



## CASE STUDY

# Global Fruit Supplier uses Analytics and Scenario Planning to Guide Product Distribution in the Uncertain Era of COVID-19

# Introduction

The grocery market is one of the few retail segments that has prospered during the COVID-19 pandemic. While market growth is a good thing, the unprecedented conditions and uncertainties surrounding the ongoing pandemic mean that suppliers can't use business-as-usual tools for demand and distribution planning. The atypical conditions call for new types of data, new ways of using analytics with good business sense to inform the planning process, and new ways of conceptualizing what-if scenarios for business-critical decision making.

This was the situation facing a major fruit supplier that generates USD 2 billion in annual revenues by distributing fresh fruit globally. Most of the fruit is sold during a 6-month season each year, leaving little room for planning errors. The company was getting ready to prepare for the 2021 season and needed to consider the influence of COVID-19 on the fruit market and the brand's performance. It was looking for analytics-based insights that would help it prepare realistic distribution, marketing mix, and supply-related strategies for each of its five major markets, which were in the Asia-Pacific region.

**The company asked Lynx Analytics to help it determine how COVID-19 impacted its sales in each market in 2020; assess the outlook for recovery from the COVID-19 in each market for 2021; and develop sensible scenarios it could use to guide its business plans for the coming season.**

# The Objective

Analyze key factors driving market demand and create a dashboard the company can use to guide 2021 product distribution and marketing strategies for each country within the context of the COVID-19 pandemic.

Model key positive and negative factors affecting consumer behavior and shopping in the target markets during the pandemic

**01**

Simulate multiple COVID-19 recovery scenarios for 2021, and associated implications on customer demand, to guide country-specific marketing strategies

**02**

**03**

Develop a strategic operational dashboard providing critical high-level marketing-related organizational metrics

**04**

Allow users to track the progression of internal and external drivers across time periods and into the future

# The Challenge

The fruit supplier had just one month to finalize its operational plans and budgets for the 2021 season.

The company had a dashboard tool to track multiple disparate data sources, but it was not able to integrate the data effectively or condense insights from across all five markets.

The data was also limited because it did not provide sufficient history or context specific to COVID-19 to inform a forecasting model.

The company required scenario-based analyses so it could prepare both growth and contingency plans for the coming year. It wanted to identify and measure positive and negative factors that can explain consumer shopping and behavioral changes during the pandemic.

The analyses should consider internal and external drivers for each country.

The internal drivers should include marketing metrics, such as spending across channels, and quality related metrics, such as fruit quality.

External drivers should include the public health response, such as lock-down stringency, vaccination rates, the number of cases, and mortality rates.

The external factors should also include macroeconomic metrics such as gross domestic product (GDP), consumer price index (CPI), and consumer confidence index (CCI).

The resulting analyses should identify where and how the company should focus its marketing activities for the next 6 to 12 months.

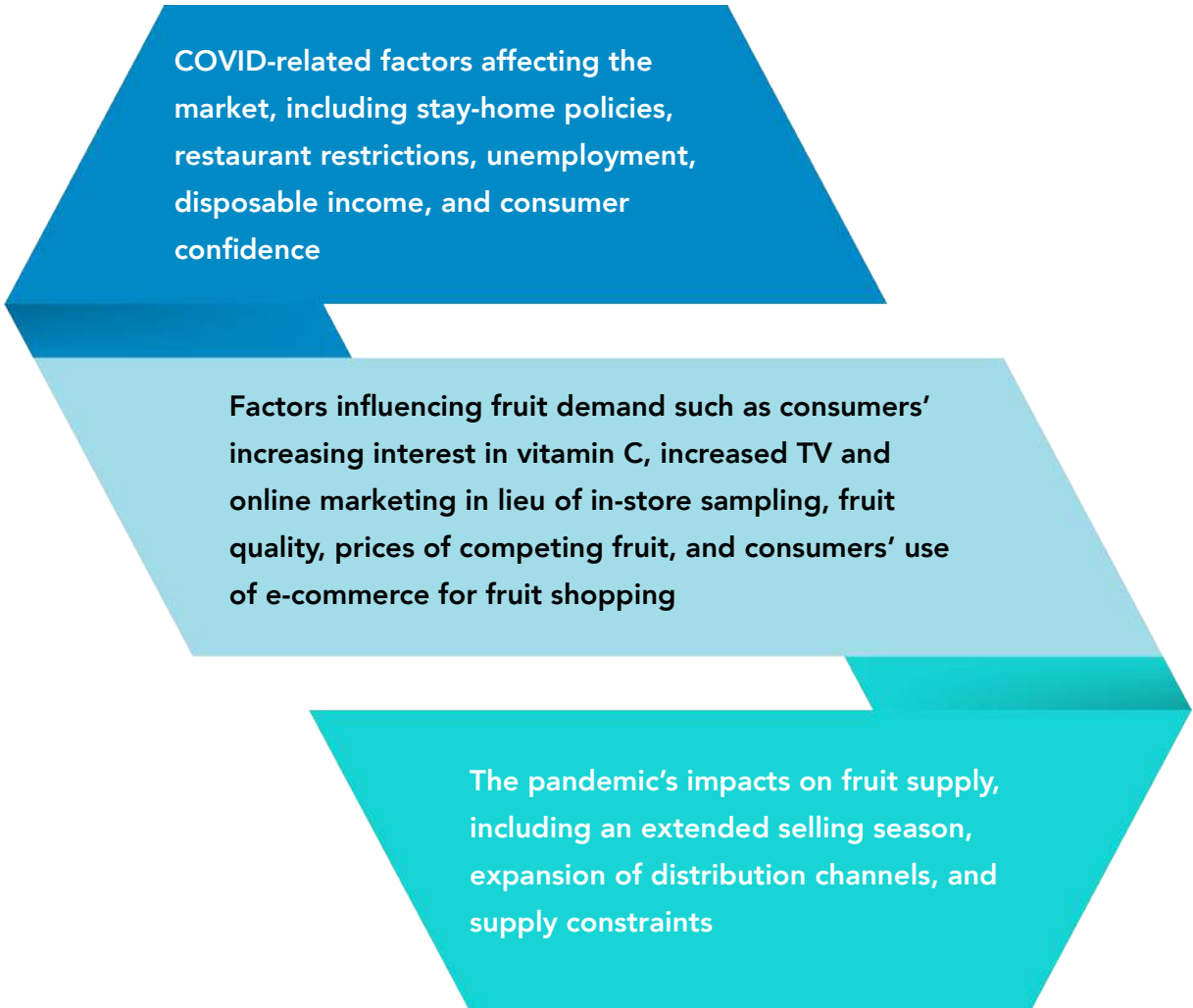
A new analytical dashboard would be required to summarize the key drivers with up-to-date data for each market.

# The Solution

Lynx Analytics put together disparate sources of data from both internal and external origins, providing the company with scenario-based insights to inform its pre-season planning. To build the database, Lynx Analytics compared COVID-19-related case rates, mortality, and lock-down policies against the increases in grocery and fruit market revenues for each country.

Lynx Analytics then examined underlying conditions that could explain the thriving grocery market and quantified the contribution of each factor on the company's growth for each country using a mix of multivariate and linear regression analysis.

The analyses included:



**COVID-related factors affecting the market, including stay-home policies, restaurant restrictions, unemployment, disposable income, and consumer confidence**

**Factors influencing fruit demand such as consumers' increasing interest in vitamin C, increased TV and online marketing in lieu of in-store sampling, fruit quality, prices of competing fruit, and consumers' use of e-commerce for fruit shopping**

**The pandemic's impacts on fruit supply, including an extended selling season, expansion of distribution channels, and supply constraints**



# The Solution



Lynx Analytics used publicly available data to characterize the potential for recovery during 2021 in the target countries.

While the course of the pandemic is hard to predict, certain demographic and health trends provide sensible indicators of a country's current status and near-term outlook.

To perform this analysis, Lynx Analytics considered the percentage of elderly in the population, current COVID-19 mortality

rates and stay-home metrics and the projected pace of vaccinations.

Although suppressing the pandemic is unlikely during the upcoming season, the analysis revealed which markets are more or less likely to see some recovery in the next 6 months.

Lynx Analytics used the findings to develop three likely scenarios for the evolution of COVID-19 for each country, along with implications for the general market the company serves.

The scenarios included:

# The Solution

Major recovery in 2021	Consumer preferences go back to pre-COVID	Scenario 1 Major recovery but to the old world
	Consumer preferences from COVID are sticky	Scenario 2 Major recovery to a NEW world
Minor recovery in 2021	Consumer preferences in 2021 are similar to consumer preferences in 2020	Scenario 3 Minor recovery

Taking all these internal and external factors into account, Lynx Analytics estimated how much demand the company can expect in 2021 for each planning scenario for each country

Based on the findings, the team developed a dashboard that presents insights the company's marketing team can use to better navigate and respond to the scenarios across the five markets as the year progresses.



## **Lynx Analytics delivered the solutions to the fruit supplier in 3 weeks, in time for the company to refine its operational plans and budgets for 2021.**

The company has reported that it now has a more comprehensive, strategic planning capability thanks to the scenario-based analyses. The approach has also dramatically expedited the development of growth and contingency plans that previously required coordinating work performed by multiple teams.

As a result, the company was able to quickly establish its 2021 marketing strategies for each scenario and associated

tactics for marketing, sales, operations, and product packaging.

The successful outcome underscores the value of scenario-based planning in volatile business conditions like the COVID-19 pandemic.

It also shows how businesses can be more agile and respond more confidently in the market once they have scenario-based planning in place.



## Author

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Jeroen is a Client Engagement Director at Lynx Analytics with extensive business analytics & insights experience across multiple industries. He has previously worked at McKinsey, Oracle and Expedia in senior roles and holds an MBA from INSEAD.

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## Talk To Us

Headquartered in Singapore, Lynx Analytics is a leader in artificial intelligence and data science solutions. With a strong expertise in predictive analytic models, Lynx Analytics help retail companies leverage technologies such as artificial intelligence and predictive analytics to improve forecasting, assortment planning and more.

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