



Intelligent Planning for **Trade Promotions**



Turning Trade Spend into a Competitive Advantage

Trade promotions often represent one of the **largest discretionary spends** in consumer-facing industries like CPG, Retail, and Alco-Bev. Yet most organizations operate with **fragmented planning, manual budgeting, and delayed performance tracking**, which leads to suboptimal ROI and margin leakage.

To succeed in today's promotion-heavy market landscape, businesses must move beyond traditional Excel-based methods and embrace a **connected, predictive, and feedback-driven planning approach**. A unified trade promotion planning model enables cross-functional teams to align on strategy, simulate ROI, govern spend in real-time, and continuously improve using post-promotion intelligence. This is more than digital transformation—it's a strategic shift toward **profitable, insight-led promotion execution**.

Rethinking Trade Spend: Why Intelligent Planning is Critical

Despite massive trade budgets, many organizations struggle to answer basic questions:

- Are our promotions driving true incremental sales or cannibalizing base volume?
- Are we allocating our trade spend efficiently across ATL/BTL and regions?
- How can we forecast uplift with greater precision and consistency?
- Which promotions are worth repeating—and which ones drain margin?

The answer lies in a **modern platform** that connects strategic planning, financial logic, predictive modelling, and operational execution—enabling sales, marketing, and finance to **co-own promotion outcomes** instead of operating in silos.

Key Capabilities of a Connected Trade Promotion Planning Model

Strategic Planning at Brand & Region Level

Start by defining top-down business goals—

brand-level positioning, key KPIs, and price-promotion guardrails. Build annual calendars and distribute ownership across sales regions.

Smart Budgeting & Allocation

Divide budgets into Above-The-Line (ATL) and Below-The-Line (BTL) based on historic ROI, planned campaign types, and seasonal uplift trends. Use templates to ensure consistency.

Baseline & Uplift Forecasting

Model baseline sales per SKU, geography, and channel—then overlay uplift expectations by tactic to isolate incremental volume. Support pre-assessment of tactics before spend commitment.

Cannibalization & Halo Adjustment

Account for volume shifts from non-promoted SKUs (cannibalization) and positive impact on complementary products (halo) to reflect **true net impact** of promotions.

Volume, Margin & Profitability Modelling

Model end-to-end financial impact, including

uplift, promo cost, gross margin change, and net profitability—down to SKU, region, and customer tier.

Execution Tracking by Channel & Location

Bridge the planning-to-execution gap with dashboards showing real-time promo status, budget utilization, and sales rep-level compliance.

Optimization through Scenario Modelling

Run multiple “what-if” scenarios using ranking engines to prioritize promotion plans based on predicted ROI, volume uplift, and tactical cost.

Approval Workflow & Spend Governance

Define approval flows by spend tier, promo type, or brand team—with integrated budget controls and alerts for threshold breaches.

Smart Promotion Planning, Powered by Precision, Collaboration, and Real-Time Insight

FEATURE SET 1

Intelligent Planning

1. Predictions

Use Pigment's machine learning engine to predict baseline & uplift for different promotion types, channels, or seasons—based on historic performance and regional sensitivity.

FEATURE SET 2

Insights & Reusability

1. Insights

Leverage Pigment's intelligent analytics layer to uncover hidden performance drivers—such as tactics consistently underperforming in certain regions, declining ROI trends across time, or overspending in low-impact channels.

2. Libraries

Store reusable building blocks like baseline formulas, ROI calculations, brand-specific promo playbooks, and cost structures. Avoid rework and standardize modelling across geographies.

FEATURE SET 3

Modelling, Auditing & Accuracy

1. Drill Down & Drill Through (Dependency Diagrams)

Trace the impact of a discount decision all the way from SKU-level uplift to brand-level ROI and margin erosion—ideal for audit, finance, or leadership reviews.

2. Sequence

Automate logical flows such as Budget Allocation → Uplift Modelling → Net Profitability → Final Approval—ensuring all dependencies are respected and auto-updated.

3. Snapshots

Capture full model states before any, tactic changes, or campaign launches—useful for before-after analysis and post-promo ROI reconciliation.

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FEATURE SET 4

Collaboration, Governance & Review

1. Commenting & Collaboration

Sales, Marketing, and Finance can add comments directly on promotion plans, budget splits, or ROI assumptions—enabling faster reviews and fewer disconnected email threads.

2. Workflows

Set up standardized promotion lifecycle flows—e.g., Tactic Planning → ROI Validation → Finance Approval → Execution Go-Live—with embedded checks and digital approvals.

3. Notifications & Alerts

Auto-trigger alerts for budget overruns, missing uplift assumptions, or low predicted ROI—empowering stakeholders to respond before promotions go live.

FEATURE SET 5

Data Interaction & Flexibility

1. Scenarios

Run simulations to compare performance of BOGO, discount, and bundling tactics across base, upside, and downside cases. Fine-tune spend based on forecasted outcomes.

2. Sheet View

Allow end users to interact with familiar spreadsheet-like interfaces when editing inputs like uplift percentages, cost buckets, or tactic selections—while model logic stays intact.

3. Excel Add-In

Enable commercial or finance users to access and update Pigment models directly from Excel, supporting hybrid workflows while ensuring centralized data governance.

Promotion Planning: Traditional vs. Pigment-Driven Approach

Challenge Area	Traditional Methods (Excel, Manual)	Pigment Solution (Modern, Intelligent)
Promotion Strategy & Planning	Disconnected planning across Sales, Marketing, and Finance; unclear KPIs and manual calendar tracking	Unified promotion calendar with clear KPIs, brand-level objectives, and cross-functional collaboration using Commenting & Collaboration + Workflows
Budget Allocation & Spend Structuring	Manual ATL/BTL budget splits; inconsistent methods across regions	Structured allocation using historical ROI benchmarks and brand priorities via Libraries + Sequence
Uplift Forecasting & Baseline Modeling	Experience-based or gut-feel uplift estimates; no clear baseline sales	ML-powered Predictions combined with automated Baseline Modeling to calculate incremental uplift per tactic and channel
Profitability & ROI Simulation	Manual Excel-based calculators; no visibility into margin erosion	Dynamic Net Profitability Modeling integrating cost, uplift, and margin impact using Formula-Free Calculations
Cannibalization & Halo Impact	Ignored or manually adjusted; leads to inaccurate ROI projections	Modeled directly into ROI logic using Dependency Diagrams (Drill Through) and reusable Libraries
Scenario Testing & Optimization	Separate Excel files for each plan; time-consuming what-if comparisons	One-click Scenarios to simulate tactic combinations and prioritize by ROI, volume uplift, or spend efficiency
Execution Visibility	No real-time tracking of promotion execution by location or channel	Live execution dashboards with customer/channel-level data using Native Integrations and Sheet View
Governance & Approval	Email-based approvals; hard to track version history or gate reviews	Structured Workflows + Notifications/Alerts to ensure tiered approvals, cost controls, and audit compliance
Finance Usability & Adoption	Complex Excel models with macros; limited collaboration	Spreadsheet-like Sheet View with Excel Add-In for easy data interaction without losing platform logic
Insights & Post-Promo Evaluation	Manual post-event analysis; delayed feedback loops	Insights dashboards reveal ROI variance, tactic effectiveness, and regional performance trends for continuous improvement
Reusability & Scalability	Each promotion cycle rebuilt from scratch; no reuse of logic	Standardized components via Libraries + Snapshots to accelerate planning and ensure consistency

Thank You!