

OR Society - Forecasting Special Interest Group - Half Day Event

Forecasting with Promotions

Current practice and future prospects

Date: 14th October, 2pm-6pm
Fee: free of charge
Address: City University, Main Building, Northampton Suite C
Northampton Square, London EC1V 0HB, UK

This afternoon event will cover different aspects of the challenges in promotional forecasting & evaluation for supply chain management, which badly affects retailers and manufacturers alike. The two keynote presenters, Gareth Brentall (MD of Promax Europe Ltd) and Barry Grange (CEO of Retail Express), both with many years of practical experience in the area, will describe their own distinctive approaches to the challenges in promotional forecasting. The event will kick off with Prof. Robert Fildes, director of the Lancaster Centre for Forecasting, with an overview of current practices and research in promotional forecasting. The event will also offer you ample opportunity to network amongst practitioners, vendors and academics.

Attendance at this event is FREE but places are limited, so you must register by email. To register - or to receive future invitations - please email Sven Crone at s.crone@lancaster.ac.uk.

13:45 - 14:00 Registration

14:00 - 15:00

Current research in Forecasting Promotions - Judgment v Statistics?

Prof. Robert Fildes, Distinguished Professor, Lancaster Centre for Forecasting

15:00 - 16:00

Promotional Forecasting

Barry Grange, CEO of Retail Express

16:00 - 16:30 Tea & Coffee break

16:30 - 17:30

What's a good Promotion?

Gareth Brentall, MD Promax Europe Ltd.

17:30 - 18:00 Open discussion & Closing remarks

Abstracts of the talks, speaker biographies, and directions to this and future events are available online at: www.lums.lancs.ac.uk/research/centres/Forecasting/SIG_supply_chain/

About the SIG: The forecasting special interest group aims to increase the understanding and practical use of forecasting amongst interested members of the society. The meeting is sponsored by the Operational Research Society and organised by the Lancaster Centre for Forecasting (www.lums.lancs.ac.uk/forecasting). To receive future invitations and updates please email Sven Crone at s.crone@lancaster.ac.uk.



Speaker Information

Current research in Forecasting Promotions - Judgment v Statistics?

Abstract: Effective promotional forecasting is important to cost-effective operations across the supply chain. Academic research has claimed this problem is 'solved' but there is not much evidence in practice that suggests that companies are satisfied or can implement these proposed solutions. This presentation will examine current practices, in particular how expert judgment is used to improve forecasting accuracy in companies as well as its limitations. Much current software is not supportive of the promotional forecasting activity but has the potential to improve accuracy. An alternative approach is through the use of econometric methods and the presentation will conclude with a review of current econometric approaches and how recent developments in modeling can lead to better forecasting accuracy.

Speaker biography: Robert Fildes is Distinguished Professor of Management Science in the School of Management, Lancaster University and Director of the Lancaster Centre for Forecasting. He was co-founder in 1981 of the Journal of Forecasting and in 1985 of the International Journal of Forecasting. For ten years from 1988 he was Editor-in-Chief of the IJF. He was president of the International Institute of Forecasters between 2000 and 2004. His current research interests are concerned with the comparative evaluation of different forecasting methods, the implementation of improved forecasting procedures in organizations and the design of forecasting systems.

Promotional Forecasting

Abstract: Predicting the customer response from promotions and advertising continues to be a major headache for most retailers and manufacturers, making promotions much less effective than they should be. No amount of analysis is going to compensate for poor promotional forecasting and this talk will discuss the issues and challenges of accurately forecasting promotions for decision making examining work that has been undertaken with major retailers in North America and Europe to meet these challenges,

Speaker biography: Barry's retail career began at Tesco, the UK Supermarket Group, where he held several appointments including Management Services Director and Group CIO. From there he moved to the USA as Executive Vice President of a leading Supply Chain provider to the Retail industry worldwide. Barry established Retail Express to address the 'intelligent merchandising' area to create a solution with the proper mix of science, technology and good retail practice.

What's a good Promotion?

Abstract: This presentation discusses the development of a strategic framework on which to assess the quality of a promotion or a promotional program. To do this models are needed to estimate normal sales - often called 'the baseline', which consists of components for level, trend and seasonality. A number of causal factors are then used to modify the baseline to reflect promotional activity; price is the obvious one, but other factors may be significant e.g. shelf positioning, advertising, school holidays, etc. This data is typically sourced from EPOS, or 'scan' sources, and is usually by account by product. The final multi-causal model is the used to predict the actual consumer sales based on future promotional activity. How good a promotion was - and probably more importantly, will be is measured in terms of Efficiency (how much money was spent) and Effectiveness (the uplift in sales). This allows us to produce a single key performance indicator (KPI) to evaluate a promotional program and thus allocate promotional funds in the most appropriate way.

Speaker biography: After graduating, Gareth began his career in Operational Research with Nestle, and co-founded supply chain planning specialist Mercia Software in 1984. Working with demand planning guru Robert G Brown, Gareth was responsible for the development of the MerciaLincs software which is used worldwide by a large variety of companies. After leaving Mercia he joined Promax, a company dedicated to the management of all aspects of Trade Promotions for CPG companies.

Directions

Venue: City University
Northampton Suite C
Main Building
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