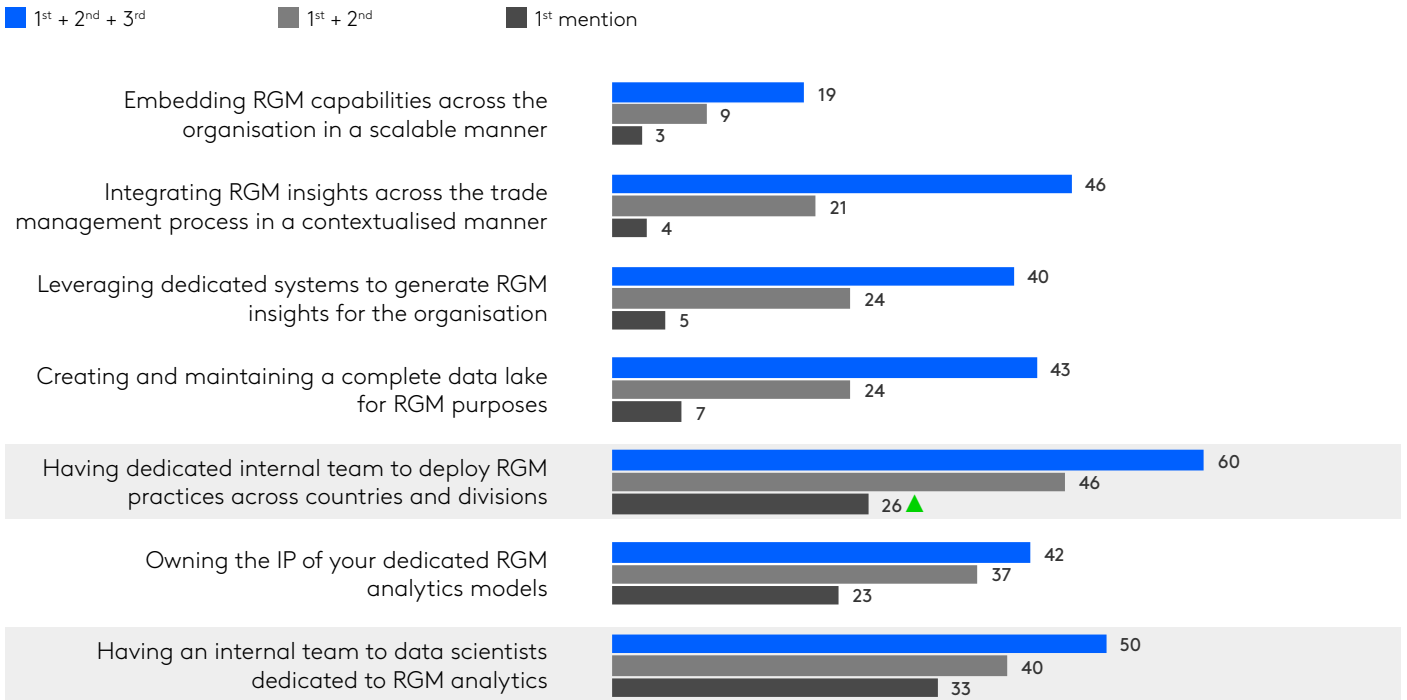
Barriers to embedding RGM in FMCG organisation (% of total mentions: 1st to 3rd ranked factors)



RGM competitive advantage drivers

Furthermore, FMCGs repeatedly acknowledge the significant role of having dedicated teams to develop RGM analytics and deploy RGM practices. They also recognise the ownership of RGM analytics intellectual property (IP) as another key driver of their competitive edge. These elements are considered even more potent when coupled with the integration of RGM insights throughout the trade management process in a contextualised manner.

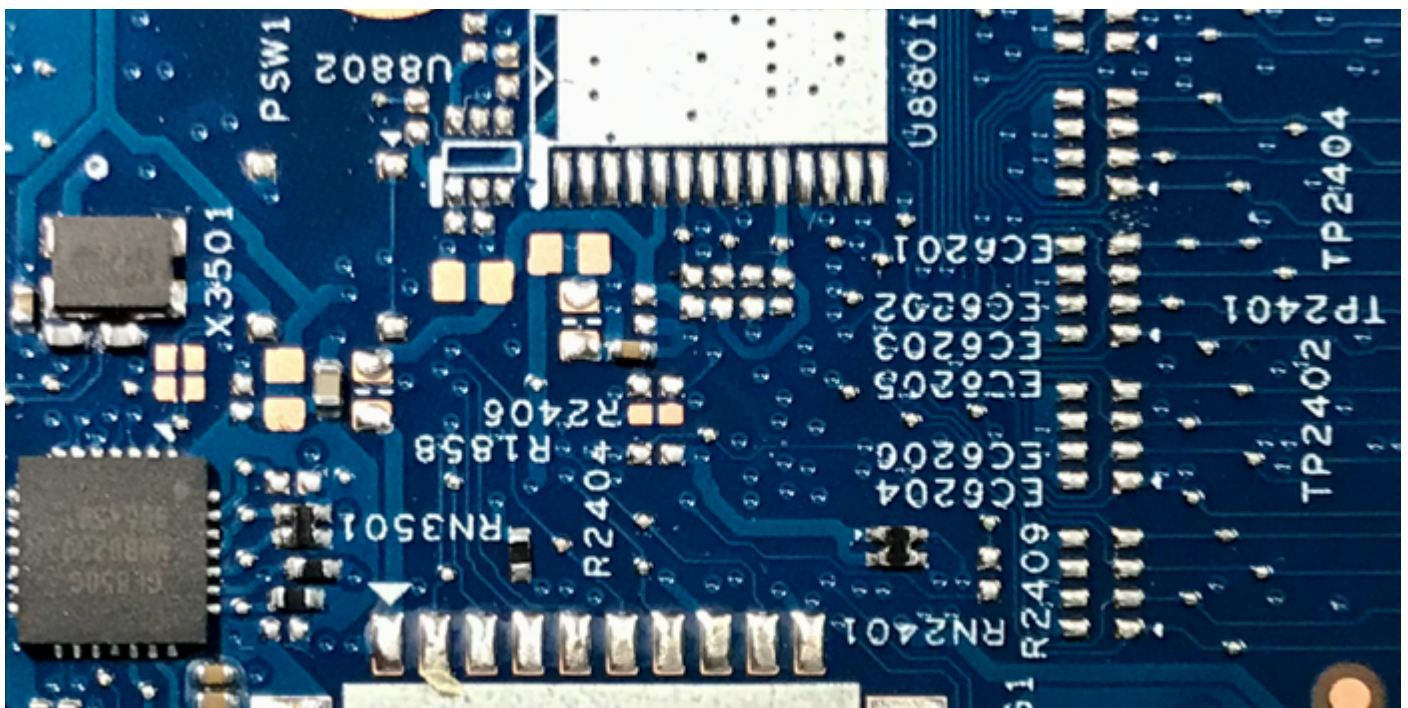
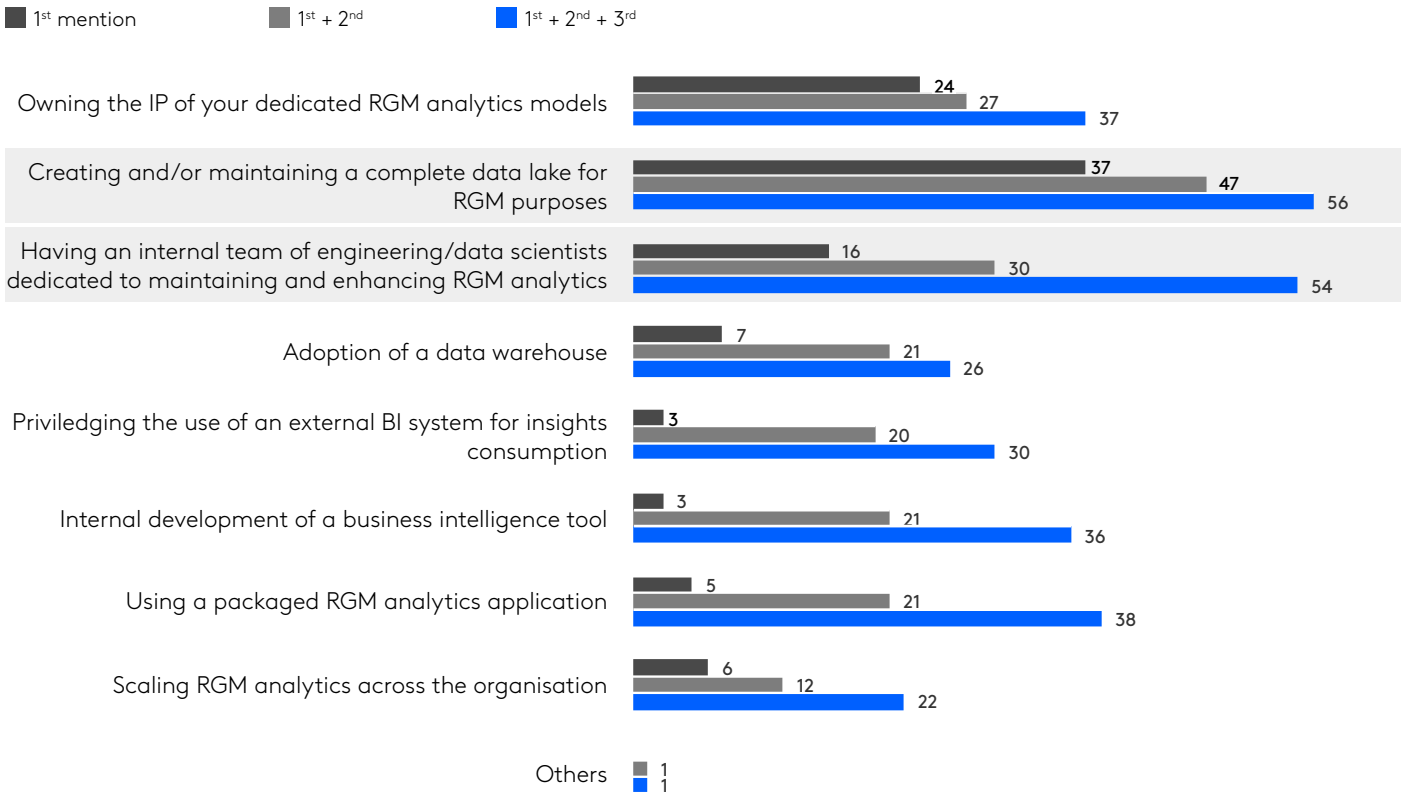
Driving factors of competitive advantage



RGM digitalisation priorities

When it comes to prioritising areas in RGM digitalisation, IT and Data Executives confirm that investment priorities include creating and maintaining a comprehensive data lake specifically for RGM purposes, assembling an internal team of engineers and data scientists dedicated to maintaining and enhancing RGM analytics, and investing in proprietary RGM analytics models.

RGM investment priorities



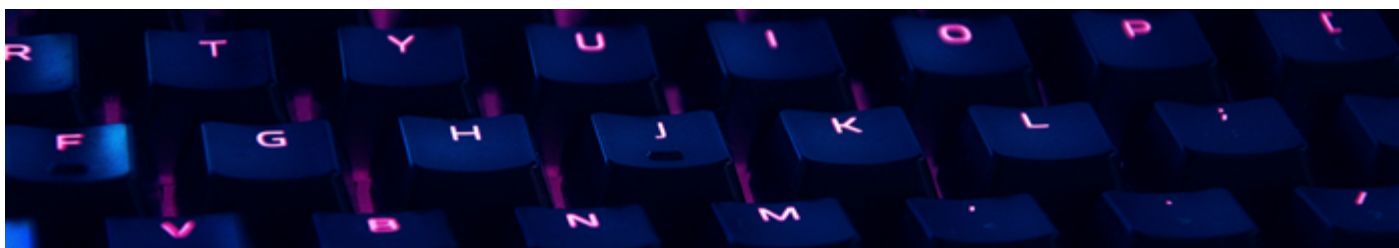
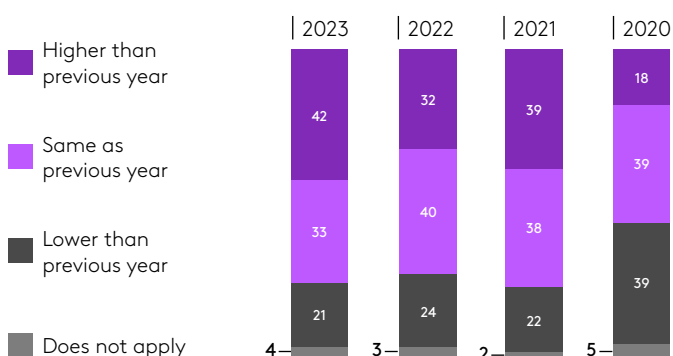
The business challenges RGM needs to solve for

The 2023 landscape

Increased trade spending in 2023 to overcome ongoing challenges and face new ones

Increased trade spending has been a continuing trend to counteract ongoing challenges and to adapt to new market conditions. For about 42% of the surveyed companies, trade spending escalated once more in 2023, following the post-COVID-19 recovery and the high inflation experienced in 2022. Another 33% of respondents maintained their spending at the same rate as the previous year.

Trade spend vs gross sales revenues: Evolution (2020-2023)

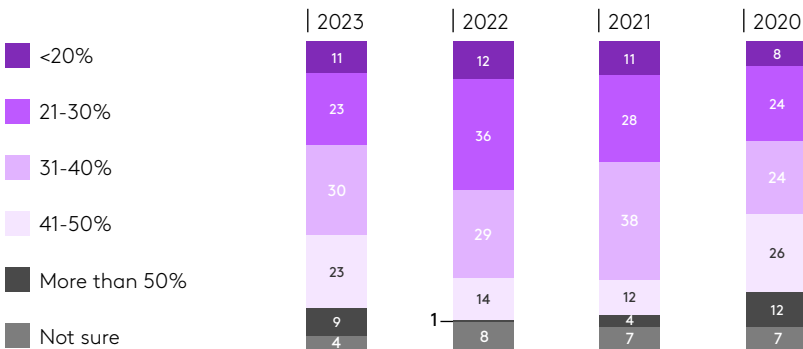


How much spending is the right spending?

While most surveyed Consumer Packaged Goods (CPG) companies continue to allocate between 20% and 50% of their gross sales revenues to trade initiatives, 53% report an increase in spending rates for 2023 over 2022, with investments ranging between 30% and 50%.

Companies with annual revenues exceeding \$1 billion reported the most significant trade spending. Companies with less than \$1 billion in annual revenues also noted an uptick in the average percentage of trade investments in 2023.

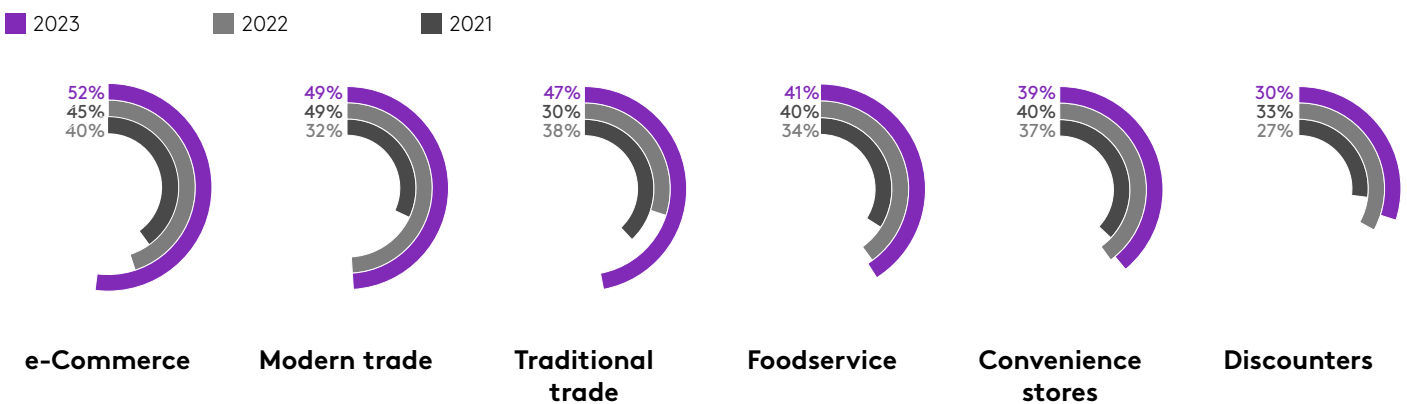
Trade spending against company revenue



Investments and distribution channels: Which is the most important?

As shoppers continued to battle constant price increases and inflation across multiple geographies throughout 2023, FMCGs needed to rebalance their trade investments across channels to better align with shopper behaviours. Survey participants pinpointed the most substantial incremental increases in trade spending within e-Commerce and traditional trade channels, alongside a refocused attention on modern trade during the year.

Trade spending increases across channels

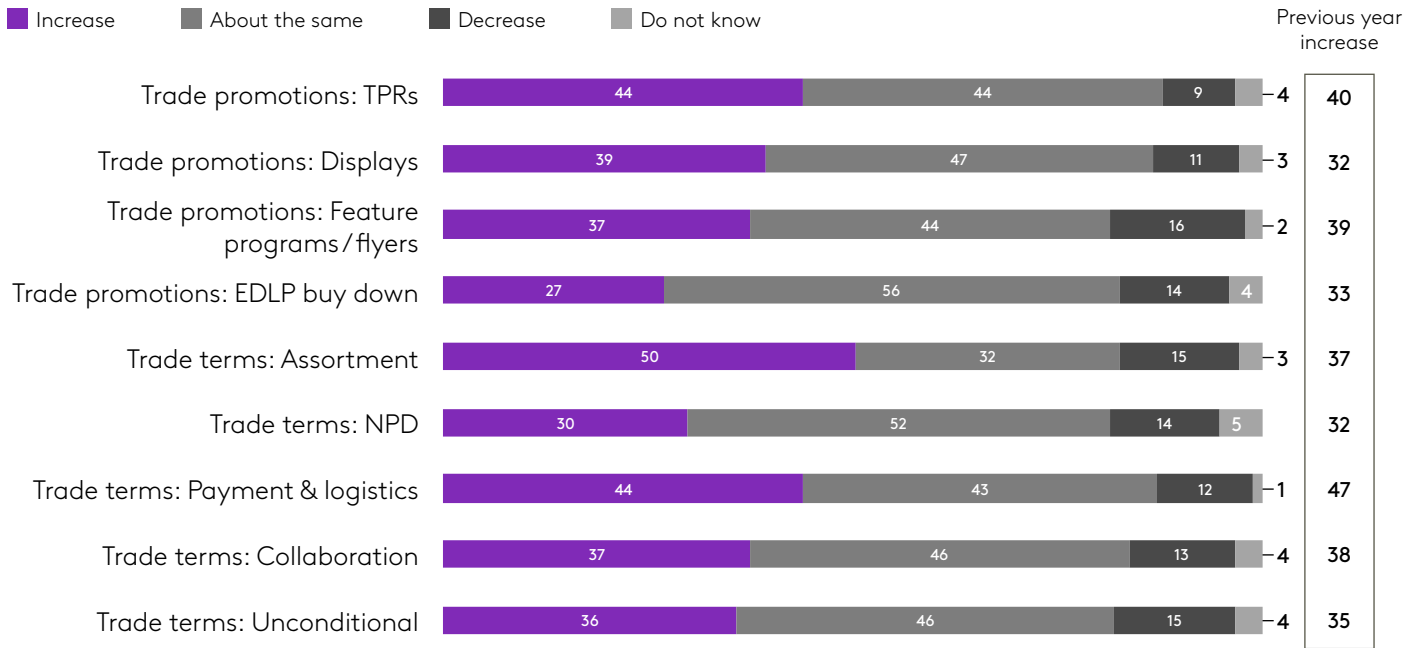


Changes in trade spend, changes in commercial levers

Most revenue management levers were kept stable in 2023. Notable increases were observed in trade terms related to trade promotions (TPR and Displays) and assortment. While payment & logistics remained a critical element in commercial execution, its increase was less pronounced in 2023 than in the previous year.

This trend underscores the efforts of FMCGs to navigate a landscape marked by slower demand and heightened competition, strategically utilising promotion and assortment levers to adapt.

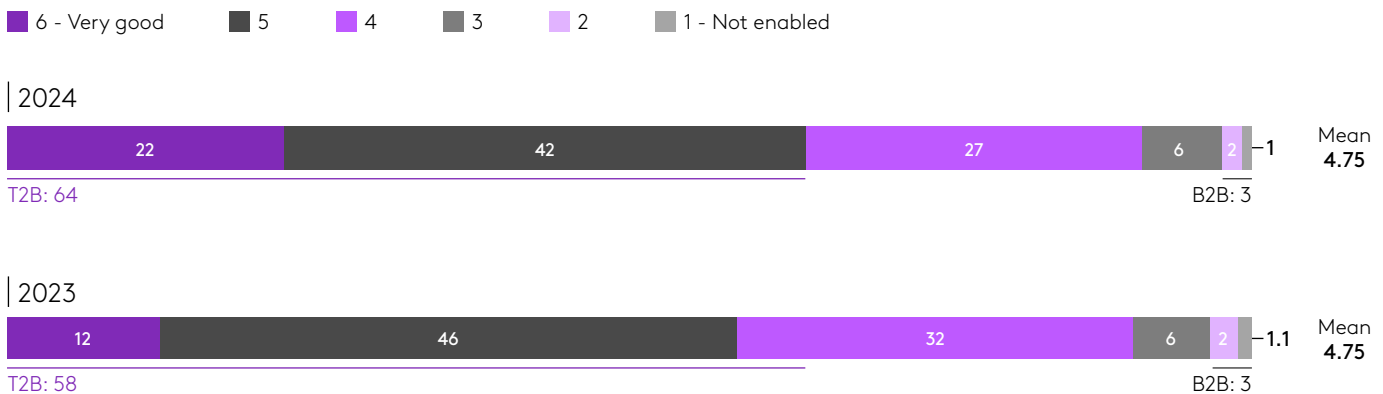
Changes in the levels of trade spend by commercial lever (2023)



How comfortable are FMCGs in managing trade terms?

FMCGs have reported a higher confidence level in the structure, transparency, and traceability of their trade terms frameworks. This indicates a renewed focus and concerted effort by FMCGs to exert control over and effectively manage their trade spending.

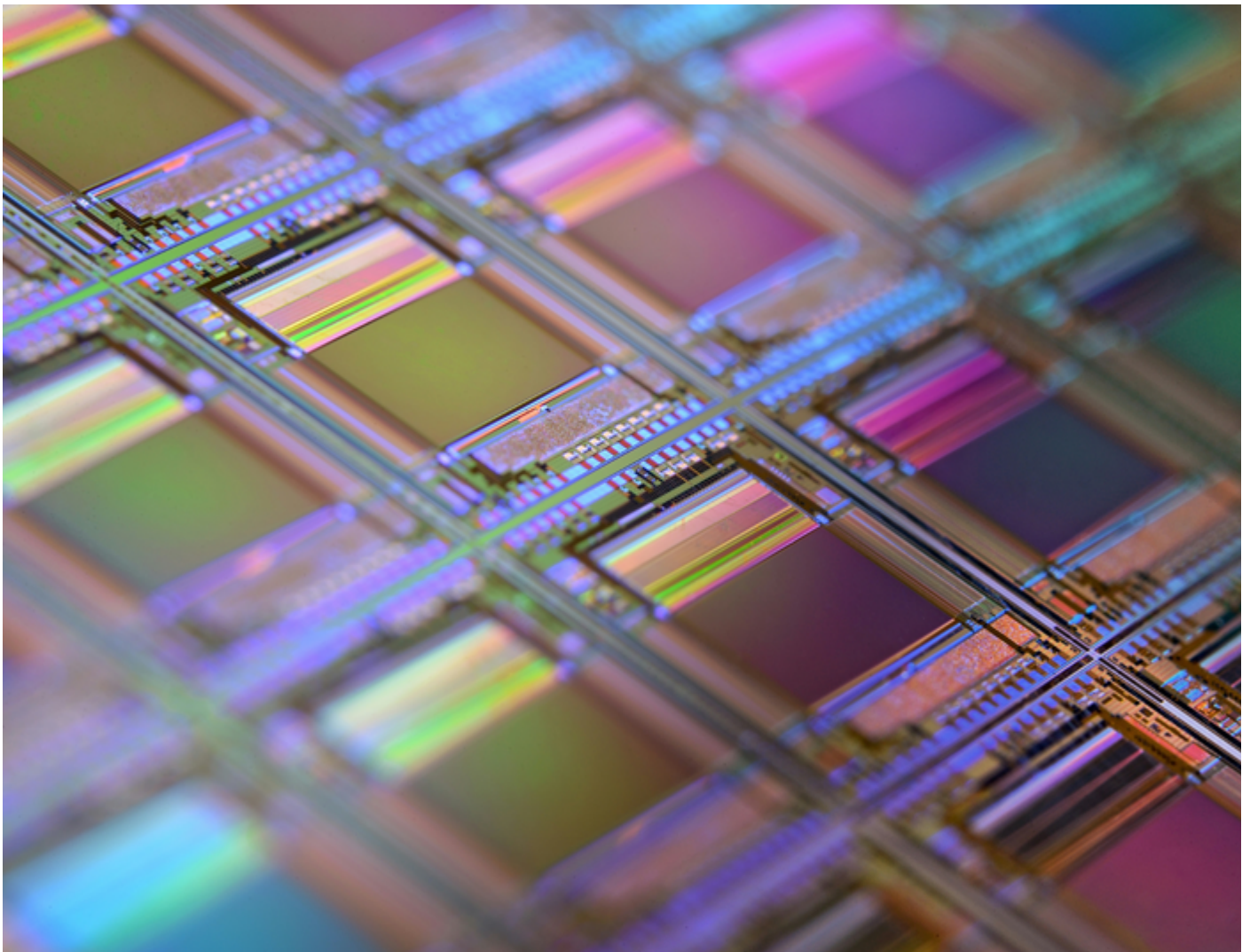
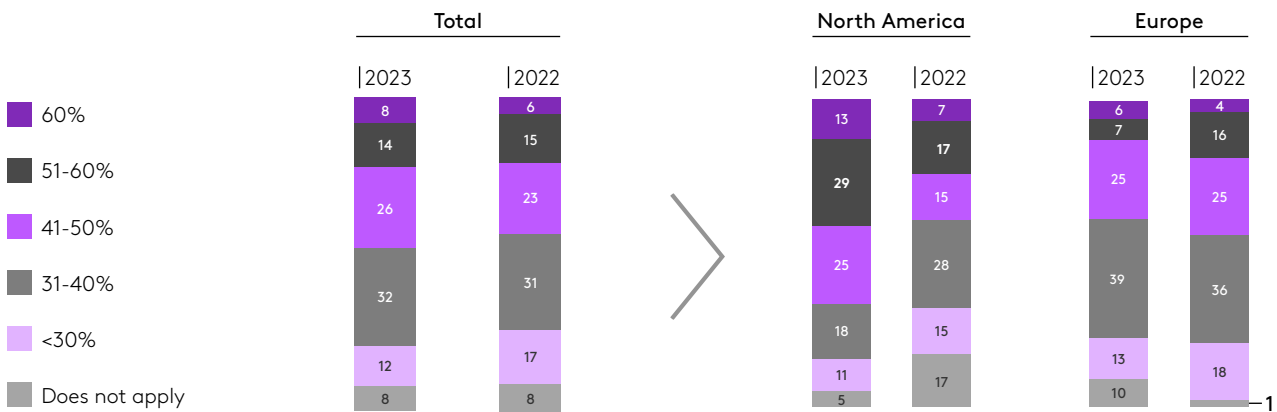
Trade terms framework: Structure, transparency, and trackability



Pay-for-performance: Still elusive

However, 'pay for performance' remains an elusive goal for the majority, with 70% of respondents acknowledging that less than half of their trade spend is contingent on performance metrics. Notably, companies in North America have reported a significant increase in the proportion of trade spending tied to performance, thereby widening the gap with their European counterparts.

Percentage of investments conditioned upon performance metrics



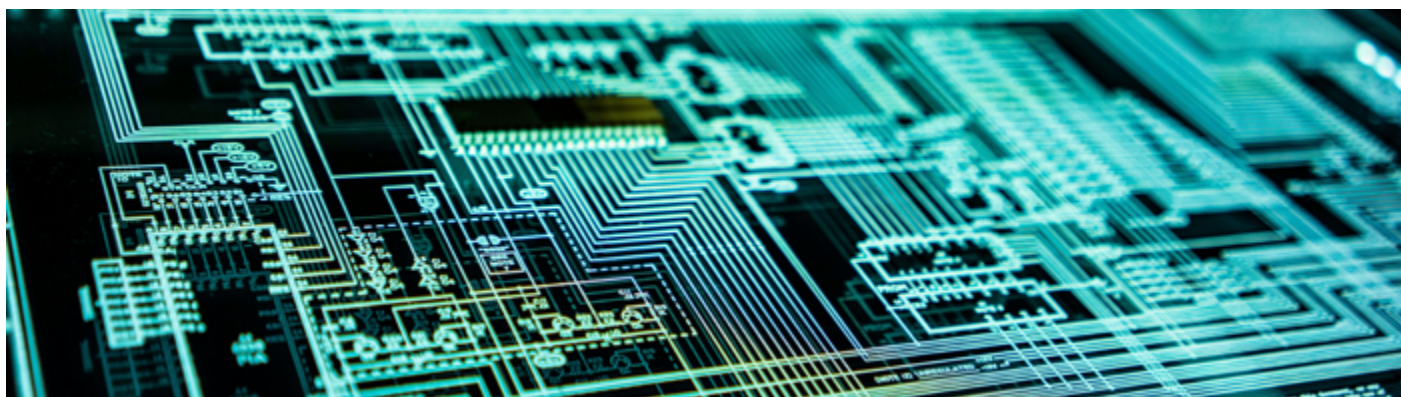
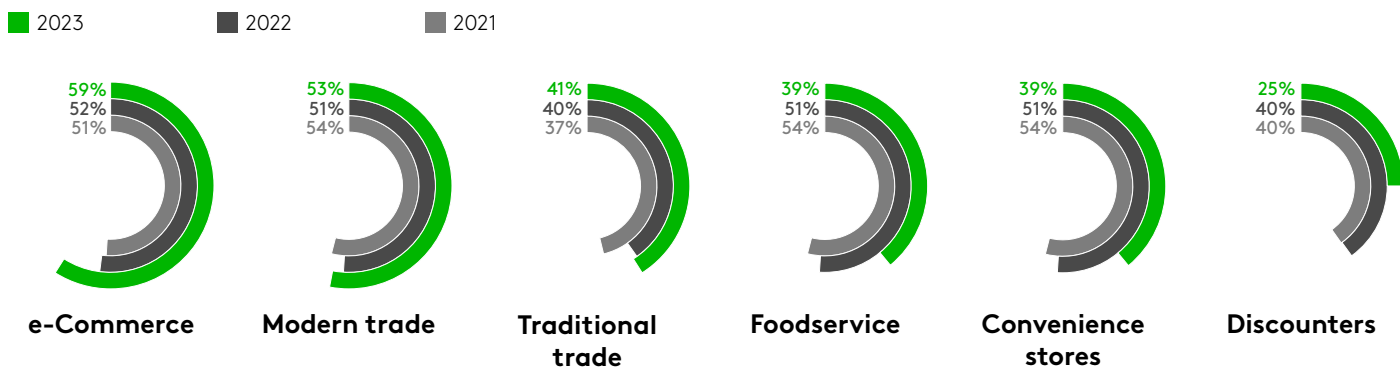
The business challenges RGM needs to solve for

Today and the 2025 horizon

Future trade strategies and investment priorities

In 2024 FMCG's are renewing their focus on profitability and revenue growth, followed by a clear attention to trade promotion effectiveness and volume growth versus a stated lower attention to price realisation.

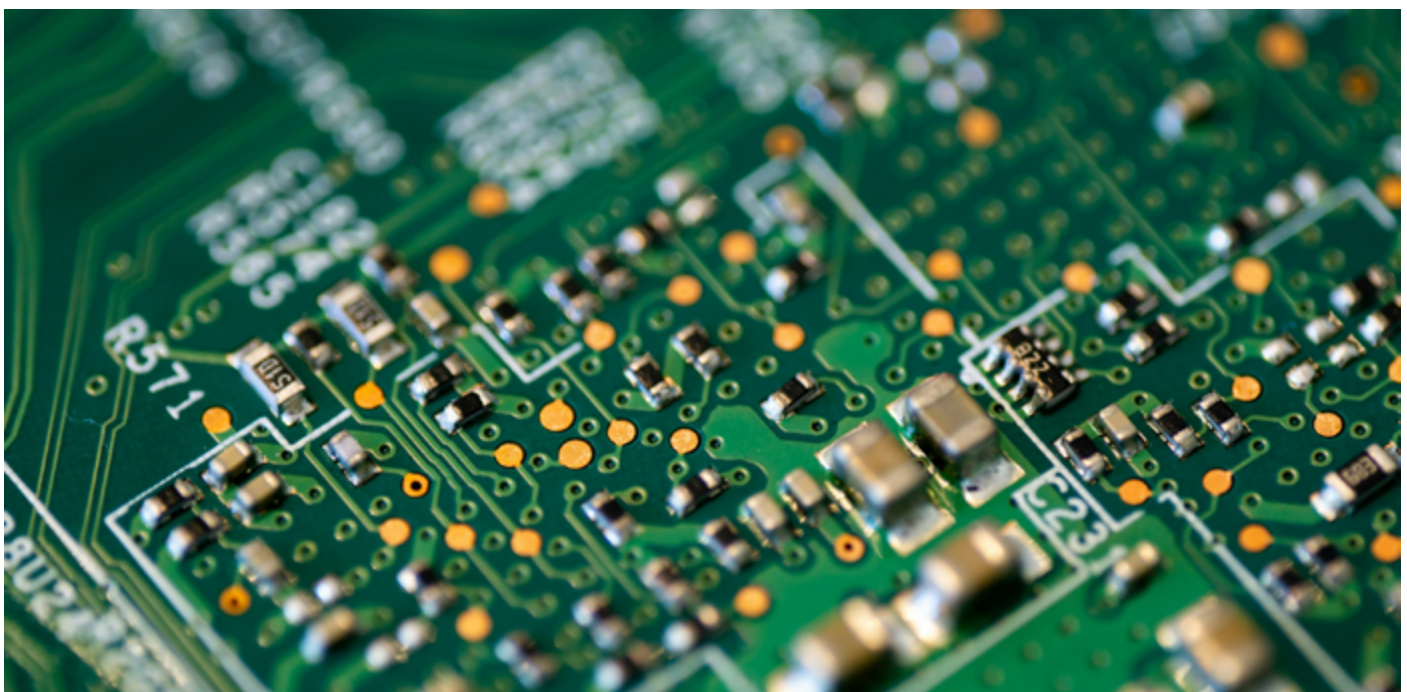
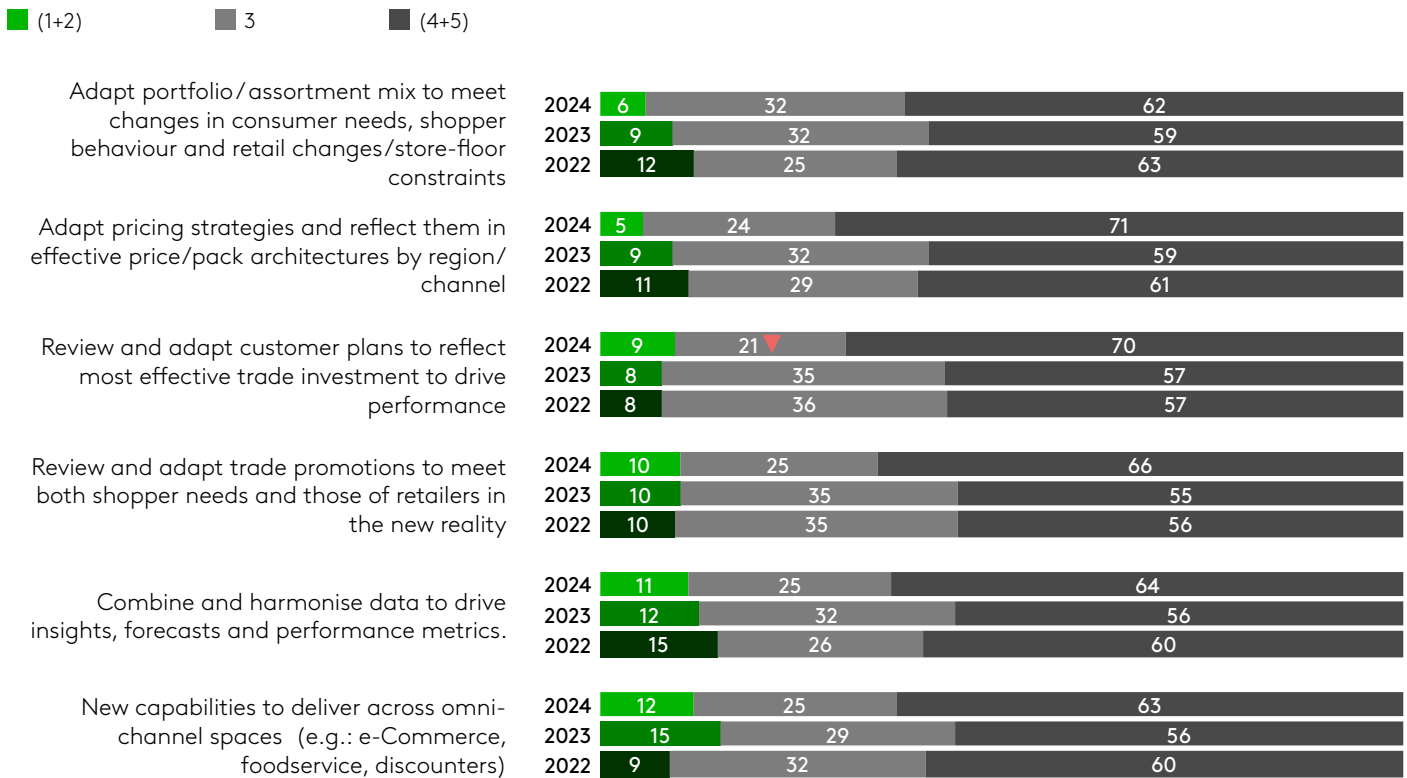
Growth objectives to be supported by trade (12-18 months)



Multiple pressures on the way forward

As they look to the future, FMCGs acknowledge the pressing challenges they face across all commercial levers due to ongoing macroeconomic fluctuations. The task of continually reviewing and adapting customer plans is emerging as increasingly critical, emphasising the difficulty FMCGs encounter in adopting a holistic approach to flexibly and strategically manage trade investments for profitable outcomes with their trade partners. This endeavour is further complicated by the need to adjust pricing strategies in the pursuit of higher revenues, margins, and volumes.

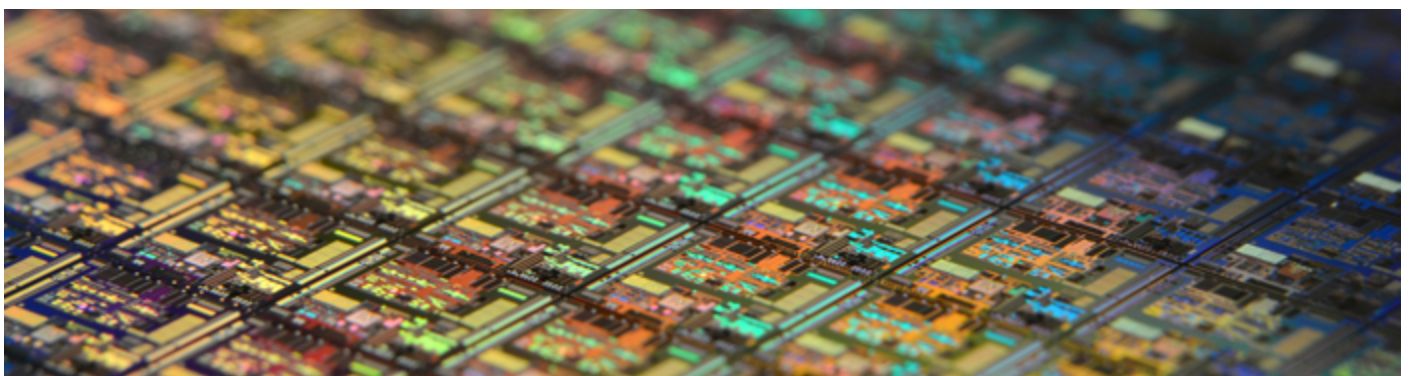
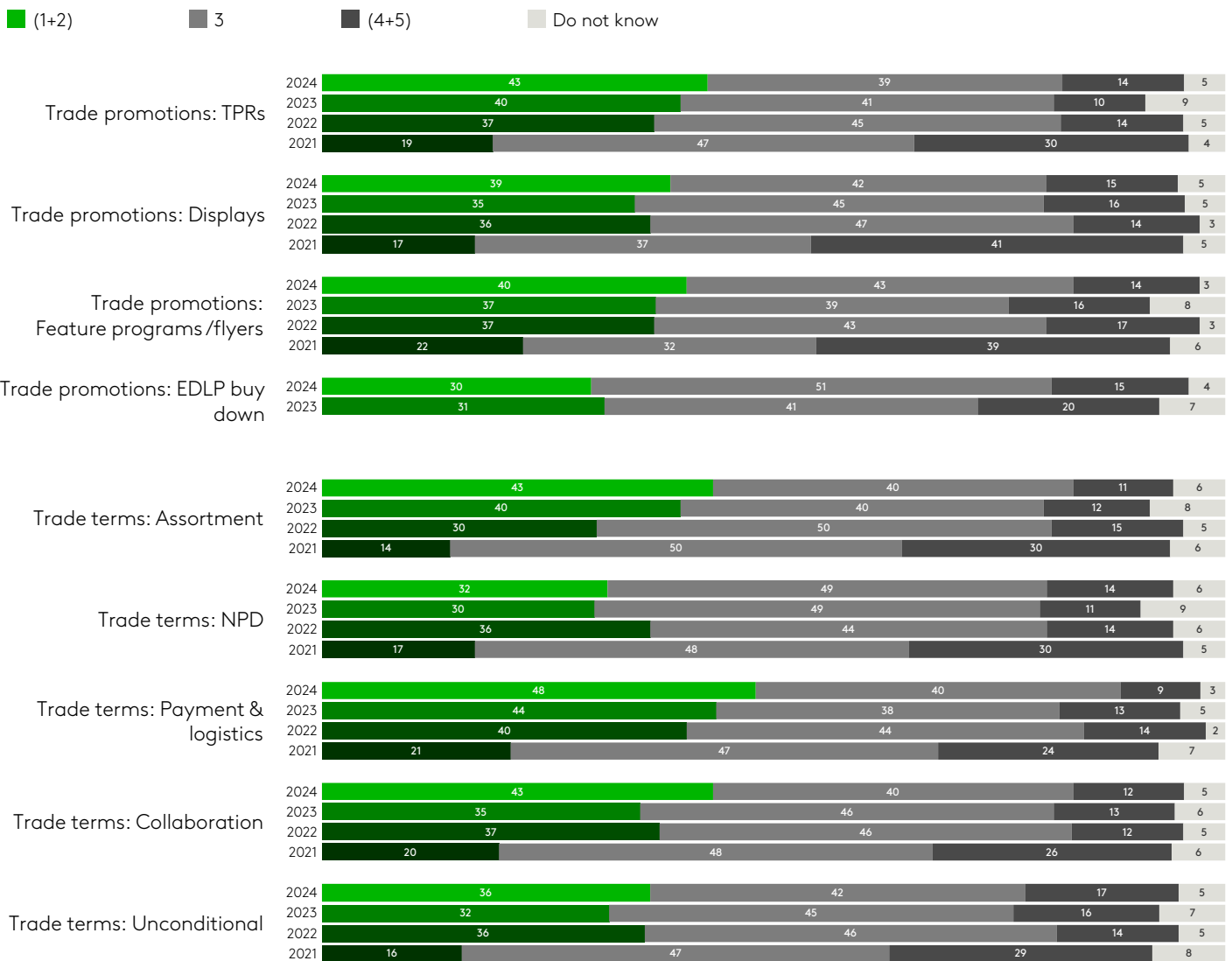
Pressing challenges (from least to most pressing)



Continued increase in trade spend in the next 12-18 months to support growth

In recognition of these escalating pressures, surveyed FMCG companies are resolute in their plans to augment trade spending across various commercial levers to enhance trade effectiveness, reinforcing a growth trend that has been consistent for four years since the pandemic.

Trade spending continued growth across levers (next 12-18 months)

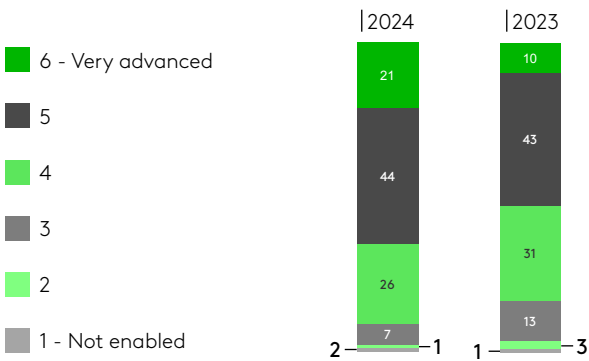


FMCG's and their retail partners

FMCGs perceive their retail partners as better equipped to deploy RGM practices. 65% of respondents state their retail partners have advanced RGM capabilities, a 13% increase from last year's survey.

This belief is even more extended amongst higher revenue companies, but it has improved in all of them.

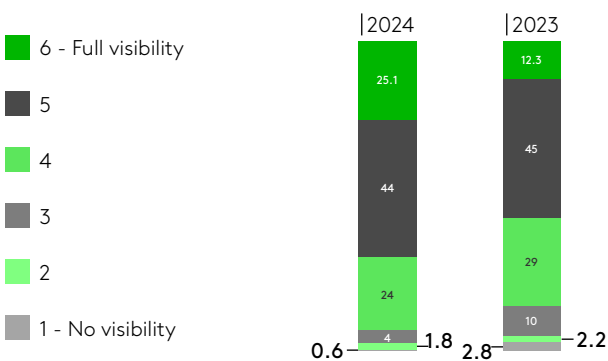
RGM deployment of retail partners



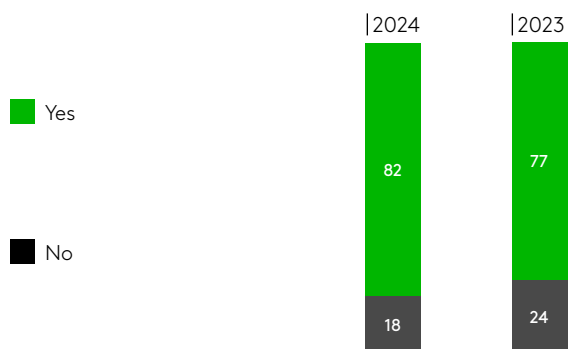
Generated value: Visibility and fair sharing

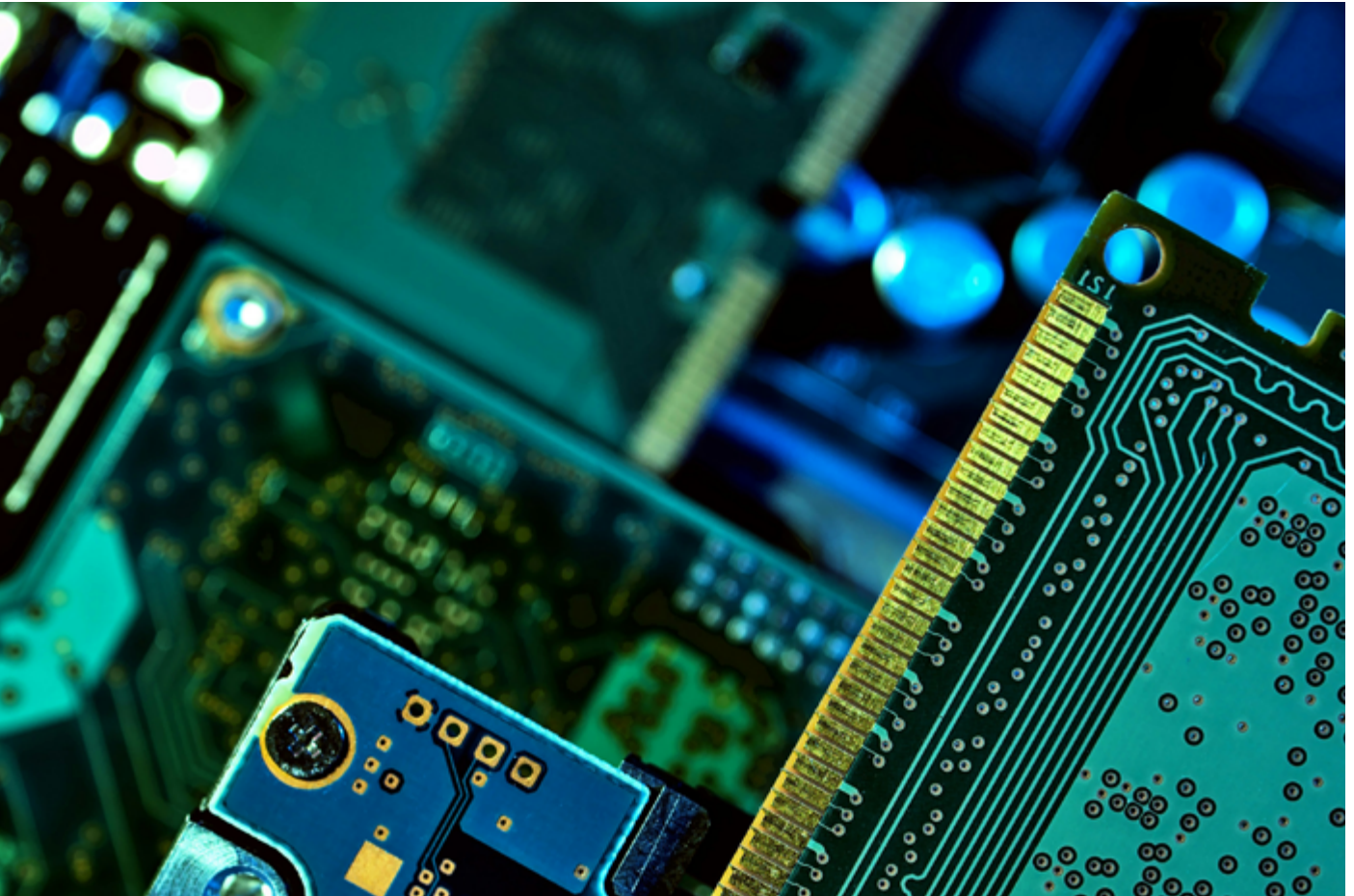
Almost seven out of 10 companies believe they have good visibility over key drivers of the margins they generate for their trade partners, while the majority believe they are receiving a "fair share" of that value. This belief aligns with respondents' improved perception of their ability to control and have visibility over their trade terms (see page 29).

Visibility of generated margins



Receipt of fair share of generated value





Survey methodology

An online questionnaire was administered during the first quarter of 2024, ensuring complete confidentiality for participants. The target demographic comprised FMCG companies located in North America, Europe, and various other global regions. Two distinct series of online interviews were conducted with top executives from consumer goods sectors, including C-level executives in RGM and sales, Vice Presidents of RGM, Sales, and Finance, as well as Chief Information Officers, Chief Data Officers and Chief Technology Officers.

The questionnaires, exclusively in English for streamlined processing, were designed to be mobile-friendly, took no more than 15 minutes to complete, and primarily featured closed-ended questions. The total number of participants reached approximately 200.

Consistency in the total number of respondents and their core demographics was maintained with prior iterations of this study, facilitating a longitudinal analysis of the results.

Should you have any specific inquiries regarding the methodology, target demographic, or data analysis of this study, please contact marketing@xtel-group.com.

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XTEL is a leading global revenue management solutions provider for consumer goods companies (CPG). We help our clients' businesses grow smarter, every day - through holistic and proven digitalisation and change management across all five continents. By combining state-of-the-art technology, deep industry expertise, data management and consulting capabilities, our Revenue Management suite supports CPGs in their journey for value realisation and profitable revenue growth.

Acknowledgements

Providing our industry with relevant and actionable insights is always the overarching goal of XTEL industry studies. We wish to thank everyone who contributed to making this research possible.

We are especially thankful to the FMCG companies who participated in our revenue management survey. Your passion for the revenue management discipline, and your drive to realise the transformational benefits of RGM practices across your organisations are inspirational to us.

Co-authors

[Ed Bishop](#) – Head of RGM Pre Sales

[Alessio Bonfietti](#) – Co-CTO

[Suzana Dias](#) – Head of Product Strategy and Alliances

[Alan Skiles](#) – Chief Commercial Officer

[Piet Surmont](#) – Head of RGM

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