

CASE STUDY

# Surfing the ecommerce boom: How Global healthcare company managed stock and price



## dunnhumby Shop

**+40%**  
customers shopped  
the brand

**+37%**  
sales increase in  
only 23 weeks

**+2pp**  
market share

## Challenge

- As ecommerce rises, we see new shopper habits coming: higher price sensitivity and lower frequency, this channel is a whole new world for Retailers and CPGs.
- A specific brand was the main contributor for penetration loss in Skincare and most of this was caused because the shopper was switching to other hi-low brands.

## Insights

- Using the performance in detail report, we saw that the brands' new packages weren't following the old SKUs' weekly sales level. Since price index was still the same (excluding inflation) and the shopper, who used to be loyal to the brand, was now migrating to other brands, we came to the conclusion that **stock** was an issue.
- Besides that, inflation and the decrease in acquisition power have risen prices **20%** against last rolling year, bringing a huge concern for Global healthcare company. Their body brand was **8%** more expensive than another brand and had fewer promo weeks (4 weeks with **20%** discount against 15 weeks with up to **16%** discount).
- The same scenario was evident for the Face Care brand: only 3 promo weeks while 2 competitor brands had 13 and 18 weeks. Percentage of discount was also a problem: while the Face Care brand worked with up to 23% off, it's competitor brands reached no more than 13% and 16% off. There was a huge opportunity to work

## Results

After a deep dive with both CPG and Retailer, the brand increased **+4pp** share in Body Care and **+2pp** in Face Care, with **+37%** sales increase in only 23 weeks. There were 2 main fronts for this ecommerce strategy:



Leading Latin America drugstore company adjusted the Body Care brandstock, resulting in a market share increase from **4% to 10%** for the items.



To keep the brands' competitiveness at ecommerce: we bet on high low promotions for top items, increasing sales by **25%** in Body Care (**+4pp share**) and **47%** in Face Care (**+2pp share**) by penetration.