

Promo & Assortment Management Toolkit

PwC Retail Growth Suite Tool - Business Context

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18.10.2021



Our Toolkit is an online Tool supporting Category Managers and other teams in taking data driven decisions during everyday promo planning and category management processes

Such Toolkits have already been developed and implemented by PwC at numerous customers in the region
The purpose of current development is to bring the Toolkit to the enterprise class of software

Our Tool overview

Business areas of Client's operating model

Areas supported by market players

Pricing
Marketing
Promo
Logistics
Store management
Supply
Strategy
Assortment
Branding
Ordering

Process description

- **Promo management involves all steps related to the promotional activities, including:**
 - Preparation
 - Operationalization
 - Analysis
- **Category management focuses on the performance of each category of products sold both as a part of promotions and as regular sales**
- **Assortment is selected based on competition and market benchmarking**

What is our Tool designed for

Our Tool is a one source of reliable and up to date data that can be used for performance overview, KPI analysis and other business purposes

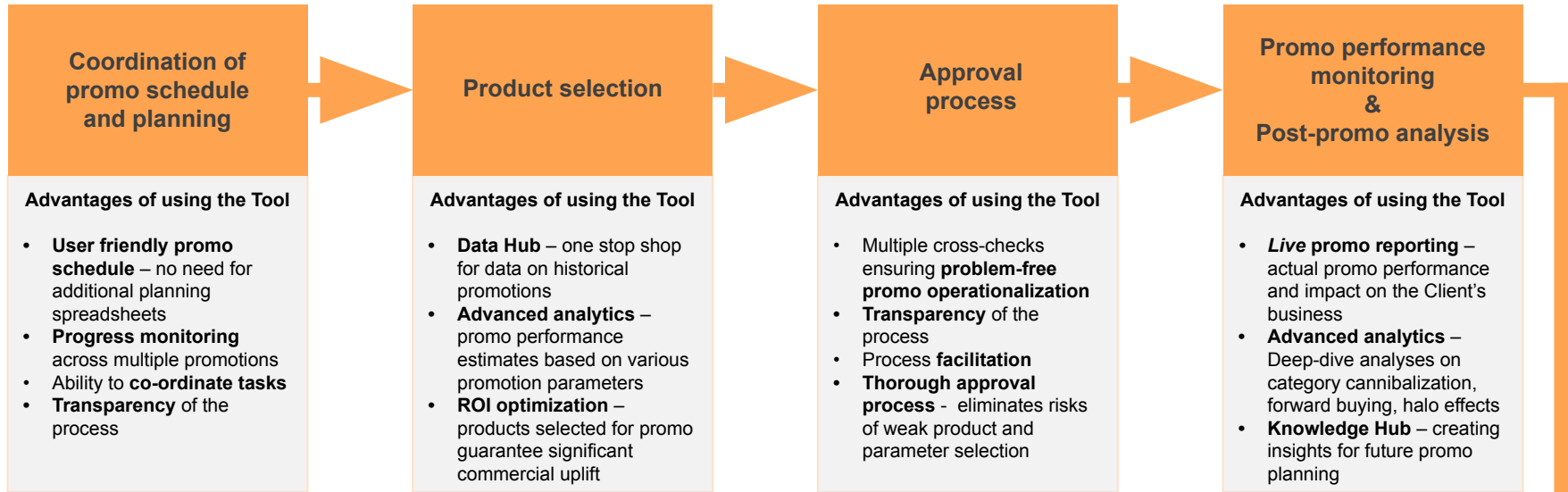
Some of the key features include:

- **Facilitation of the key promo related processes** from the historical data overview and SKU selection to promo volumes forecasting
- Support in the key category management challenges like review of the **category and subcategory performance vs KPIs** and indicated **market benchmarks**

Tool will be designed to **support everyday work of a category manager** and eventually should be a **main source of insights** related to the promo and category performance

Taking promo management process as an example, we have identified multiple areas where the support of our Tool will bring significant value to the Clients...

Promo planning process and value added by the Tool



Process is repeated for the next promo

... Especially in the areas of process facilitation and data-driven decision making based on advanced analytical models powered by Microsoft Azure Synapse Modern DWH

ONLY FOR INTERNAL MICROSOFT USE

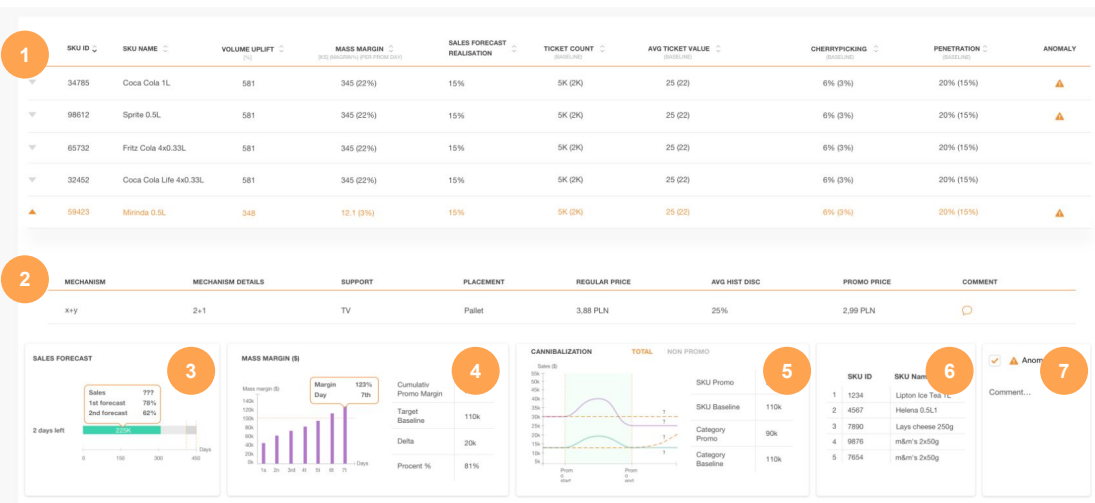
Mockup view presenting key functionalities of promo monitoring and post-promo analysis; SKU level

1 Overview of high-level **promo effectiveness indicators** compared to baseline values – volume uplift, margin, ticket count and value, cherry-picking and penetration

2 **Promo parameters** – promo mechanism, support, and placement

3 **Sales forecast realization** and updated value of sales forecast based on current promo effectiveness

4 **Incremental margin on a daily level**, including relation to baseline margin



Draft UX mockup screens

5 Promo **SKU impact on the whole sub-/category**, analysis of forward buying

6 Top SKUs selected together with promo SKU

7 **Anomaly identification** – user can attribute promo results to external factors, i.e. weather, public holidays, other events strongly influencing shopping decisions in the short term

From technical perspective our Tool is required to serve low latency analytics results on large volumes of data, including ML to relatively small number of end users

Assumptions and tech requirements

Assumptions

- Development in cloud
- Batch data ingestion (e.g. daily), no real-time / stream analytics
- Web application with user-friendly web browser GUI
- User authentication and authorization based on Active Directory

Technical requirements

- Receipt line level data (~1bn of rows)
- Forecasting module based on machine learning - predicting daily SKU sales given promo terms (offline training + online inference)
- Dashboards based on analytics of non-aggregated data - low latency required
- ~30 end users (for single tenant)

Advantages for Microsoft

- Freely scalable solution powered by Microsoft Cloud
- Data architecture based on Microsoft Azure SQL, Azure Machine Learning, and Synapse Dedicated Pools working as a modern data warehouse and analytical engines

Thank you

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