



PET SUPPLIES PLUS

Pet Supplies Plus reduces toxic promotions by 40% with PromoSmart

OPPORTUNITY

PSP has 420+ B&M stores present across US. Deep promotional discounting based on gut feeling has historically been leading to toxic promos and margin erosion.

PSP has ~6K SKUs, and they typically run promotional campaigns for these, throughout the year. Repeat promos would usually be of similar or deeper promo depth as the year progressed. In addition to this, there was lack of systems to continuously track the promotion performance.

Incurring repeated margin losses led them to feel the need to move away from this existing method of promotional activity to data driven AI backed promo recommendations.

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PromoSmart is an easy-to-use solution that helps our merchants decide the margin generated by a promotion campaign in real time. We have been using this tool to decide our promotions with high accuracy results. This tool has positively impacted our bottom line significantly.

- SVP, Supply Chain

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ACTION

Implementing PromoSmart at PSP helped delineate the impact of various promos, seasonality and trend, to help understand affinity and cannibalization, and capture the true promo impact. The new system helped simulate and understand the impact of various promo depths, on outcome metrics like margin lift, revenue lift, etc. It also helped to continuously monitor and keep a historical record of the type of promos that worked best and those that have been toxic, thus helping them make informed decisions.

OUTCOME

PromoSmart tool helped PSP cut down on their toxic promotions. It helped them decide the optimum discount depth, while factoring in seasonality, trend and other external factors.

~40%

reduction in toxic promotions

~5%

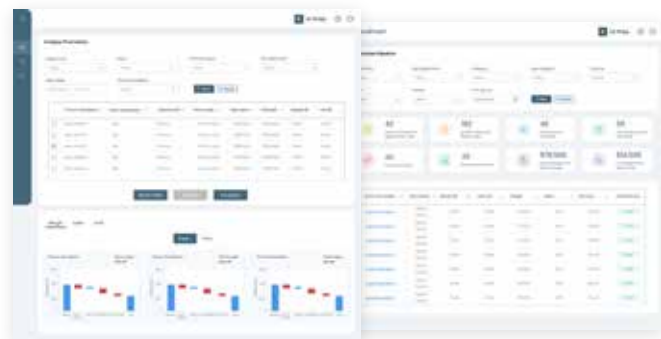
improvement in bottom line

~20%

increase in margin and revenue lift

WHAT'S NEXT?

The study of promo effectiveness can be further ramped up to include various types of complex promos (like tier-based promos, BXGX offers etc.), that can help increase basket size of customers.



About Impact Analytics

Impact Analytics is a fast-growing, AI-powered software solutions company. A leading provider of planning, merchandising and forecasting tools for the retail, CPG and grocery sectors. Its suite of products for Assortment Planning, Allocation Optimization, Markdown Optimization and Promotion Planning is empowering leading retailers to make smart data-based decisions and transform their businesses and achieve substantial business benefits. To learn more, visit www.impactanalytics.co