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## Highlights

- Develop more profitable promotional plans
  - Dramatically improve the incremental lift and total store impact of promotions
  - Create category plans to help achieve objectives
  - Negotiate deals with manufacturing partners more effectively by predicting outcomes
  - Strategically allocate space in ads and displays using insight into potential lift resulting from various tactics
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# IBM Promotion Optimization

*Help retailers identify optimal offers and placement and execute more profitable promotional plans*

Managing retail promotions can be a complex process that involves both long-term planning cycles that can extend twelve to eighteen months and short-term, day-to-day activities such as evaluating competing vendor offers for a given week. To be successful in these processes, retailers need to collaborate internally among senior management, category managers or merchants and buyers, as well as externally with vendors to build promotion plans that provide win-win results.

IBM® Promotion Optimization is designed to enable retailers to optimize offers and placement to execute more effective and profitable promotion plans. Promotion Optimization is part of End-to-End Promotion Management, a comprehensive solution for managing virtually the entire promotions process, from collaborative promotion planning and deal management to in-flight and post-event analysis.

## **Dramatically improve the incremental lift and total store impact of promotions**

Promotion Optimization leverages advanced Consumer Demand Management science to help retailers develop promotional offers and placement that dramatically improve the total store impact across categories. The science behind IBM solutions takes into account cannibalization, halo effects and cross-elasticity effects of regular retail and markdown programs. With Promotion Optimization, retailers can quickly determine the optimal discounted price for virtually any item or promoted item group; the optimal type of temporary price reduction, such as buy one get one, percent off and multiples; and the optimal use of merchandising support, such as ads and displays, as well as specific placement within an ad, to significantly improve the incremental lift and total store impact of virtually every promotion.



Retailers can also use Promotion Optimization in conjunction with the IBM® Deal Management software service to streamline deal presentations, negotiations and reconciliation processes, and automatically pull this information into Promotion Optimization for evaluation. This allows the retailer to develop alternate scenarios to see what could happen if the offer were changed. Merchants can compare multiple iterations of each promotion to identify the right combination of discount and merchandising support. Retailers can also analyze pull-through effects, cannibalization between promoted items and regularly priced items, cannibalization between stacked promotions, and the pantry-loading effects of successive promotions.

### **Access analytics in the promotion planning workflow**

When used in conjunction with promotion planning and execution capabilities, Promotion Optimization can provide analytics at the point of decision. As retailers are in the process of assigning a product to a specific event, or choosing the best price for that product, they can access analytics and recommend a product or price based on specific goals—such as volume, margin or revenue—that are set for the event and category.

### **Comprehensive solution for managing lifecycle pricing and promotions**

With Promotion Optimization, retailers can view their category plans in a master calendar that provides a single, unified view of planned events across categories, including an integrated forecast across promotions as well as pricing types. This integrated forecast can help retailers verify their promotions meet company goals. Retailers can then continually monitor and measure the results of events, weekly promotions and partial-week promotions.

### **About IBM Commerce**

IBM Commerce enables clients to uncover and realize new, sometimes hidden, growth and efficiency opportunities by infusing intelligence and context into key processes across the commerce cycle. Our market leading products and services

help organizations orient their entire business around the customer from procurement to supply management, to marketing, merchandising, eCommerce, payments and customer analytics. Differentiated by deep industry expertise and service capabilities, we help our clients create value as they engage with their customers, partners and suppliers. This is the power of [IBM Commerce](#).

### **For more information**

To learn more about IBM's Omni-Channel Merchandising solutions, please contact your IBM representative or IBM Business Partner, or visit the following website: [ibm.com/merchandising](http://ibm.com/merchandising).



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