Steering FMCG growth with GIS insights

Retail company sharpens sales strategy and boosts growth with GIS platform from AfriGIS.

AfriGIS's GIS solution for retail has transformed the business of its FMCG client

South Africa's highly competitive FMCG sector is worth R593bn in annual sales. A wide range of products and services can be found, offering consumers plenty of choices, but also creating a challenging environment for businesses trying to gain market share amid stiff competition.

From optimising distribution, to informing expansion strategies, improving sales management, and enabling competitive and demand analysis, AfriGIS's GIS solution for retail has transformed the business of its FMCG client.

Client background

Recognising industry challenges and customer expectations, a national FMCG business turned to AfriGIS for a GIS (geographic information systems) solution that would provide a crucial multi-dimensional view of the market and thus enable strategic decision-making. By leveraging GIS and the spatial datasets AfriGIS has on offer, the company can now align its sales and marketing strategies with geographic insights, leading to more effective market penetration and, ultimately, an increased market share.

"In an industry where understanding the geography of business is key, our FMCG client –with a customer base of 14,000 – was at a crossroads," says Ockie Arnoldi, senior client consultant at AfriGIS. "The challenge was not just to maintain its network of customers and depots, but to strategically expand its footprint with the multi-dimensional insights provided by our GIS platform. In response, we crafted a bespoke solution, navigated the challenges of integrating the platform with our client's information systems, providing relevant spatial datasets to better understand the ecosystem, and equipped the company for a data-driven future."

The challenge

The FMCG company's operations were visually uncharted. With facilities and teams widespread, the lack of GIS integration left a gap in strategic planning and execution. With no spatial data, sales strategies were uninformed by the geographical spread and demographic nuances of their market.

The project began with a company in need of direction – its ambition was growth, but the business lacked the tools to pave the way. The main challenge was to develop a GIS solution that could map out existing customers, study sales volumes, and highlight potential growth areas and even identify specific companies to target.

Objective

AfriGIS aimed to design an interactive online platform that would allow the company to visualise its customer distribution and identify areas ripe for sales focus. The platform needed to be robust, user-friendly, and capable of processing complex datasets to provide actionable insights.

Ockie Arnoldi, senior client consultant at AfriGIS

Solution development

AfriGIS's platform was designed first to visualise data and then to transform it into a narrative that informed sales strategies. The development process was intricate, requiring an in-depth understanding of the client's business environment and ecosystem and the identification of relevant datasets that could be integrated and analysed within the system.

Implementation

The platform is a blend of innovation and practicality. It has enabled users at various levels within the company to access, manipulate, and interpret data.

"The solution included the geocoding of the existing customer base, and creating a visual representation that was previously absent," says Arnoldi. "From this base, a trade area analysis study was performed to analyse and combine the existing footprint, sales volumes, population and target demographic data, availability of targetable companies from different AfriGIS base datasets to identify hot spot areas with highest sales potential, allowing for targeted sales and marketing efforts."

Analytical tools and data utilisation

A key feature of the platform is that users can view an extensive set of data layers, which among others include the existing footprint, sales volume, indication of recent ordering activity, travel bands around existing depots, primary delivery routes, points of interest, satellite imagery, detailed demographic information, and an indication of market share within each suburb. This has been critical in identifying the most strategic areas for expansion – the hotspots where product demand was high and current penetration was low.

Results

AfriGIS's GIS platform has enabled its FMCG client to:

- Visualise customer locations and sales distribution across South Africa.
- Distinguish between active and inactive customers, enabling focused re-engagement.
- Benchmark regional performance and encourage internal competition.
- Predict potential demand and allocate resources effectively.
- Analyse Hotspot areas in extensive detail.

Outcomes

The implementation led to significant outcomes, including:

- A data-driven approach to sales, targeting regions with the highest growth potential.
- Informed decision-making based on comprehensive geospatial data.
- Enhanced collaboration across teams with the sharing of maps and data exports.

"The adoption of the platform is a significant milestone for our client," says Arnoldi. "The company has shifted from a conventional sales strategy to an informed, data-driven approach. This has resulted in more strategic decisions and also facilitated a more efficient allocation of resources and a measurable increase in market share."

Looking to the future, discussions are underway around enhancements which will include further refinements to the trade area analysis model, statistical correlation with additional model parameters, extensive reporting around success and changes in market share achieved and utilising the platform for other applications within the business, which will include predictive modelling.

"The success of this project was made possible by our client's willingness to embrace innovation and our team's expertise in geospatial technology," says Arnoldi. "It demonstrates the importance of a deep understanding of client needs and the power of GIS Solutions offered by AfriGIS in enabling retail businesses to achieve specific, focused market growth objectives."

How can GIS solutions help you grow your market share?

1. **Market segmentation:** The Geographic Information System Solutions offered by AfriGIS facilitate the analysis of demographic data and consumer behaviours across different regions, aiding in market segmentation and identifying hotspot areas with high sales potential.
2. **Optimised distribution networks:** GIS tools offered by AfriGIS are instrumental in mapping and evaluating existing distribution routes, enabling the identification and filling of market gaps, and optimising delivery pathways to enhance efficiency and cost-effectiveness.
3. **Site selection for expansion:** AfriGIS's Trade Area Analysis solution offered by AfriGIS assists in determining optimal locations for new stores or depots, considering factors such as population density, competitor presence, and accessibility.
4. **Sales territory management:** The Trade Area Analysis solution enables more effective management of sales territories, contributing to optimised allocation of sales resources and the development of focused sales strategies.
5. **Competitive analysis and demand forecasting:** The solution provides insights into competitors' locations and market reach, assisting in understanding market saturation and competitive advantages. It also integrates sales, geographic, and demographic data to forecast demand, informing production and inventory planning.

About AfriGIS

AfriGIS is the leading Geospatial Information Science company in Southern Africa that specialises in location-sensitive data and solutions. It provides customers across the board with a suite of web-based tools and APIs to connect to, enhance, and enrich their own data with location intelligence, insights, and trusted data. The organisation was founded in 1997 and celebrates more than 25 years in business. It is a level 1-certified broad-based black economic empowerment (B-BBEE) business, with more than 100 employees, in Pretoria, Durban and Cape Town in South Africa, Dublin in Ireland, and Dhaka in Bangladesh.

AfriGIS

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