

# Budget Planning Support

Key insights and recommendations for a more  
resilient yet ambitious budget planning 2024



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# Overall recommendations

## Priority Matrix

- Assign additional budget targets to Germany, Switzerland, France, Poland and Greece
- Assign additional modest budget targets to Belgium, Italy, Romania and Hungary

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## Market Performance

Driving Brand A's sales further offline could support incremental growth potential (+12 m€ value sales)

[Read More](#)

## 4P Index

- Price elasticity as a whole is below the market average, meaning that there is limited scope to raise prices without impacting overall brand sales, but this could be more easily achieved online.
- Augment budget targets with the goal of increasing offline distribution through Mass Merchants and Independent stores.
- Budget targets and sales could be supported by a newer range of products.
- Promotional activity can support the attainment of budget targets, but notice must be given to the variance in promotional performance across the channels.

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## Brand Execution

( Purchase Funnel | Brand Loyalty and Migration | Brand NPS | Branch Perception )

Further investment in the brand is needed to overtake Brand B, to drive overall sales and help achieve budget targets. Potential revenue impact per incremental shopper conversion point: 6 m€ value sales.

To support this, target Brand B or Brand C shoppers with a targeted social media campaign. augment brand execution by targeting offline distribution, emotional brand attributes and the expansion of brand positioning to the topic of sustainability.



# Priority Matrix







# Which are the key potential growth markets for your business?

In which markets should budget targets be set higher or lower to enable global growth?

Product Group

Hot Beverage Makers (Espresso Full Automatic)

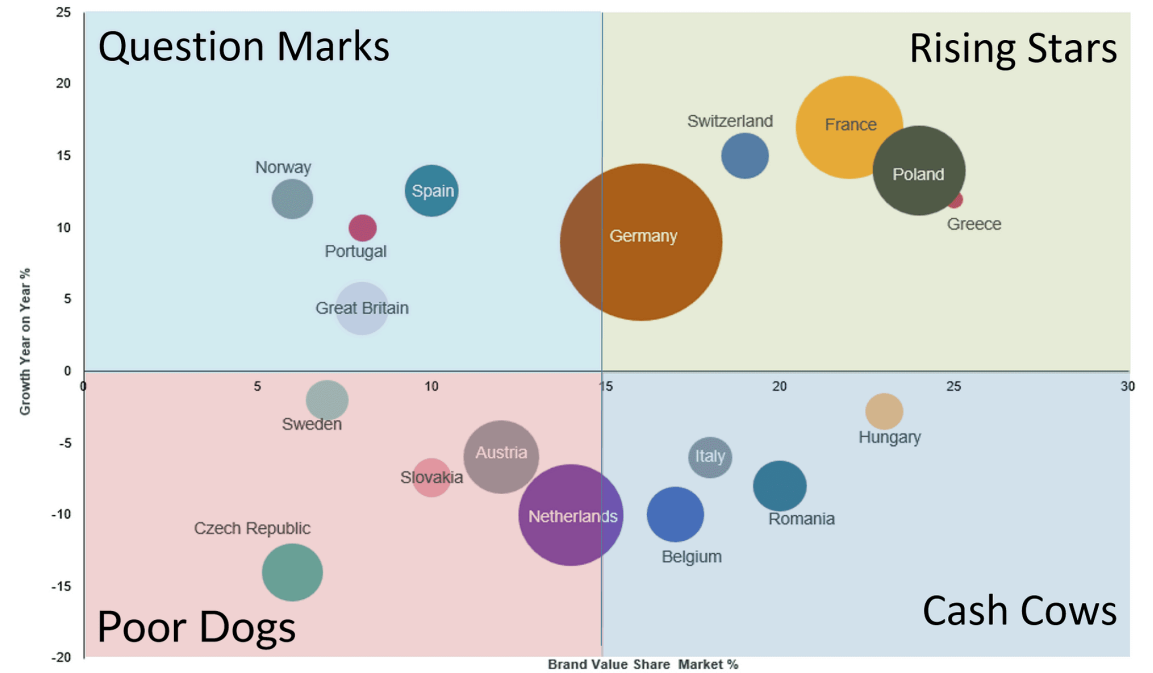
Time Period

12 months to June 2023

Country	Revenue Share	Market Growth YoY
TR	16.73	-16%
GR	15.14	12%
NL	11.56	41%
DE	10.30	-15%
PL	9.76	18%
IT	9.61	-10%
ES	7.43	26%
BE	6.85	-4%
PT	6.40	-25%
GB	5.56	46%
HU	4.94	-18%
FR	2.57	-16%
FL	2.11	37%
NO	1.87	-8%
SE	0.49	-49%
DK	0.22	46%
IE	0.11	-46%
CZ	0.05	-14%
HU	0.03	-44%
BU	0.00	-24%

DUMMY DATA

### Priority Markets Matrix





Example:

**Germany, Switzerland, France, Poland and Greece:** growing markets, high brand share

- Assign additional budget targets driven by market performance

**Belgium, Italy, Romania and Hungary:** declining markets, high brand share

- Assign more modest additional budget targets, limited incremental market momentum

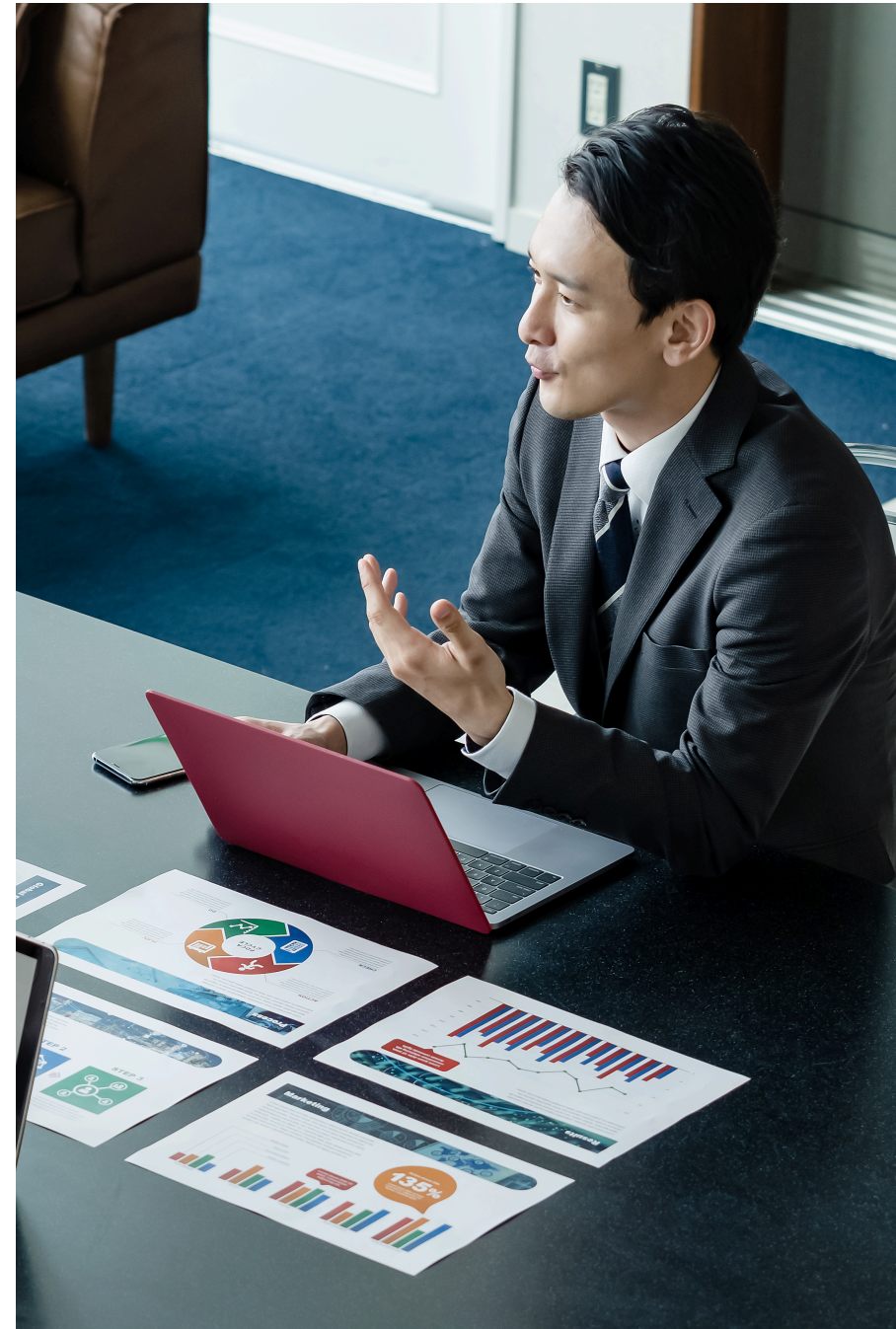
**Other markets:** varying market performance, low brand share

- Consider modest budget targets to reflect market conditions, or ensure a growth plan can be implemented locally

#### Further support

To provide further guidance at a country level, **macro-economic data** will also be provided for key markets. This will include (but is not limited to):


- Consumer confidence
- GDP
- Inflation
- Inflation forecast
- Unemployment rate



# Market Performance





A photograph of three business professionals in an office setting. A man in a light blue shirt is leaning over a woman with glasses, who is also leaning over another man in a light blue shirt. They are all looking at a laptop screen. The laptop screen displays a dashboard with various charts and data points. The background shows a window with white blinds. The overall scene is brightly lit, suggesting a professional and collaborative work environment.

# What is the current and immediate future performance of individual markets?

Is there growth momentum to carry into 2024?

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**Country**Germany

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**Product Group**Hot Beverage Makers (Espresso Full Automatic)

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**Time Period**12 months to June 2023

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**Market Performance and Forecast**

Total Market	2019	2020	2021	2022	YTD 2023	Forecast (next 6 months)
Value Sales (mil)	676.5	726.5	776.0	802.8	359.7	402.5
% Growth vs same period last year	10.6	7.4	7.1	-5.6	-2.7	-6.8
Volume Sales (ths)	1,024	1,238	1,302	1,355	621	689
% Growth vs same period last year	10.7	20.9	5.2	4.1	-2.0	-1.9

Brand A	2019	2020	2021	2022	YTD 2023
Value Sales (€ mil)	149.3	194.2	235.1	226.2	103.6
% Growth vs same period last year	5.5	30.1	21.1	-3.8	3.0
Volume Sales (ths)	285	395	492	502	296
% Growth vs same period last year	2.8	38.6	24.6	2.0	3.1

**Example:**

The Hot Beverage Maker market in Germany is currently in decline and sales are forecast to fall further. Brand A outperforms the market both in value and volume in 2023.

- Keeping the current momentum, Brand A has the the ability to grow in vol/val despite challenging market conditions.



# How are the online and offline markets developing?

Should more or less budget be assigned to online sales?

		Online/Offline					
Market [name]		2020	2021	2022	YTD 2023	Forecast (next 6 months)	
Total Market Value Share %	Online	60.1	62.9	57.7	52.9	-	
	Offline	39.9	37.1	42.3	48.1	-	
Brand A Value Share %	Online	56.0	54.5	52.0	49.2	-	
	Offline	44.0	45.5	48.0	50.2	-	
Total Market % value growth vs same period last year	Online	12.5	15.3	-12.5	-8.2	-5.5	
	Offline	3.2	-1.2	3.8	5.2	1.3	
Brand A % Value growth vs same period last year	Online	6.8	16.5	-10.2	-3.3	-	
	Offline	9.1	11.1	2.5	3.8	-	

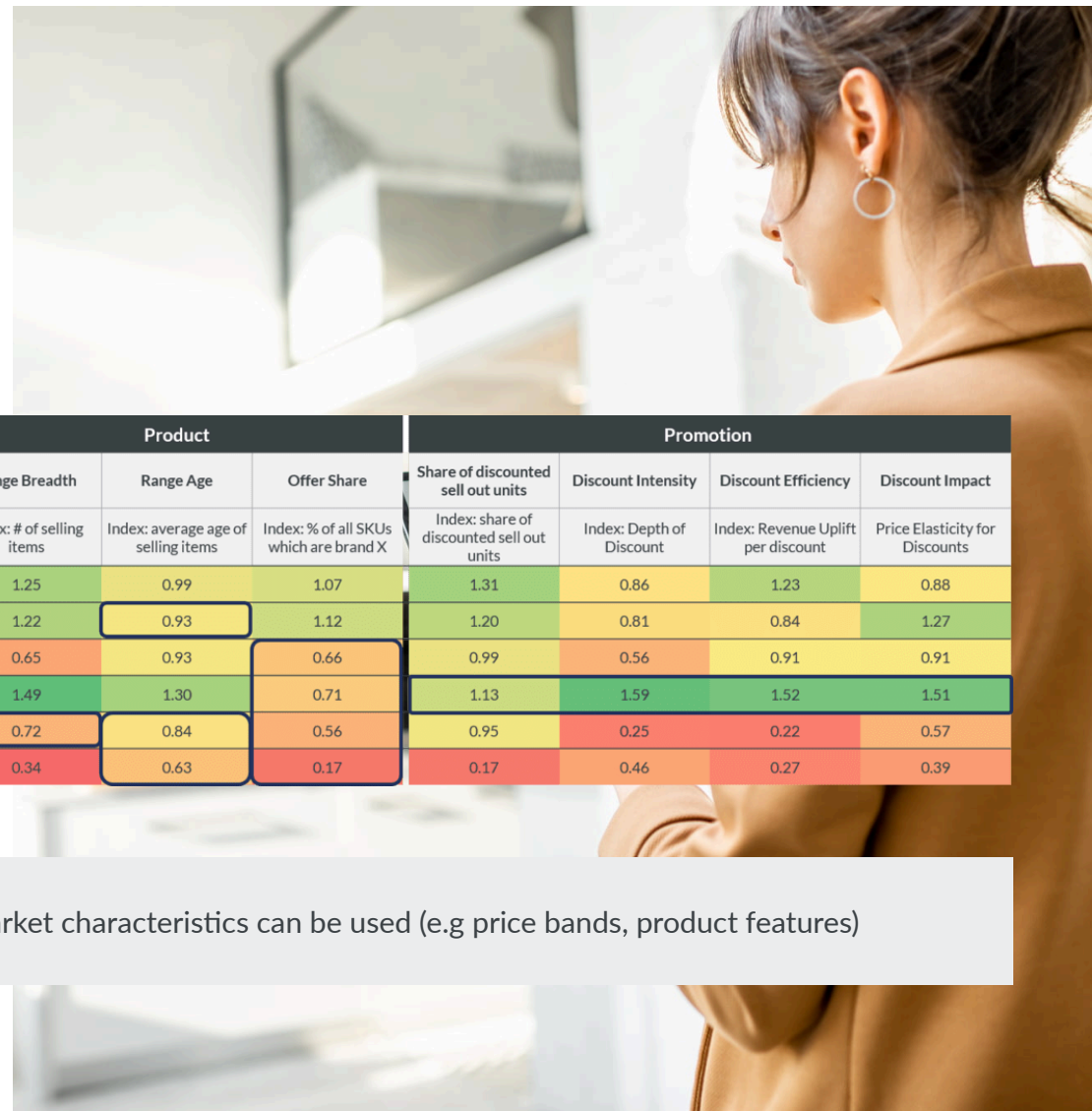
## Example:

Omnichannel has further rebalanced towards offline but online continues to play an important role.

- Driving Brand A's sales further offline creates incremental growth potential (+12 m€ value sales) when reaching market average split, while keeping good online performance.

# 4P Index

<b>Country</b>	Germany
<b>Product Group</b>	Hot Beverage Makers (Espresso Full Automatic)
<b>Time Period</b>	12 months to July 2023



	Value Share	Price		Place		Product			Promotion			
		Price Index	Price Impact	Distribution Breadth	Distribution Quality	Range Breadth	Range Age	Offer Share	Share of discounted sell out units	Discount Intensity	Discount Efficiency	Discount Impact
		Price Index	Price Elasticity for price adaption	Numeric Distribution Index	Weighted Distribution Index	Index: # of selling items	Index: average age of selling items	Index: % of all SKUs which are brand X	Index: share of discounted sell out units	Index: Depth of Discount	Index: Revenue Uplift per discount	Price Elasticity for Discounts
Total Market	17%	1.15	0.95	0.97	0.78	1.25	0.99	1.07	1.31	0.86	1.23	0.88
Online	20%	1.06	1.08	1.13	1.58	1.22	0.93	1.12	1.20	0.81	0.84	1.27
Offline	11%	0.97	0.82	0.81	0.64	0.65	0.93	0.66	0.99	0.56	0.91	0.91
Consumer Electronic Stores	18%	1.21	1.62	1.17	1.60	1.49	1.30	0.71	1.13	1.59	1.52	1.51
Mass Merchants	10%	0.76	0.15	0.86	0.88	0.72	0.84	0.56	0.95	0.25	0.22	0.57
Independents	7%	0.17	0.33	0.96	0.90	0.34	0.63	0.17	0.17	0.46	0.27	0.39

\*This example indexes a brand's position across channels. Other market characteristics can be used (e.g price bands, product features)



Country	Germany
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Offline	11%	0.97	0.82
Consumer Electronic Stores	18%	1.21	1.62
Mass Merchants	10%	0.76	0.15
Independents	7%	0.17	0.33

Is there the possibility to adjust a brand's price position?

**Example:**

The brand's index for average selling prices in the total market is above the market average (1.15), however there is a variance online/offline.

Price elasticity as a whole is below the market average, meaning that there is limited scope to raise prices without impacting overall brand sales, but this could be more easily achieved online.

Country	Germany
Product Group	Hot Beverage Makers (Espresso Full Automatic)
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		Distribution Breadth	Distribution Quality
		Numeric Distribution Index	Weighted Distribution Index
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Consumer Electronic Stores	18%	1.17	1.60
Mass Merchants	10%	0.86	0.88
Independents	7%	0.96	0.90

Could future growth be driven by improved distribution?

Example:

There is potential for expansion offline, particularly through Mass Merchants but also through Independent stores.

Country	Germany
Product Group	Hot Beverage Makers (Espresso Full Automatic)
Time Period	12 months to July 2023

	Value Share	Product		
		Range Breadth	Range Age	Offer Share
		Index: # of selling items	Index: average age of selling items	Index: % of all SKUs which are brand X
Total Market	17%	1.25	0.99	1.07
Online	20%	1.22	0.93	1.12
Offline	11%	0.65	0.93	0.66
Consumer Electronic Stores	18%	1.49	1.30	0.71
Mass Merchants	10%	0.72	0.84	0.56
Independents	7%	0.34	0.63	0.17

How does the brand's assortment compare against the market?

Is there opportunity to grow through investment in the brand's product range?

Example:

A low number of items are offered through Mass Merchants (which can be improved by growing distribution).

The age of the range could be improved online and in Mass Merchants & Independents (whilst considering whether overall sales are driven by older, popular models through these channels).

There is scope to improve Offer Share by demonstrating to retailer the value the brand can bring.



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Product Group	Hot Beverage Makers (Espresso Full Automatic)
Time Period	12 months to July 2023

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Mass Merchants	10%	0.95	0.25	0.22	0.57
Independents	7%	0.17	0.46	0.27	0.39

How effective are the brand's promotions? Would there be a benefit to assigned more budget to promotional activity?

**Example:**

The brand's promotions work well in Consumer Electronic Stores, with a very good revenue uplift and strong price elasticity. Promotions are less effective in other channels.

Overall, revenue uplift is positive and above the market average. Budget targets could be set appropriately, but notice must be given to the variance in promotional performance across the channels.

# Purchase Funnel





How well does my marketing and brand activity perform with regards to shopper conversions?



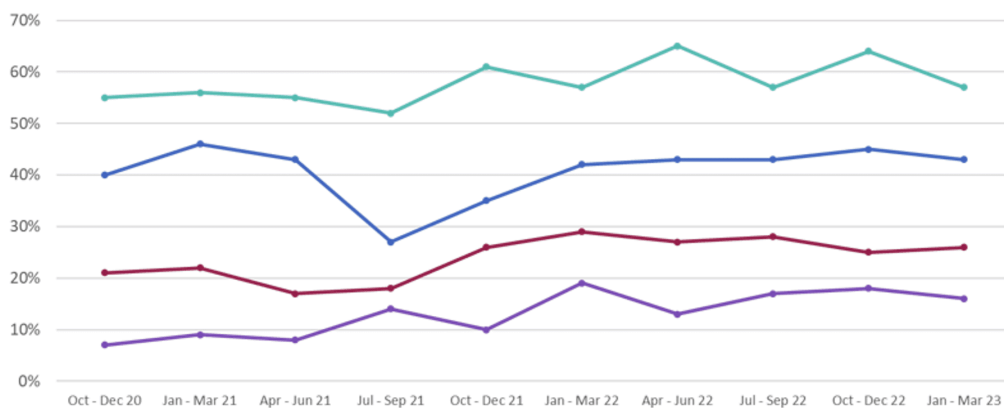
Country	Germany
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Time Period	12 months to June 2023

### Conversion Funnel

Brand	Consideration	Shortlisting	Purchase
Brand A	57%	48%	38%

Shoppers: 1,523,732 | Interviews: 997

Brand Conversion Funnel - Market [name] - Quarterly View



### Conversion Rate

Brand(s)	Consideration to Conversion rate
Brand A	58%
Brand B	66%
Brand C	51%
Brand D	42%

#### Example:

57% of shoppers currently consider Brand A with 38% then purchasing from the brand, a conversion rate of 58% which compares negatively to Brand B but is a higher conversion rate than Brands C & D.

Further investment in the brand is needed to overtake Brand B, to drive overall sales and help achieve budget targets. **Potential revenue impact per incr. conversion point: 6 m€ value sales**

# Brand Loyalty and Migration

How loyal are current purchasers of my brand? Will customer loyalty help or hinder my growth ambitions?





Country	Germany
Product Group	Hot Beverage Makers (Espresso Full Automatic)
Time Period	12 months to June 2023

#### Brand Loyalty (Total market vs Brand)

	Competitor average %	Brand A %
Brand Switch %	49%	46%
Brand Loyal %	29%	32%
New Customer %	19%	24%

Shoppers: 1,523,732 | Interviews: 997

#### Brand Migration from/to Brand A

	Brands		
	Brand B	Brand C	Brand D
From Brand A	5%	12%	4%
To Brand A	10%	12%	8%

How to read data: Example, In [selected year], 4% of consumers who had previously purchased Brand A has now bought Brand B, and 9% of consumers who had previously purchased Brand B have now purchased Brand A.

#### Example:

Overall loyalty for Brand A is higher than the market average, providing a solid base for future growth.

Targeting Brand B or Brand C shoppers with a targeted social media campaign will most likely create a higher conversion rate than targeting current Brand B shoppers.

# Brand NPS



**How satisfied are consumers with my brand?**



Country	Germany
Product Group	Hot Beverage Makers (Espresso Full Automatic)
Time Period	12 months to June 2023

### Brand NPS Score (Total market vs Brand)

	Competitor average	Brand A
Promoter %	46%	58%
Passive %	35%	33%
Detractor %	19%	9%
NPS	27%	49%

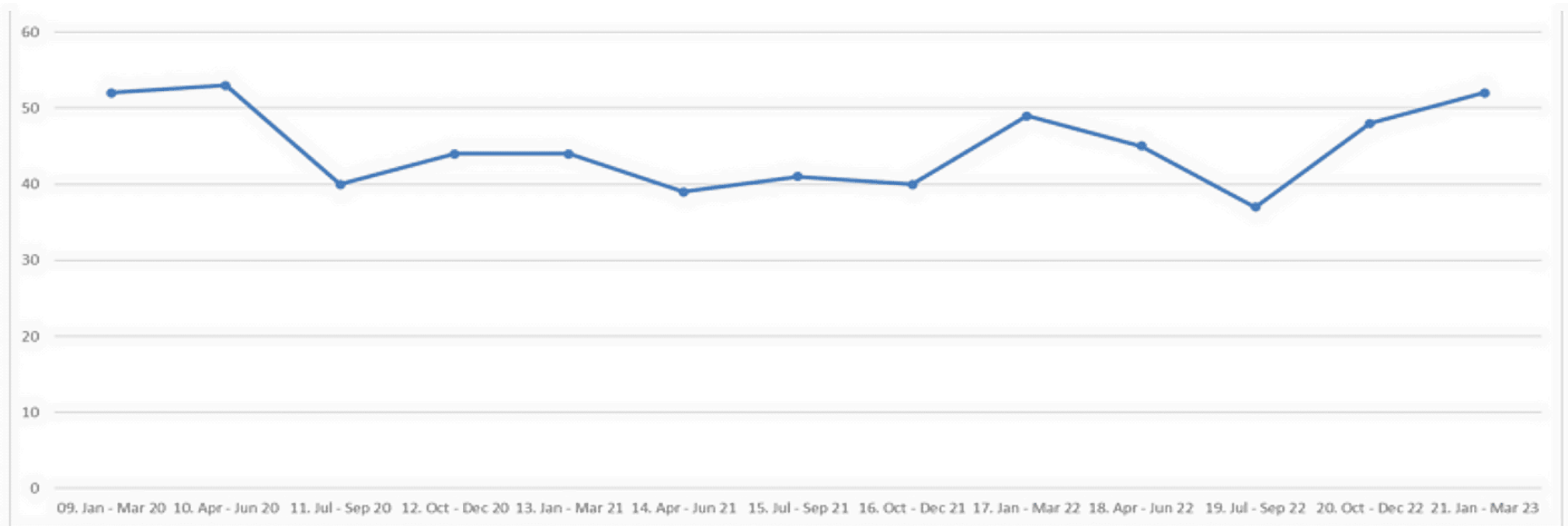
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#### Example:


Brand A's NPS score is higher than the competitor average, which means that the brand provides a positive experience for consumers. In turn this supports brand loyalty and the future potential for repeat and upsell purchases which will aid the achievement of budget targets.

A strong NPS score will also support the setting of more challenging budgetary targets.

## NPS Score Development - Brand A (Quarterly)




NPS (Net Promoter Score) is calculated using a question of recommendation: to which extent people would recommend the brand to a relative, asking on a scale from 0 to 10. We identify people who are detractors, ie score from 0 to 6, and promoters, score of 9 or 10. And  $NPS = \% \text{ of promoters} - \% \text{ of detractors}$ .



# Brand Perception

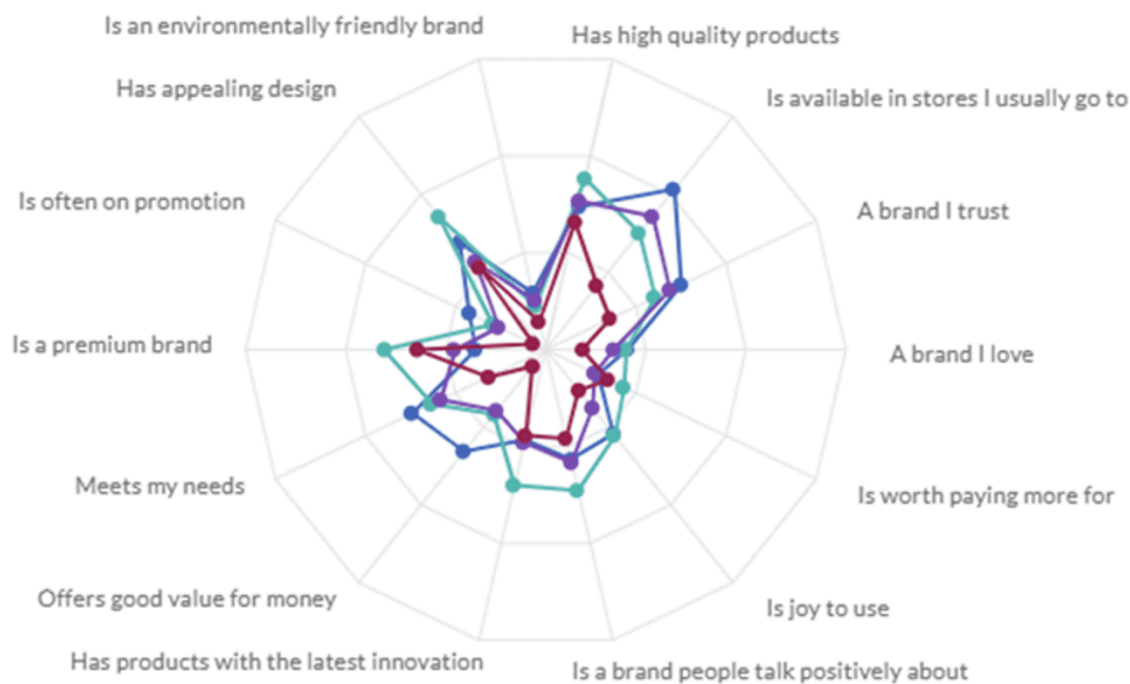


A man with a beard and a woman are sitting at a table in a meeting. The man is wearing a light blue shirt and is gesturing with his hands while speaking. The woman is wearing a grey blazer and is looking at a laptop screen. The background is a blurred office setting.

How well perceived is my brand versus the competition? Will this have a positive or negative impact on the brand's ability to achieve budgetary targets?

Country	Germany
Product Group	Hot Beverage Makers (Espresso Full Automatic)
Time Period	12 months to June 2023

### Brand Imagery



### Example:

Brand A's brand perception is relatively strong and the brand leads on a number of different aspects when compared to key competitors. **Potential - offline distribution, emotional brand attributes and the expansion of brand positioning to the topic of sustainability.**

Thank you for reading

# Budget Planning Support

Transform your big ideas into winning strategies with [gficonsult](#).