

Strategic Imperative of RGM

INTRODUCTION

With 30 years of CPG experience, I have seen how economic shifts and consumer psychology dictate every purchase. At **ahatis**, our mission is simple: **Create Incremental Value.**

We have a proven track record of driving growth across the entire store—from Ambient and Refrigerated to Frozen goods. Whether optimizing high-turnover staples like Soft Drinks, Snacks, and Water, or navigating complex categories like Household Cleaners, Personal Care, and Frozen Entrées, we provide the precision needed to win.

In an era where 87% of shoppers are pivoting to manage expenses, growth can no longer be bought with simple annual price hikes; it must be earned. We leverage **Revenue Growth Management (RGM)** as a disciplined, predictive framework that integrates pricing, promotion, and assortment.



2026 LANDSCAPE

Why RGM is Critical Now

- ↗
From Inflation to Volume
As inflationary price hikes reach their ceiling, companies must now drive growth through volume and mix. RGM provides the surgical tools to find growth in specific shopper "missions" (e.g., the quick convenience trip vs. the weekly pantry restock).
- **The "Private Label" Challenge**
With nearly 90% of consumers viewing store brands as equal in quality to national brands, RGM helps Tier-1 brands justify their price premium through better Price Pack Architecture.
- ⚡
Trade Spend Efficiency
CPG companies typically spend 20% of gross revenue on trade promotions, yet over half of those promotions lose money. RGM identifies and eliminates this "non-working" spend.

OUR KEY COMPONENTS OF RGM

01

Price Pack Architecture

CPG Focus: Moving beyond a "one size fits all" approach. Creating entry-level, value, and premium formats.

Objective: Capture a wider range of consumer "willingness to pay" and ensure presence at every threshold.

02

Price Optimization & Elasticity

CPG Focus: Understanding cross-elasticity and competitive elasticity when changing prices.

Objective: Find the "sweet spot" where price increases maximize revenue without a catastrophic volume drop.

03

Trade Promotion Management

CPG Focus: Shifting from fixed payments to "pay-for-performance" terms with retailers.

Objective: Ensure every dollar given to a retailer drives a measurable return in visibility, distribution, or volume.

04

Promotion Effectiveness

CPG Focus: Analyzing "lift" versus "cannibalization" and evaluating promotional mechanics.

Objective: Stop "non-working" promotions and redirect funds into genuine incremental growth events.

05

Marketing Mix Management

CPG Focus: Attributing sales growth to specific media channels in an omnichannel world.

Objective: Optimize the marketing budget by shifting spend from low-performing channels to high-converting ones.

06

Mix, Volume, Price Analysis

CPG Focus: Distinguishing between Volume Growth, Price Growth, and Mix Growth.

Objective: Provide a clean view of performance to flag unsustainable growth trends.

07

Competitive Insights & Strategy

CPG Focus: Managing the price gap to competitors and private labels, and pre-empting promotions.

Objective: Maintain market share and dominate the retail calendar by out-planning competitors.

USE CASES & EXPECTED RESULTS

USE CASE	STRATEGY	EXPECTED RESULTS
Margin Expansion	Using Price Elasticity modeling to identify SKUs where a small price increase won't trigger a volume drop.	● 2-5% increase in gross margin without losing market share.
Promotional ROI	Shifting budget from "Buy 1 Get 1" (high cannibalization) to targeted loyalty-based discounts.	● 10-20% improvement in promotional effectiveness and ROI.
Portfolio Optimization	Rationalizing underperforming SKUs and introducing "Entry Price Point" packs for value shoppers.	● 5-10% revenue growth by capturing new consumer segments.
Market Share Defense	Simulating competitor price drops to determine the exact "counter-move" required to protect volume.	● 92%+ accuracy in demand forecasting during market volatility.
Trade Term Redesign	Moving retailers to "Pay-for-Performance" models rather than fixed annual lump sums.	● 1.5x improvement in portfolio-level profitability per channel.
Competitor/ Category View	Defining and recording the annual strategy of key competitors and relevant adjacent products to plan our strategy "in-front" of the competition.	● 2-5% increase in market share by having an improved view of the total category.