

News Release

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Media Contact:
Sahir Anand, Aberdeen Harte-Hanks
(617) 854-5271
Sahir.Anand@aberdeen.com

Companies Dissatisfied with Trade Promotions: An Integrated Approach May be the Way Out

Sixty-one percent (61%) of companies are overspending on promotions

BOSTON, MA – October 4, 2007 – The recent research report “Plan, Spend, and Prosper: Making the Most of Trade Promotion,” published by Aberdeen, a Harte-Hanks company (NYSE: HHS), surveyed more than 250 companies to reveal that 61% of companies have reported overspending on trade promotions when compared to the trade budget allocations. Aberdeen data revealed that one of the chief reasons for the overspend is the fact that 70% of consumer product and food service companies are still using fragmented spreadsheets, assumption-based trade plans, and legacy systems to develop trade promotion plans. These practices are leading poor forecast accuracy across different retail channel formats and high trade overspends.

“As a solution to the trade promotion problems of these companies, Aberdeen data indicates that companies want to integrate and upgrade their trade promotion solutions as a way out,” says report co-author and retail analyst, Sahir Anand. “Specifically, 51% of companies want to the transition towards the integrated TPM solutions as the top strategic action to improve trade promotions,” says Anand.

According to report co-author and supply chain research director, Nari Viswanathan, “More than half that companies are striving to build enterprise and best-of-breed multi-tenant solution capabilities to improve the cross-enterprise visibility, data utilization, and internal-external collaboration around trade promotions.”

Aberdeen research shows that trade spending efficiency is a huge hot button for consumer goods, food service, and the retail industry. In order to excel in this area, they must realize where they are in the maturity level with respect to their IT capabilities. Companies must

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succeed in the previous stage before going to a more advanced stage – for instance companies that do not have a strong transaction backbone should not attempt to deploy predictive analytics solutions.

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