

CASE STUDY

The art of realizing in-store potential

Increasing coverage and sales
through AI algorithms in CPG



The big picture

For Consumer Packaged Goods (CPG) companies, managing the pressures of ever-increasing competition is a complex task.

With stores that can span multiple countries, it is vital to realize the differences between geographies and keep an eye on evolving consumer demands, which requires a mountain of data and the manpower to make sense of it.

Categorizing stores, figuring out the potential sales of various products and planning routes and distribution all adds up to an incredible amount of effort. Fortunately, incorporating an AI-based approach can help ease the load, fostering more efficient route-to-market strategies.



The challenge

**As a CPG world leader
how do you paint an
accurate picture from
all of your data?**

Our client's existing processes failed to realize the potential of their stores, with only a single must-stock list (MSL) across regions based on store size and no other store dynamic. Furthermore, their route planning process was highly manual and time consuming, while unidimensional store segments made it impossible to realize the companies' full potential.





The challenge

We needed to go back to the drawing board

The client needed a more accurate way to determine when, where and how much of each product to sell, all while measuring the performance of their stores to make sure their interventions were successful. This required the introduction of AI algorithms to work through the calculation of customer segmentation and coverage, along with route optimization and stock keeping unit (SKU) recommendations based on internal and external data.

With significant experience in deploying route-to-market solutions for various Fortune 100 clients across markets and product categories, along with expertise in design-led discovery and engineering, Fractal stood out as the partner of choice for solving these issues.

A transformative solution

We began by identifying the issues within their system, and then brought in data sets and helped build external data partnerships to gain essential insights. The next step included an exploratory data analysis to test our hypotheses, before moving on to store segmentation, route planning and stock recommendations.

Within store segmentation, we conducted a clustering exercise to understand store cohorts and the attributes and differentiation points of each cluster. We then used the information at hand on sales performance and market potential to create a 2x2 matrix for segmentation. These outputs were paired with the front end operation.

The master stroke: Segmentation was key for improving route planning and stock management

A transformative solution

What we provided



The matrix we created allowed us to streamline the process of route planning using deep learning models, building a custom algorithm for store scheduling and routing. Store potential was then optimized with MSL rankings and AI-enabled recommendations.

Outputs from the models were tested with the client before going live, and the impact of our solution was measured for six months post-launch.

Our solution was divided into three areas, with the aim of creating a self-driven intelligent enterprise.



Advance Discovery

Management of internal data sets and building external data partnerships to gain insights. We investigated whether AI/predictive analytics can improve store segmentation and help to align sales reps' coverage.



Packaged AI

Re-segmented stores based on characteristics, performance, location, and category competitive intelligence.



Actionable Insights

Realignment of sales reps activity to focus on stores with higher potential which resulted in increase in store visits with reduced cost and an improved store coverage.

The results

The immediate impact

Our solution immediately improved the sales representative's productivity and helped the AI do order taking intelligence.

Long-term benefits

Our **Route-To-Market** solution leverages a digital-first approach to help the sales and marketing teams re-imagine their go-to-market strategy.

They can expect to see:



Store visits increasing by **20%**



Store coverage improving by **30%**



Cost to serve being reduced by **12%**



A net revenue sales uplift of **4%**

We secured a net revenue sales uplift of 4% for our client, increasing store visits by 20% and reducing cost to serve by 12%

Enable better decisions with Fractal

Fractal is one of the most prominent players in the Artificial Intelligence space. Fractal's mission is to power every human decision in the enterprise and bring AI, engineering, and design to help the world's most admired Fortune 500® companies.

Fractal product companies include Qure.ai, Crux Intelligence, Theremin.ai, Eugenie.ai & Samya.ai.

Fractal has more than 2,300 employees across 16 global locations, including United States, UK, Ukraine, India, and Australia. Fractal has consistently been rated as India's best company to work for, by The Great Place to Work® Institute, a 'Leader' by Forrester Research in its Wave™ on Specialized Insights Services, Computer Vision & Customer Analytics and as an "Honorable Vendor" in 2021 Magic Quadrant™ for data & analytics by Gartner.



Corporate Headquarters

Suite 76J,
One World Trade Center, New York,
NY 10007

[Get in touch](#)