Case Study

How a Snack Producer Leveraged Pricing and Promotion Optimization to Counterbalance Regulatory Compliance Costs

Buynomics

01.Background

This global food and snack producer specializes in breakfast items, cereals, and on-the-go snacks.

Its iconic product lines have become a staple in households worldwide, with net sales of $10 billion in 2023.

With the announcement of a new 2025 EPR tax, the company looked to Buynomics to alleviate its expected economic pressure.

02.Challenges

Introduction of a New Tax (1)

A new EPR* tax was introduced in 2025 in the UK. It affects all packaged products. The tax rate depends on the product's recyclability.

Additional Expenses (2)

The manufacturer anticipated that the new tax would increase the company's expenses and sought ways to offset the impact.

The manufacturer was looking to uncover additional revenue by using both the pricing and promotion levers to avoid the negative effects of the new EPR tax.

* Extended Producer Responsibility

03.Solution

With Buynomics software, the Revenue Growth Management (RGM) team simulated different pricing and promotion scenarios to evaluate how each strategy might affect revenue and market share at both the product and category levels. They also forecasted potential competitor actions alongside theirs to understand the full impact.

Results:

Tested Scenarios:

- 5% isolated price increase for all products in a portfolio, assuming no changes in competitor pricing.

- 5% price increase for own and competitor products on a portfolio level. This scenario was chosen as the most likely.

The manufacturer set a linear 5% price increase for products with the most inelastic profiles.

By targeting items with low price elasticity, where consumers are less sensitive to price changes, the strategy ensured that sales volumes remained high while profit margins improved.

For the more elastic profiles, a high-low promotion strategy was applied. The manufacturer set a 30% promotional depth every three weeks.

This ensured the promotional effects would keep and attract price-sensitive consumers while maintaining a balance between sales volume and revenue.

04.Impact

£ 2.5 Million

Revenue uplift potential was identified to mitigate the negative effects of the new EPR tax in the UK.

With the Buynomics software, the team was able to model a price increase and different promotion strategies holistically, benchmark their performances alongside competitor moves, and make data-based decisions.
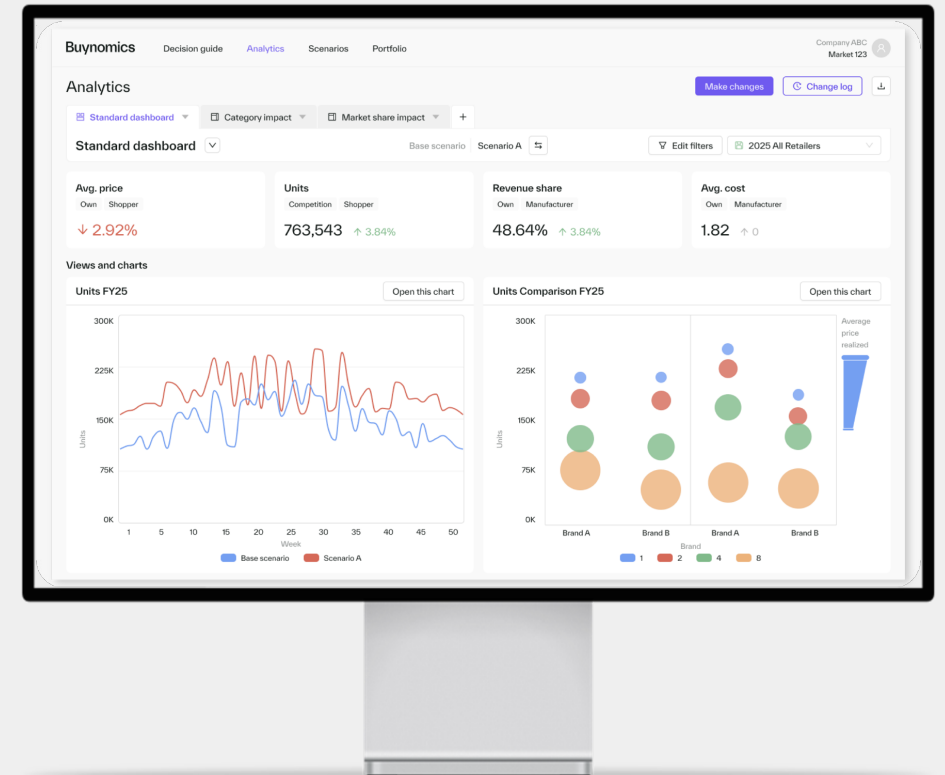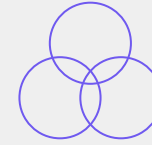
05.About Buynomics

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 · L'ORÉAL · HARRY'S · essity · BiC