New segment sizing forecasting tool to help FMCG companies tap into trends

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BMi Research, a consumer and industrial research house, has revealed interesting new trends in packaging that show where growth in certain FMCG sectors will come from in the future. In addition, the company has launched an innovative new unit modelling tool that can forecast product demand by many different demographic, lifestyle and attitudinal consumer segments to help manufacturers capitalise on these trends.

Current trends in the food and beverage industry point to the fact that product innovation is driving sales across the sector.

"For example," says Gareth Pearson, BMi Research CEO, "our research into the confectionary market shows that growth is most likely to come from sugar-free sweets, and that packaging innovations would be necessary to maintain consumer interest in the face of competition from Indian and Brazilian imports."

Regarding chocolate slabs, the increasing costs of ingredients are necessitating smaller slabs both locally and abroad to maintain profitability, while growth is expected to come from specialty slabs packaged in boxes, packets and novelty wrappers.

In the future, new packaging and promotions in the gum and countlines sectors will be necessary to help these products maintain top of mind consumer awareness.

To meet the ongoing need for more accurate sales forecasting to eliminate consumer demand shortfalls and waste when tapping into trends, BMi Research has launched a new Segment Sizing Projection Model (SSPM). The model predicts product demand by volume and value for selected consumer segments, ranging from LSM, Age, Gender, Ethnic group, Region and many other segments.

"This model offers great speed - speed in pulling and calculating figures to allow more time for 'insighting' them. In minutes, rather than days or weeks, you are able to size a consumer segment within a category or brand and project that size to assess whether it's worth exploiting that segment and how much to invest in it," explains Ross Jennings, SSPM developer and consultant at BMi Research.

"The SSPM delivers a brand new take on segment sizing and forecasting by dramatically reducing the time and costs traditionally associated with these techniques. SSPM now calculates this data automatically, in minutes. It can be used in any sector and offers a complete solution for population dynamics," says Pearson.

The true benefit of this predictive product is that brand owners can now predict the future volume demand of both the product category and brand by any of the consumer segments covered by AMPS and can be easily adapted to transfer the relevant data from other sources such as Homescan or Continuous Tracking.

"This obviously becomes invaluable for marketing and media planning for brands," adds Pearson. "Use of this type of data was previously extremely labour intensive, but SSPM now makes this type of data much quicker and easier to use."

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