

PROMOTION OPTIMIZATION



How to make the most of a **two-peak** promotional retail year

Seasonal promotions are one of the core drivers of consumers' timing of making a purchase. This is particularly true for online purchases. Satisfying this thirst for promotions leads to a very sustainable trend, which can be observed in GfK's weekly long-term sales development for Technical Consumer Goods: Black Friday and Christmas dominate the promotional calendar.

Online promotional events set the two-peak sales agenda

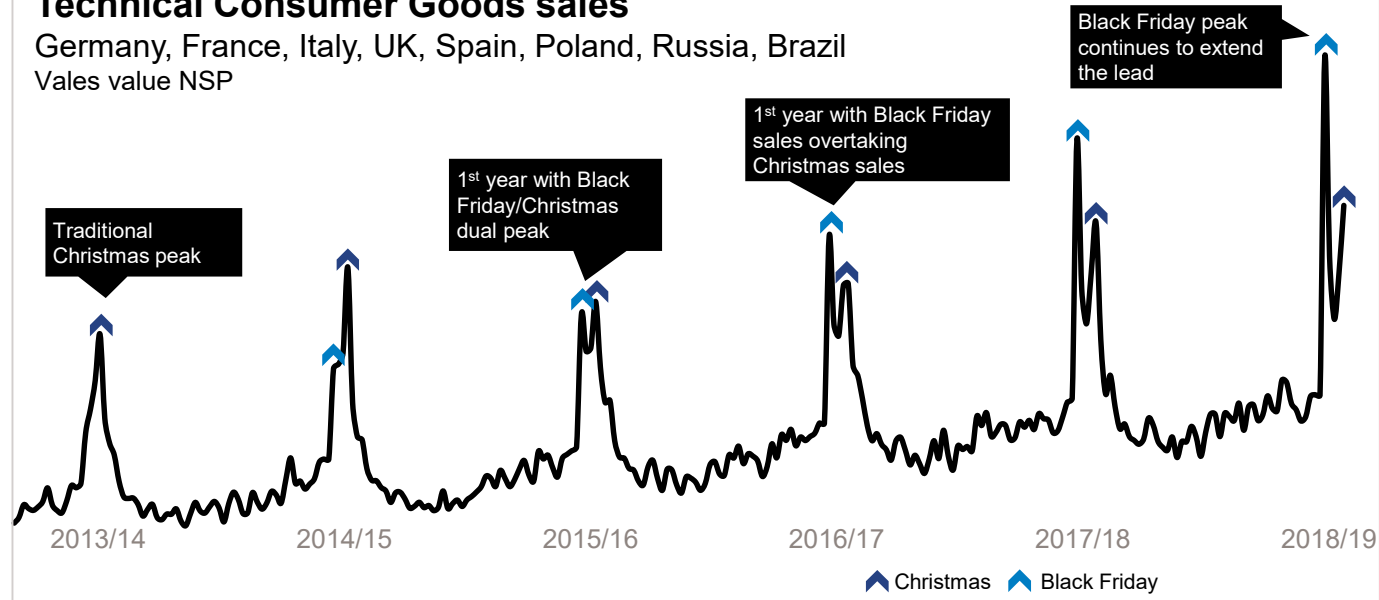
“Seasonal discounts trigger me to make more online purchases.”

88%

Global consumers agreeing

Technical Consumer Goods sales

Germany, France, Italy, UK, Spain, Poland, Russia, Brazil
Vales value NSP



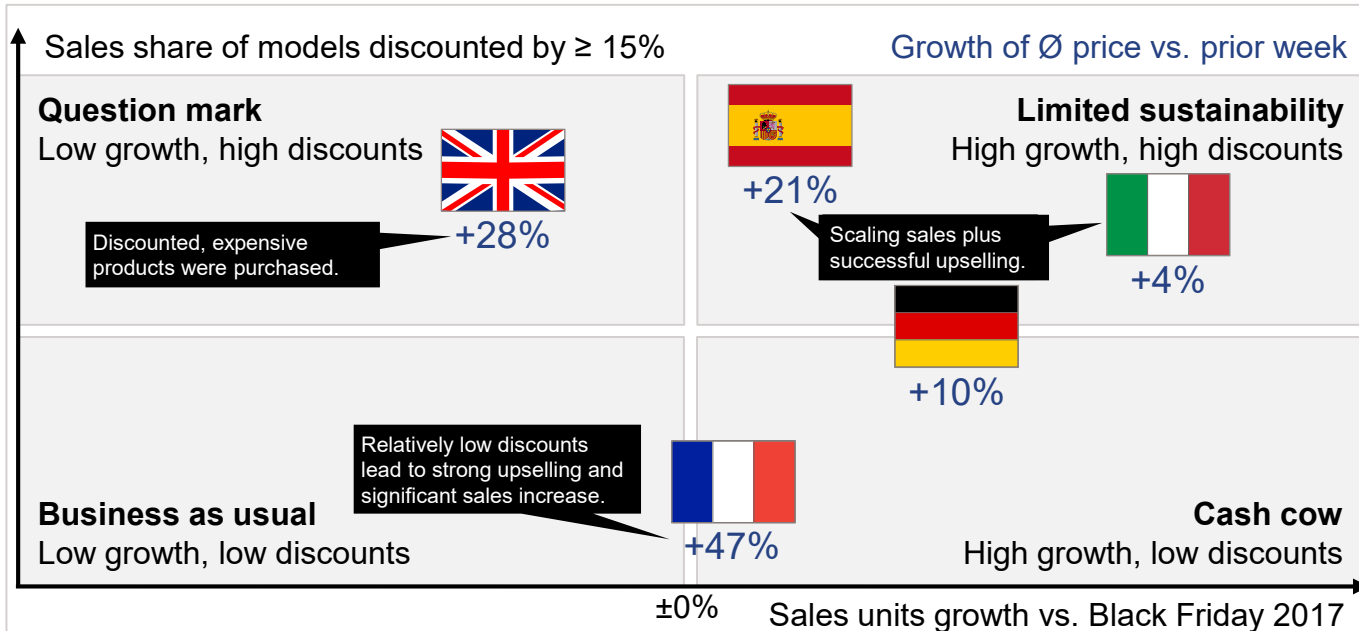
How to win in a two-peak retail world?

- **Black Friday rules**
It is the most important promotional peak for retailers outside China
- **Do-or-die**
Being happy or unhappy with this situation is irrelevant – consumers love seasonal promotions
- **Win strategies**
Moderate discounting and upselling (see next slide)

Promotional opportunities for 2019: Upselling and moderate discounting as strategic thrust



European countries adopt different discounting strategies and achieve varying levels of growth for sales and average prices.



How to secure margins in a two-peak retail world?

- **Discount moderately**
Countries like France achieve huge sales growth with less discounts (vs. GB)
- **Optimize upselling**
In developed economies average price rises up to 47% (e.g. France)

Balancing discounting with upselling is the key for a strong bottom line next Black Friday.

For more on this topic and other strategic insights, please contact Norbert Herzog at norbert.herzog@gfk.com.