Buynomics

Case Study

How a Beverage Manufacturer Identified New Portfolio Optimization Opportunities

2025

Buynomics

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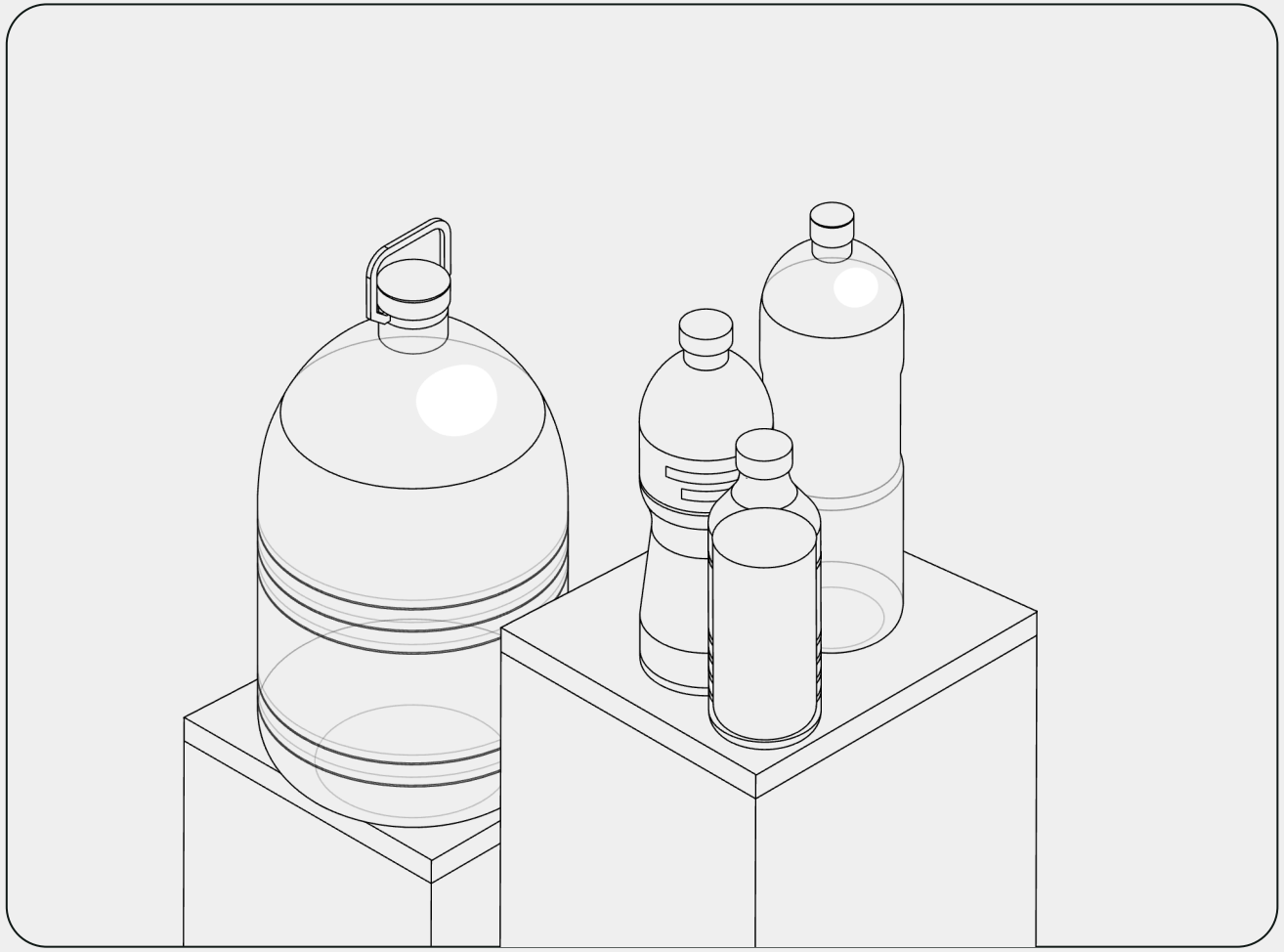
01.Background



This global food and beverage manufacturer has a diversified portfolio spanning dairy, plant-based, and waters. The business operates across multiple regions and channels, including modern trade, convenience, e-commerce, and out-of-home.

Within its waters division, the team set out to optimize its large-format still-water lineup to better meet emerging consumer needs.

Historically, the manufacturer sold an 8L jug that was discontinued for operational reasons, while a 6.25L SKU remained. The team wanted to evaluate whether reintroducing the 8L and/or introducing a 5L alternative would drive incremental volume and revenue while keeping complexity and cost manageable.

02. Challenges

Portfolio Optimization

1

The manufacturer aimed to identify white space in the size/price architecture and determine which pack–price combinations would attract a new customer segment without cannibalizing core SKUs.

Price Ladder Integrity

2

The manufacturer wanted to ensure a clear, value-based ladder so each size owns a distinct price step, protecting margins and enabling intuitive trade-up/down.

Before adopting Buynomics software, the manufacturer lacked a reliable way to evaluate pack and price interactions across the portfolio or the impact of introducing new products.

With Buynomics' Virtual Shoppers AI, an agent-based simulation model, the manufacturer was able to model shopper behavior with up to 95% accuracy. This allowed them to uncover white-space opportunities, test new product introductions, and maintain price ladder integrity.

The Virtual Shoppers AI estimated willingness to pay based on product attributes (value drivers), providing a more precise foundation for portfolio and pricing decisions.

03.Approach

To address the challenges, the manufacturer used Buynomics' software to get answers to their key business questions.

Key business questions:

1. Should we replace the 6.25L with a 5L?
2. Should we introduce the 8L jug?

Step 1

Price changes:
Modelled different portfolio prices to keep a price ladder structure.

Step 2

New product introduction:
Reintroduced the 8L jug based on historical distribution patterns and relevant value drivers.

Step 3

Product architecture adjustments:
Replaced the 6.25L bottle with a 5L bottle, while keeping the 8L bottle in the portfolio.

Step 4

Price changes:
Modelled different portfolio prices to keep a price ladder structure.

04. Tested Strategies

Should we introduce the 8L jug?

Portfolio structure:

New product: Reintroduced an 8L jug at an average price of €2.52*.

Existing products (unchanged):

- Brand A — 6.25L, average price €2.20*.
- Brand B — 6.25L, average price €2.22*.

Results

In the scenario where the 8L jug is reintroduced while both 6.25L brands remain unchanged, the outcome would have the lowest innovation cost and deliver the following annual impact on the portfolio:

- **3% uplift**** in units sold across the three brands.
- **4% uplift**** in revenue across the three brands.

*Average prices are shown because pricing varied slightly by channel.
** Versus the original case.

04. Tested Strategies

New product introduction with architecture swap

Portfolio structure:

New product: Reintroduced an 8L jug at an average price of €2.52*.

Change: Replace Brand A 6.25L with a 5L, but keep the price the same as it was for 6.25L - an average of €2.20*.

Existing: Keep Brand B — 6.25L at and average price of €2.22*.

Results

This strategy carries the highest innovation cost and delivers the lowest portfolio revenue and units. Annualized portfolio impact:

- 2% decrease** in units sold across the three brands
- 1% decrease** in revenue across the three brands

*Average prices are shown because pricing varied slightly by channel.
** Versus the original case.

04. Tested Strategies

New product introduction with architecture swap and adjusted pricing

Portfolio structure:

New product: Reintroduced an 8L jug at an average price of €2.52*.

Change: Replace Brand A 6.25L with a 5L, and decrease the average price to €1.99*.

Existing: Keep Brand B — 6.25L at an average price of €2.22*.

Results

This strategy has the highest innovation cost but results in a revenue decrease. Annualized portfolio impact:

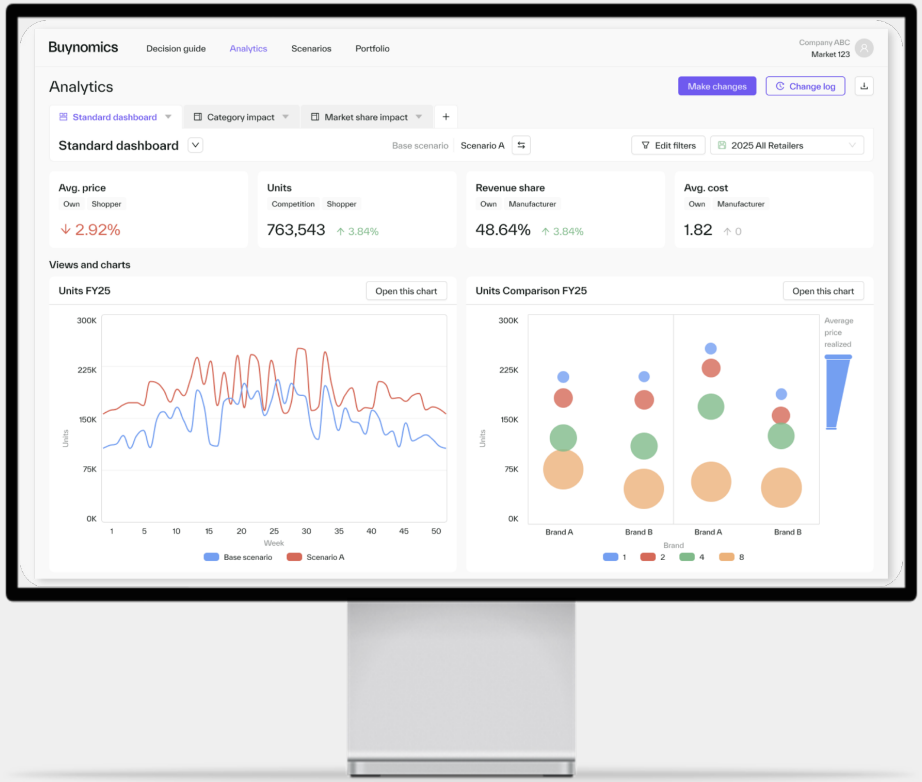
- **3% uplift**** in units across the three brands
- **2% decrease**** ** in revenue across the three brands

*Average prices are shown because pricing varied slightly by channel.
** Versus the original case.

05.Results

Using Buynomics software powered by Virtual Shoppers AI, the RGM team modelled product, portfolio, and pricing changes, weighing innovation costs against projected revenue and units.

The team chose to introduce the 8L jug and keep the existing products unchanged, because it had the lowest innovation cost and is projected to deliver about 4% in annual revenue uplift.



94% Accuracy by Buynomics' software*

4% Forecasted revenue uplift with the chosen scenario**.

*When back tested against 2021 sales of the same product planned for reintroduction.
** Versus the original case.

06.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 FERRERO BIC