

Secrets to **optimizing** promotion strategies in 2024

The post-pandemic economy has disrupted consumer habits across Europe, causing brand switching and increased pressure to boost sales through promotions. To maintain competitiveness and drive growth it is crucial to understand and predict consumer behavior.

To optimize your promotions, read our summary of key insights and strategies for CPG and FMCG brands.

1

Trend 1: Price sensitivity is growing

Insight: In the current market, strategic promotion planning is crucial as consumers remain price sensitive, focusing on both the overall price and price-per-unit.

How can your brand respond? Align with these concerns by understanding how to psychologically frame promotions. For example, emphasize absolute savings for higher-priced items, and focus on multi-buy promotions for everyday essentials.

2

Trend 2: Shopping motivations differ by generation

Insight: Two-thirds of consumers consider promotions a top factor when assessing products and often wait for them before making a purchase. However, the effectiveness of promotions varies by category and generation.

How can your brand respond? Understand how generational differences influence motivations and leverage these insights to tailor your promotions. For example, our research found that in-store events with free samples and gifts are very influential with Gen Z.

3

Trend 3: Trade down is a reality

Insight: Nearly one third of consumers are opting for private label brands. However, the risk of down trading is not the same for all shoppers in all categories.

How can your brand respond? Emphasize the value and benefits of your products through targeted campaigns and strategic price promotions. In addition, deepen your knowledge on the behavioral science concept behind 'anchors'. Anchors can play a significant role in influencing consumers' purchase decisions – especially in choosing private label brands.

Want to dive deeper into these promotion insights? Watch our on-demand webinar now to hear SKIM's revenue management experts break down the research and what it means for your strategy.

Looking for a trusted market insights consulting partner to drive business success? Contact SKIM today at skimgroup.com/consultation