



**Case Study: Distribution strategy
for a Global organization selling
household brands in India [2017]**



A global organization selling household brands in India wanted Cogitaas to do a deep dive into their distribution network to..

- Determine their correct Distribution metrics
- Diagnose competitive advantages of its distribution with respect to competitors
- Recommend action points to drive distribution at National/State Levels

Cogitaas built, presented and implemented Distribution Optimizer for them....

Output of Distribution Optimizer

- ❑ Cogitaas analysed the impact of all marketing investments, in order to identify their effectiveness in driving **Distribution**, at national and state levels. Any relevant competition data was also included.
- ❑ Cogitaas conceptualized and built a model based Scenario Planner, for country and states, to drive Distribution metrics based on triggers & barriers, which was then shared with the business partner.
- ❑ This Scenario Planner is dynamic as it receives changing inputs, and determines the impact on Distribution, as measured by several direct and intermediary measures, and presents optimal scenarios for driving Distribution.

Output of Distribution Optimizer

State	Distribution driver of MS	Key Driver of Distribution	Price Elastic?	
ASSAM	Distribution	TP	NO	
BIHAR			NO	
JHARKHAND			NO	
ORISSA			YES	
DELHI			NO	
HARYANA			NO	
PUNJAB			NO	
GUJARAT			YES	
MADHYA PRADESH			YES	
TAMIL NADU			YES	
WEST BENGAL			YES	
CHHATTISGARH			NO	
KARNATAKA			NO	
KERALA			TP + CP	YES
MAHARASHTRA			NO	
UTTAR PRADESH			NO	
AP			CP	YES
RAJASTHAN	NO			

- ❑ The above output from the Optimizer helped the business in identifying the form of marketing investment (i.e. Consumer Promo, Trade Spends etc.), which would work best to drive Distribution in a particular state with reference to it's relative price.

Snapshot of Scenario Planner

Current MS	31.0%
Target MS	33.8%
Addl. Spend (Cr.)	27.84

Driver	Price
Current Levels	68
Increase	5%
Vol. Growth	(3.8%)
Val. Growth	1.2%

Distt. Metric	SAH
Current Level	16.8
New Level	18.5

Distt. Metric	VWD
Current Level	61
New Level	65.1

CP	TP	P + S	QPS	AO Media	GK Media	Assortment	Driver	TP	P + S	QPS	AO Media	GK Media	FTEs
14.18	40.93	38.57	2.35	62.45	119.05	4.03	Current Levels	40.93	38.57	2.35	62.45	119.05	2,000
10.0%	34.0%	30.0%	100.0%	20.0%	5.0%	10.0%	Reco. Increase (%)	34.0%	30.0%	100.0%	20.0%	5.0%	10.0%
15.60	54.85	50.14	4.71	74.94	125.00	4.43	Reco. Levels	54.85	50.14	4.71	74.94	119.05	2,200
2.7%	7.7%	7.2%	0.4%	11.7%			Current % of Sales*						
2.6%	9.0%	8.3%	0.8%	12.3%			New % of Sales*						

*On MRP basis

	Spend Rols			
	CP	TP	Media	Total
Current Rol	2.04	1.76	0.93	1.57
New Rol	1.88	1.53	0.79	1.40

Note: Only change the values in the highlighted cells

- The Scenario Planner helped the business to understand how changing the input parameters (i.e. distribution & other spends), would affect Distribution and thereby affect other growth and sales measures.
- Either growth targets can be set and the tool devises optimal investment, or current investment plans point out maximum possible growth.

Why Distribution Optimizer ?

- ❑ In emerging markets, Distribution is often the most important growth driver and significant marketing investments are made to increase Distribution effectiveness.
- ❑ However it is difficult to assess the impact of Trade, Consumer, Media and other spends and investments on driving Distribution metrics.
- ❑ Distribution Optimizer links the effects of trade and non-trade investments to the intermediary and final metrics that drive various measures of **Distribution** in GT markets, and **Share Among Handlers**

THANK YOU!



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