

Tuesday 12 February  
11.30am-12pm - room 3

With the L'OR brand, JDE holds a strong position in Roast & Ground coffee in France with more than 12% value share. A major relaunch was planned with a premium multi-serve range of 2 more powerful and intensely roasted coffees proposed to replace 3 variants from the existing range of 6 products. JDE worked with Strategir and used our Market Shaker AI model to generate more confident volumetric forecasts for the new products.

## How AI driven sales volume forecasts inspired confidence in L'OR coffee line extensions

The **Market Shaker®** model uses AI to 'virtualise' millions of simulated consumers from relatively small sample sizes – just a few hundred people.

### Conditions of success for solid volume forecasts



Consider each buyer as unique throughout the entire modelling process

#### Treating each shopper as unique

In the Market Shaker model, all information is kept at an individual level throughout the sales forecast process. This means that it captures the varied purchase and consumption behaviour that individuals display in a category as well as consumers' response to innovation which is influenced differently by external factors such as media exposure and their sensitivity to promotion.



Recreate the multitude of individual behaviours with powerful AI

#### Applying a robust AI framework

Research samples of 200 or so simply can't reflect all the diversity in a category.

This is where artificial intelligence comes in: it transforms those hundreds of consumers into a virtual 'big data' set of up to 2m individual purchasers to forecast the sales potential of an innovation in a market of millions at an entirely individual level.



Integrate the right context for purchase through a realistic shopping situation

#### Creating a realistic purchase context

The key in the consumer research, is for consumers to reflect their behaviour in a natural manner. This requires the innovation to be set in its competitive context.

For JDE's brief, a life-size photo wall created the buying context and helped us measure the attractiveness of the innovation in-shelf.

Our approach generates more reliable data than direct measures of purchase rate and intent.



### How the AI forecasting model works

The model first understands how the new L'OR range fits in with the consumption basket of each consumer.

Starting from 200 consumers, our model assigns each a purchase probability, which combines their interest and their current behaviour.

Then the sophisticated AI technology multiplies them and creates a panel of up to two million virtual consumers which accurately represents the market category.

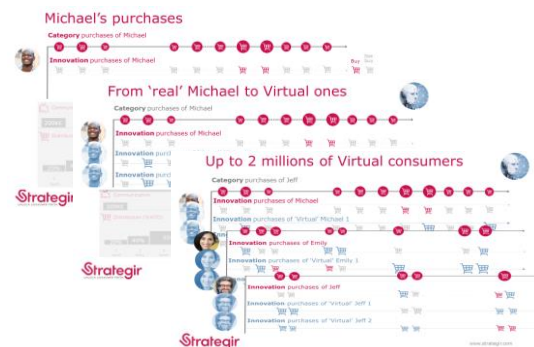
With these virtual 'twins', machine learning, can cover the multitude of possible combinations of influences on behaviour and decides, for each one, whether the product will be chosen at each purchase occasion over a two year period. Only then are the purchases combined to reach total sales.

In short, we accurately account for everything that influences the success of the product in its 'shopper life'. This means our Market Shaker sales forecasting model unlocks real behaviour.

### Impact for JDE

For the volume forecast, the model was first aligned to existing sales. It showed that:

- The relaunch would deliver a net increase of 12.6% for the range. The forecast was broken down by sales derived from distribution, advertising and promotional activity.
- Sales of the two new varieties was forecast at 428 tonnes, exceeding the action standard of 300 tonnes.
- 20% of sales would be from shoppers trading up from the Classic range - so the brand would also increase its share of the premium segment.



Market Shaker® gave JDE strong confidence to launch the new products; **post-launch metrics have tracked very closely to the forecast**, demonstrating strong potential for this AI model to improve prediction of real-world consumer behaviour.