Buynomics

Case Study

How a Beverage Manufacturer Leveraged Portfolio Changes to Grow Volume and Revenue

Buynomics

01.Background

This global beverage company has firmly established itself as a leader in the soft drinks industry. Its iconic product portfolio has become a household staple for millions worldwide, with categories ranging from carbonated soft drinks, juices, water, and hydration beverages to ready-to-drink teas and coffees.

This prominence is reflected in the company's impressive financial performance, with net revenues exceeding $40 billion in recent years.

To maximize revenue potential and increase market share, the manufacturer was considering making portfolio changes across one of its core lines.

02.Tested Strategies

The manufacturer sought to assess how altering the pack size of its soft drinks would influence revenue and sales volume.

To achieve this, they identified two key strategies for testing.

Their analysis focused not only on their own brand, but also on competitors, evaluating the impact across category, portfolio, and SKU levels.

Tested Strategies :

1 Replacing Brand A's (1.5L) and Brand B's (1.5L) 6-bottle packs with 4-bottle packs and keeping the same price per liter.

2 Introducing a new product, a 2-bottle pack for Brand A, Brand B, and Brand C, and keeping the 6-bottle pack as is.

02. Tested Strategies

Making Product Changes

- **Product change:** Replacing Brand A's (1.5L) and Brand B's (1.5L) 6-bottle pack with a 4-bottle pack.

- **Price change:** A 33% reduction to maintain a consistent price per liter.

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Results

The tested product change scenario is expected to drive volume and revenue growth for Brand A and Brand B.

However, at the portfolio level, the changes would lead to:

- **0.7% decline in total volume** due to the cannibalization of other products

- **0.6% decrease in total revenue**, despite gains for Brand A and Brand B and a stable price per liter.

02. Tested Strategies

Introducing a New Product

- **Product change:** Introducing a new product, a 2-bottle pack for Brand A, Brand B, and Brand C, and keeping the 6-bottle pack as is.

- **Distribution change:** Setting distribution as 60% of the 6-bottle pack.

Results

The introduction of a new 2-bottle pack alongside the existing 6-bottle pack is expected to drive overall growth.

- **2.9% total volume growth**

- **6.9% revenue growth** despite cannibalization

03.Results

With the Buynomics software, the RGM team was able to model product and portfolio changes, pricing, and distribution holistically.

They were able to benchmark their performances and make decisions with a full understanding of the impact that their changes will have on their volume and revenue across product, portfolio, and category levels.
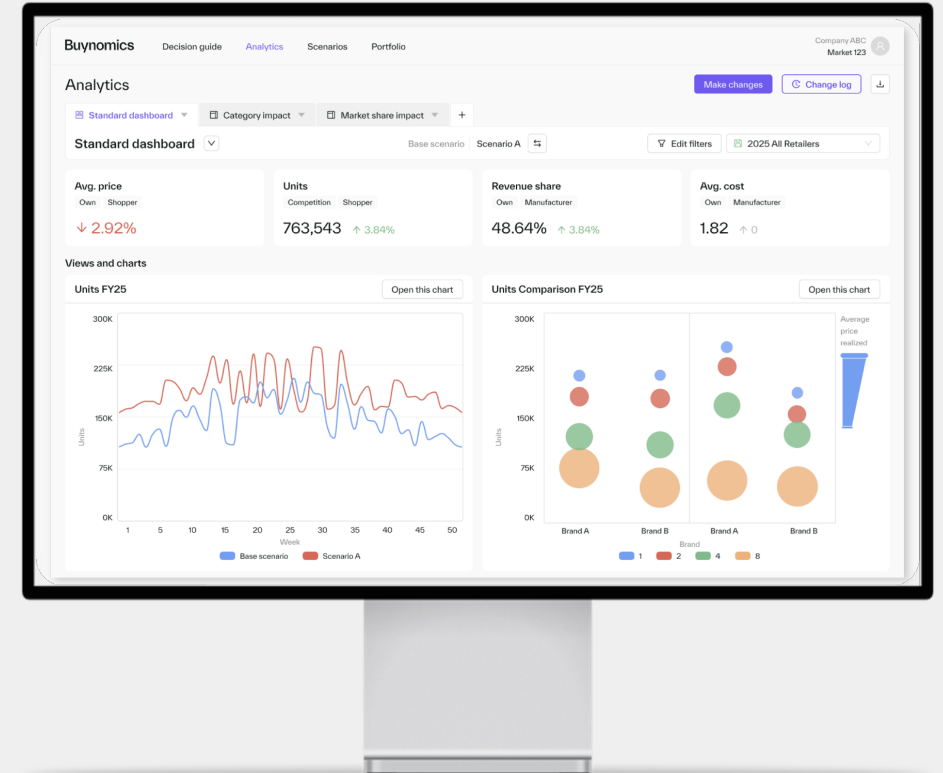

+ 2.9%
Total Volume Increase

+ 6.9%
Total Revenue Increase

Achieved by introducing a new product and despite cannibalization.

04.About Buynomics

Buynomics is the leading Revenue Growth Management (RGM) platform for holistic optimization across all revenue levers.

By integrating multiple data sources with cutting-edge AI, it empowers RGM teams in enterprise organizations to make faster, more profitable, data-driven, and customer-focused decisions.

Learn More

Holistic approach

Portfolio optimization considering the effects of all product portfolio changes.

Speed to insight

Large number of scenarios simulated and compared in minutes, reducing the time spent on forecasting by 70-90%.

Predictive accuracy

Best in class predictive accuracy of up to 95%[1] of expected market behavior.

1: Depending on data quality and completeness

Profitability

Up to 2-4% higher gross profits through a better offering.

Unilever DANONE General Mills pladis Coca-Cola HARRY'S essity BiC