Case Study: Electrolux Ukraine - Optimizing Sales During Black Friday

The Situation

Client Background:

Electrolux UA MDA (Major Domestic Appliances) team approached us to gain strategic insights aimed at optimizing their sales during the high-traffic Black Friday season. Their portfolio in 2023 showed that washing machines were the biggest contributor, accounting for 41% of total revenue.

Client Needs:

The client had already subscribed to 4x full content access but needed more granular insights specifically around washing machines during the Black Friday period. They recognized the potential for improving sales performance and market positioning through deeper data analysis.

Actions Taken:

- **Initial Consultation:**
  A session was held to understand their situation and goals.
- **Subscription to GfKnewron:**
  In addition to the full content subscription, the client purchased 8 weeks of weekly access to the washing machine product group (PG) data at GfKnewron for deeper market insights.
- **Post-Sales Evaluation:**
  After Black Friday, another session was organized to evaluate the impact and analyze results.

Results from the Campaign:

- The client saw an additional €47,000 in revenue, representing an 8.5% increase in their sales compared to the previous week. This was directly linked to the growth rate driven by the weekly data insights.

The Obstacle

Challenges Faced:

- **Competitive Landscape:** Electrolux needed to identify key competitors, monitor market share trends, and evaluate the pricing strategies of other major players during the Black Friday period.
- **Vulnerable Distribution Coverage:** The client recognized that gaps in distribution coverage were a significant vulnerability, which could lead to missed opportunities or reduced sales during peak demand periods.
- **Market Share Protection:** The client's primary objective was to maintain or grow their market share in terms of value during this critical sales period, without sacrificing margins through excessive discounting.

The Outcome

How GfKnewron's Product Helped:

1. **Enhanced Data Granularity:** The increased granularity provided detailed tracking of distribution performance for all top models featured during Black Friday. This allowed the client to quickly identify gaps in distribution and take immediate corrective actions to address potential underperformance.
2. **Precise Targeting:** Weekly access to competitive pricing data enabled Electrolux to strategically adjust their pricing based on a detailed understanding of competitors' models, particularly focusing on critical feature sets. This precise targeting helped increase sales volume while protecting their margin, avoiding unnecessary discounting on strategic products.
3. **Strategic Inventory Management:** By analyzing both their own stock levels and competitors' offerings, Electrolux was able to optimize their inventory allocation and focus on high-potential segments. This helped ensure they were meeting demand where it was highest, avoiding overstocking or understocking.
4. **Comprehensive Market Insights:** The robust data allowed the client to make informed decisions, adapting quickly to market trends. As a result, they increased their market share from 7.5% to 8.1% during Black Friday week and from 6.4% to 8.8% from October to November in terms of value.

Conclusion

Electrolux successfully leveraged GfKnewron's strategic insights to drive sales during Black Friday, not only protecting but also increasing their market share. The granular data on distribution performance, competitor pricing, and stock levels empowered the team to make smarter, more targeted decisions, ultimately contributing to a significant revenue boost and better positioning for the holiday season. The overall impact was a more refined pricing and inventory strategy, which will continue to benefit the client in future peak sales periods.