



Case Study – Range Review

Through case studies we like to share some of our successes to give you an idea of how we help our clients improve their business results.

Company

The company, that prefers to remain unnamed, is a small wholesale-chain with a focus on catering professionals. Their clients include restaurants of all types, as well as companies that offer canteen services to their employees. They have an active assortment of approx. 40.000 products that splits in four main departments: Fresh Food, Packaged Food, Drinks and Non-Food.

Business Issue

The Managing Director of the company had the impression that rosé wines were over-represented within the category Still Wines, a strategic focus point, and didn't perform well. He wanted a thorough review of the assortment to ensure the number of SKU's in this segment would be in line with the competition, market-trends and started to deliver the financial results that could be expected from this part of the assortment.

Solution

To provide the thorough answers the MD was looking for, we looked at three key areas:

1. Competition
2. Market trends
3. Internal data

The competitive review was done by simply visiting stores of various direct and indirect competitors, and do a count of the different types of rosé wines they carried. It turned out that all the competitors offered their customers a much broader choice than the client did.

For the market trends we decided to start with basic desk-research. Using the internet we looked for information that was freely available, as well as market research companies who could possibly deliver information that we couldn't find for nothing. It turned out that the information we found in the public domain was more than sufficient to answer our questions. Four main things jumped out:

- ✓ Rosé wines were "back in fashion" which resulted in significant growth
- ✓ Compared to the red and white still wines, the client's range in rosé wines was half the size it should have been
- ✓ There was a shift from the traditional low price varieties to the medium priced and better quality products.

Last, but not least, we exported product, margin and performance data out of the IT system using its standard reporting capabilities. This data was then cleaned up where needed, merged and stored in a database, allowing us to analyze it in many different ways. The results of these analyses confirmed our findings in the previous two steps that the range of rosé wines was too limited, and not addressing the (emerging) needs of the customers.

Results

The MD realized that his impression had been incorrect, as the numbers showed that based on the overall market, there was an opportunity to grow the revenue of rosé wines with 110%. He agreed with an action plan from the Category Manager to actively expand the assortment of rosé wines with new products in the price and quality segments that had been underserved to capture the significant revenue growth opportunity.