CPG Pricing & Net Revenue Management Blueprint

Transform your commercial strategy with a comprehensive approach to pricing optimization, trade investment discipline, and margin protection across all retail channels.

Our Value Proposition: What We Solve

Protect Margin & Reduce Leakage

Close critical gaps in your pocket-price waterfall from list price through invoice, OI/scan, billbacks, freight, and cash terms to final pocket realization.

Price for Value, Not Habit

Link willingness-to-pay to clear consumer benefits and establish disciplined good-better-best architecture that captures true value.

Promo ROI Discipline

Execute fewer, better promotions by investing where elasticity data supports profitable volume lifts and sustainable growth.

Channel Coherence & Retailer Trust

Multi-Channel Excellence

Deliver the right price, right pack, and right route-to-market strategy across all channels:

- Grocery & Mass retail optimization
- Club store multi-pack strategies
- Drug & C-store convenience premiums
- E-commerce fee management
- Direct-to-consumer pricing

Why Pricing Matters

Small, well-governed price moves create outsized profit impact, while undisciplined trade spend systematically destroys margin potential. The mathematics are compelling: a 1% price increase typically flows through as 8-11% operating profit improvement.

Consistency across route-to-market and price-pack architecture accelerates both velocity and market share growth—without creating dangerous promotional addiction that undermines long-term brand equity and profitability.

The Problem We Typically Find

Fragmented Price Ladders

Price inconsistencies across channels and regions, with key value items mispriced versus private label benchmarks, creating consumer confusion and margin leakage.

High Trade Rate, Low ROI

Excessive promotional spending with poor post-event returns, complicated by forward buying and pantry loading effects not properly netted from lift calculations.

Pack Size Sprawl

Uncontrolled proliferation of SKUs without corridor guardrails, plus e-commerce fees ignored in net-net profitability mathematics.

Competitor-Based Pricing

Reactive pricing based on competitive moves rather than customer value creation, with unmeasured willingness-to-pay and unmanaged MAP/MSRP policies.

Core Framework Component 1: Value Proposition & WTP

01

Benefit Ladder & Proof Points

Map functional, emotional, and social benefits with clear substantiation for premium positioning and value communication.

02

WTP Research Methods

Deploy Van Westendorp PSM, Gabor-Granger, MaxDiff, and Conjoint analysis with simulators segmented by consumer demographics and usage occasions.

03

Economic Value Estimation

Quantify dollar value versus reference points including private label alternatives and incumbent competitive products.

Core Framework Component 2: Price Strategy Architecture

Strategic Positioning

- Premium, mainstream, or value tier definition
- Entry versus trade-up role clarification
- Good-Better-Best ladder construction
- Magic price point optimization ($2.99, $3.49, $9.99, $14.99)

Channel & Geographic Logic

- EDLP versus Hi-Lo promotional strategies
- MAP/MSRP policy for e-commerce and DTC
- Club store multi-pack value equations
- National versus zone pricing with inflation cadence

Competitive Landscape & Price Corridors

1

Competitive Indexing

Establish competitive index versus private label and #1/#2 brands by pack and channel (e.g., 0.95-1.05 vs PL on KVIs).

2

Elasticity Analysis

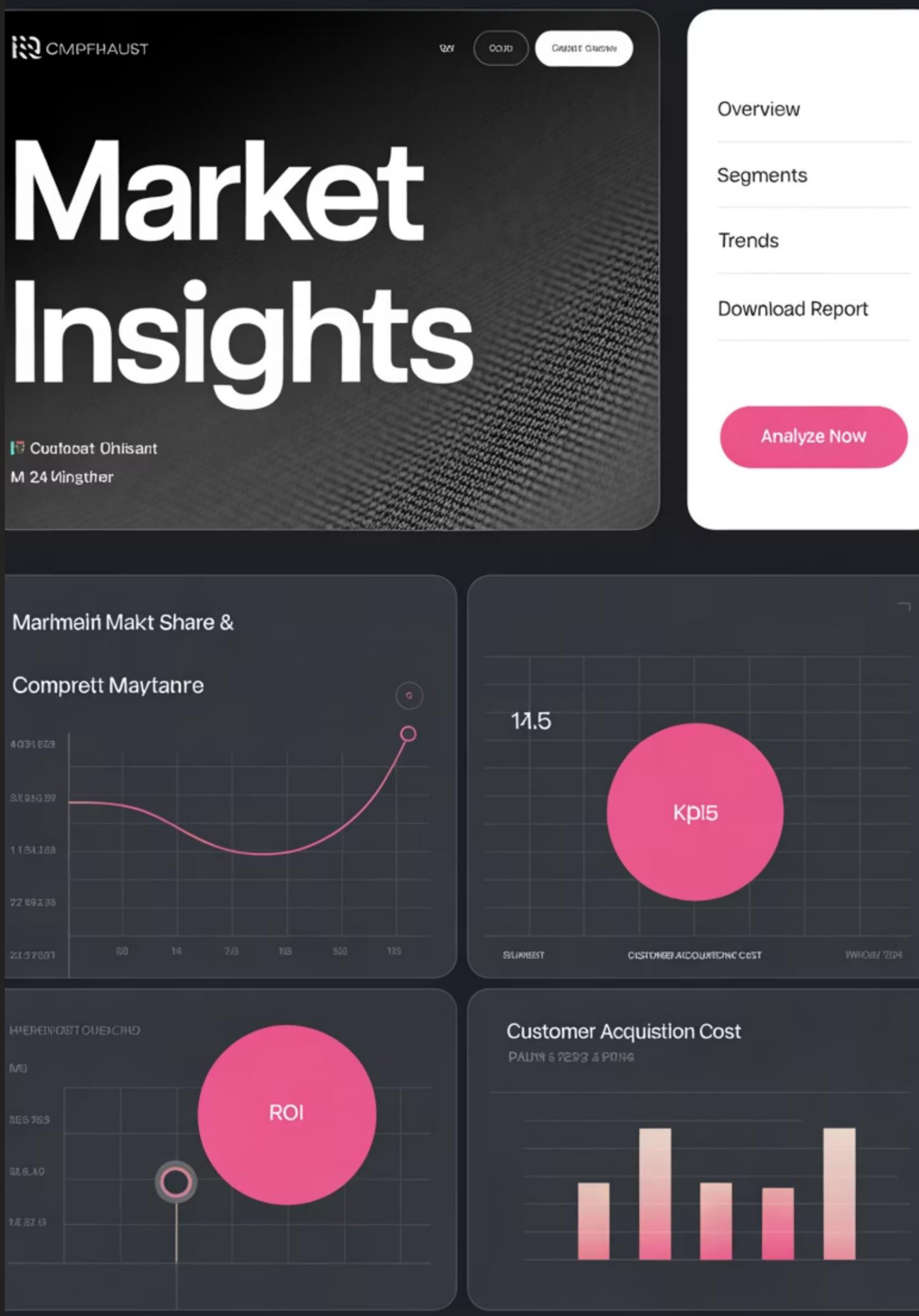
Measure cross-price elasticity effects, define KVI lists per retailer, and establish promotional depth norms and frequency guidelines.

3

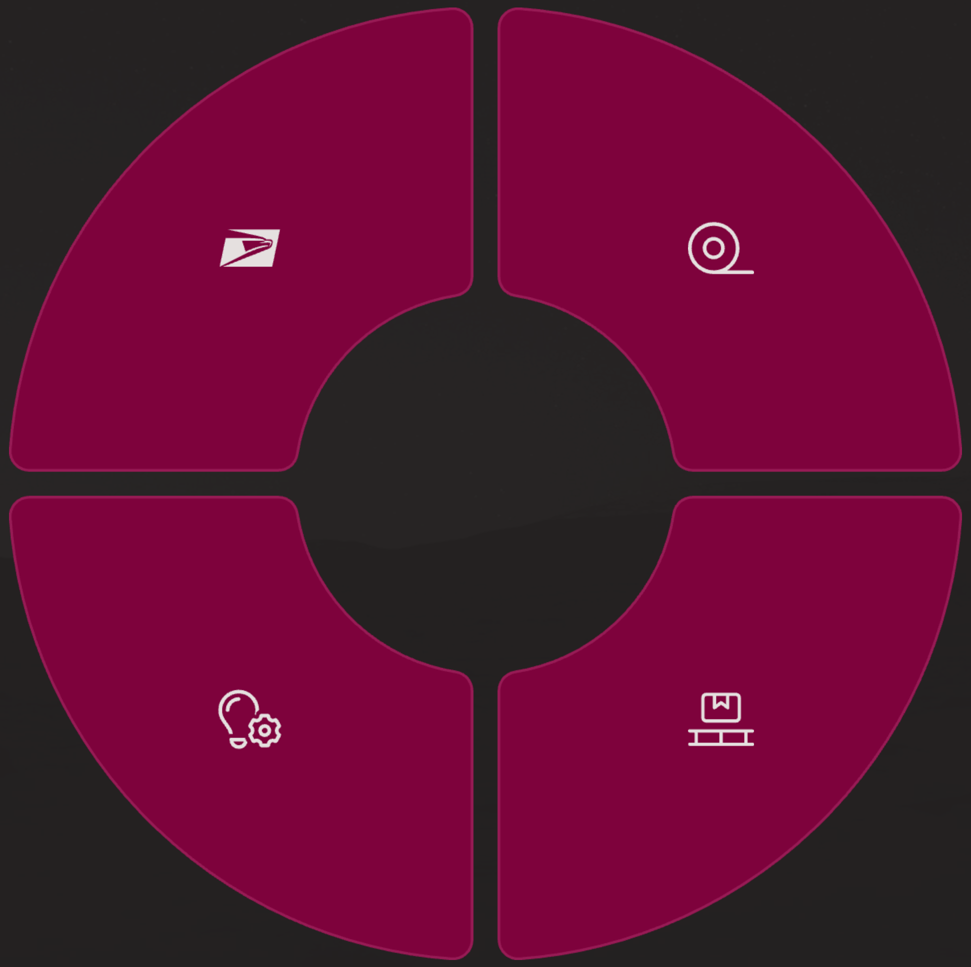
Corridor Definition

Set floor, target, and ceiling prices by pack, channel, and region with clear guardrails and variance allowances.

Example Corridor (9oz, Grocery): Floor $2.49 | Target $2.99 | Ceiling $3.49 (Promo minimum $2.69; maximum depth 10% except during event windows)



Price-Pack Architecture Excellence



Trial Sizes

Entry-level packs designed for trial and sampling, optimized for acquisition and first-time purchase behavior patterns.

Core Family Sizes

Primary household consumption packs with balanced value perception and repurchase frequency optimization.

Innovation Pricing

Launch premiums for novelty with planned harmonization schedules based on velocity thresholds and market acceptance.

Club Store Multi-Packs

Bulk formats with superior unit economics and grams-per-dollar parity logic for high-volume purchasers.

Trade Investment & Promotional Strategy

Investment Buckets

Off-invoice allowances, scan-based trading, billbacks, MDF, co-op advertising, display allowances, and digital coupon optimization.

ROI Modeling

Incremental units × pocket margin minus cannibalization, forward buy, and post-promotional dip effects with minimum 1.5x ROI threshold.

Annual Planning

Retailer calendar alignment, optimal event spacing, new item support waves, and cliff-edge mitigation strategies.

Pocket Price Waterfall & Margin Governance

Track every dollar from list price to final pocket realization through systematic waterfall analysis:

Waterfall Components

List → Invoice → Off-Invoice → Billbacks → Scans → Logistics → Damage/Terms → Pocket Price

Leakage Prevention

Monitor free goods, ad-hoc deals, unauthorized ship-ins, e-commerce fees, and other margin erosion sources.

Performance Dashboards

Net revenue per case, pocket margin by SKU and channel, and price realization versus list price tracking.

Our Proven 10-Step Implementation Method

1

Steps 1-2: Foundation

Data hygiene, baseline establishment, and WTP value hypothesis development through primary or secondary research.

2

Steps 3-4: Analysis

Competitive audit with indexing and unit economics mapping including comprehensive fee structure analysis.

3

Steps 5-6: Architecture

Price corridor definition and PPA rationalization with size role optimization and innovation pricing strategy.

4

Steps 7-8: Optimization

Trade architecture design and scenario simulation for price/promotional mix optimization across retailers.

5

Steps 9-10: Execution

Pilot testing with A/B methodology followed by systematic rollout with governance framework and continuous optimization.

Key Performance Indicators & Success Metrics

98%

Price Realization

Target achievement of list price realization across SKU and channel combinations

1.5x

Minimum Promo ROI

Required return on promotional investment with post-event dip considerations

±2%

Corridor Compliance

Allowable variance outside established price corridors during non-promotional periods

15%

Trade Rate Target

Optimal promotional spending as percentage of gross sales with leakage minimization

Additional metrics include velocity and share performance on key value items, distribution and shelf compliance rates, and feature/display execution measurement across retail partners.

Service Options & Engagement Models

1

Diagnostic Sprint

Duration: 3 weeks, up to 150 SKUs across 3 channels

Deliverables: Baseline assessment, pocket waterfall analysis, initial price corridors, and immediate quick-win opportunities identification.

2

Pilot & Guardrails

Duration: 6-8 weeks comprehensive program

Deliverables: Complete PPA cleanup, trade guardrail establishment, scenario simulators, A/B pilot execution, and team training programs.

3

Enterprise NRM Operations

Duration: Ongoing partnership model

Deliverables: Real-time dashboards, MAP enforcement workflows, quarterly corridor refresh, and continuous promotional mix optimization.

Ready to Transform Your Pricing Strategy?

Our comprehensive CPG pricing and net revenue management blueprint delivers measurable results through disciplined methodology, proven frameworks, and continuous optimization.

Small pricing improvements create outsized profit impact. The time to act is now—every day of delayed optimization represents margin left on the table and competitive advantage unrealized.

- Protect and expand pocket margins
- Optimize promotional ROI
- Build sustainable retailer partnerships
- Create pricing competitive advantage

Transform Today

Javier@campodata.com

Campodata