

Machine learning model identifies margin growth opportunities through cross- and up-selling



The Challenge

A consumer products distributor was facing slowed margin growth. The business has an expansive product catalogue with large variances by geography and demography, while also facing shelf space constraints. These factors made it difficult to identify areas of growth, particularly expansion through cross- and up-selling.

The Solution

INSIGHT conducted advanced micro-segmentation across the vast product catalogue and customers to generate more detailed analysis and understanding.

Next, we performed clustering analysis to segment customers based on product mix, purchasing behavior, and demographics.

Then, we conducted market basket analysis to identify highly probable cross- and up-selling opportunities within customer segments.

Last, INSIGHT mobilized a tailor-built application backed by a dynamic machine-learning model that generates product recommendations.

THE RESULTS

\$10-15M

Identified gross margin opportunity



Delivered tool that provides highly probable cross- and up-sell product recommendations

The machine-learning model continues to learn and make smarter recommendations over time based on sales acceptance, customer acceptance, and provided reason codes.

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