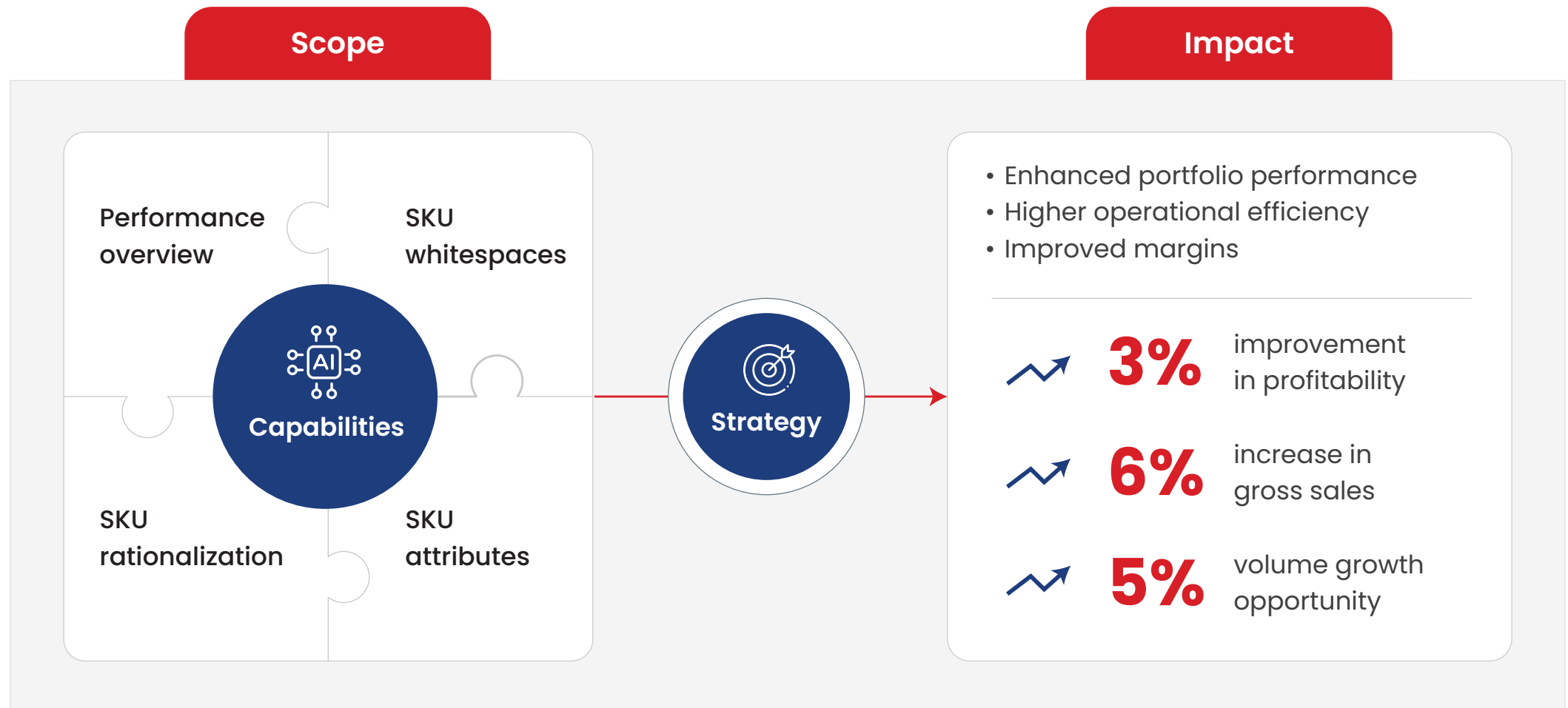POV

Transforming CPG portfolios by aligning packs, prices, and profits

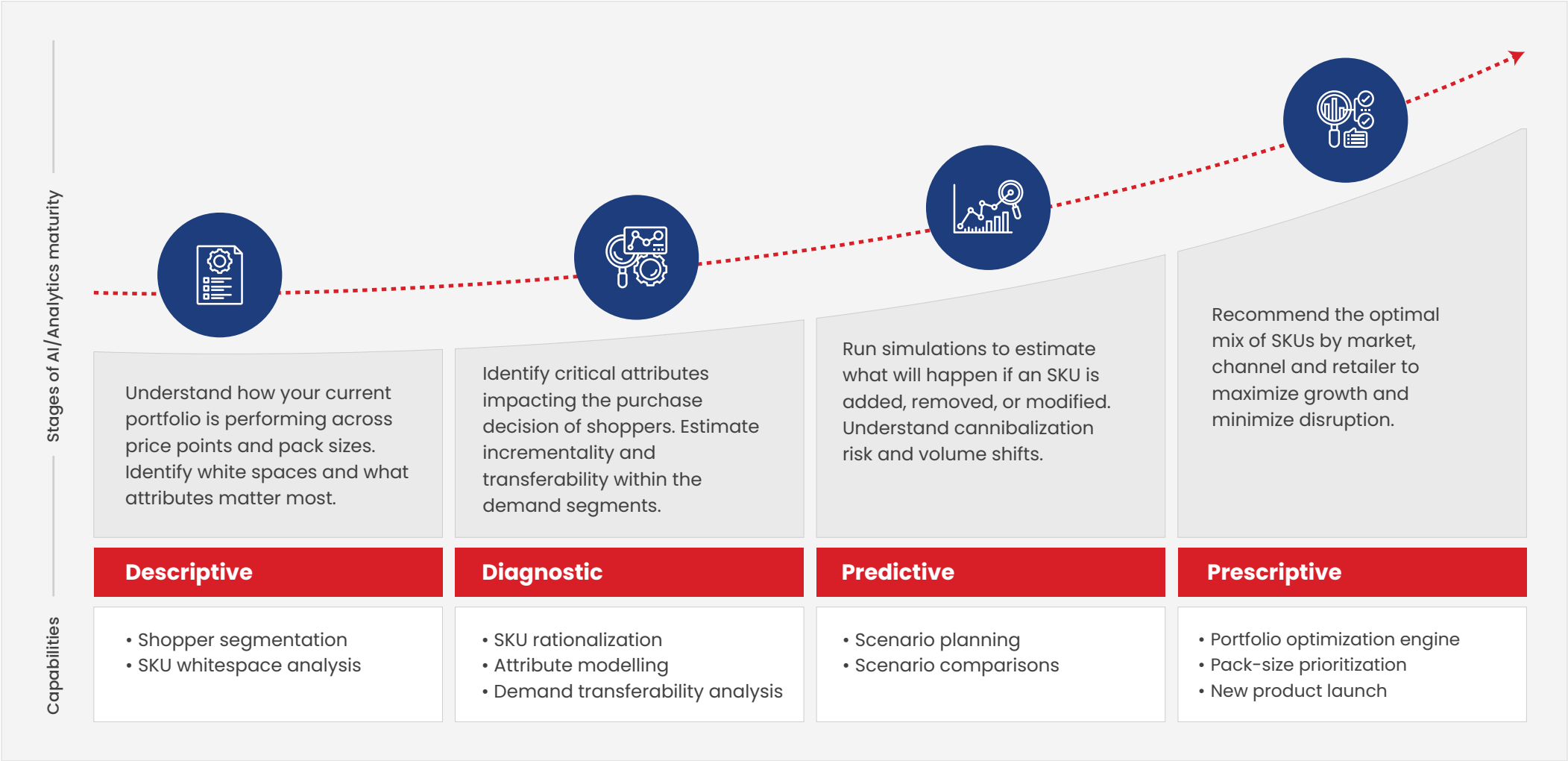An intelligent PPA framework to optimize portfolios, maximize margin, and stay consumer-relevant

Need for Price Pack Architecture

At its core, PPA enables businesses to make data-driven decisions about their product portfolio, ensuring that each SKU serves a clear purpose. It helps to maximize revenue and profitability by strategically managing product assortment and aligning it with market demand.

Scope

Performance overview

SKU whitespaces

Capabilities

SKU rationalization

SKU attributes

Strategy

Impact

- Enhanced portfolio performance
- Higher operational efficiency
- Improved margins

3% improvement in profitability

6% increase in gross sales

5% volume growth opportunity

AI-driven Portfolio Optimization

With AI and analytics at its core, PPA moves beyond reactive pricing to proactive portfolio design based on real consumer behavior and market dynamics. This approach enables businesses to tailor their product strategies to local nuances, and shifts in consumption patterns, and balance margins with relevance.

Stages of AI/Analytics maturity

Understand how your current portfolio is performing across price points and pack sizes. Identify white spaces and what attributes matter most.

Identify critical attributes impacting the purchase decision of shoppers. Estimate incrementality and transferability within the demand segments.

Run simulations to estimate what will happen if an SKU is added, removed, or modified. Understand cannibalization risk and volume shifts.

Recommend the optimal mix of SKUs by market, channel and retailer to maximize growth and minimize disruption.

Descriptive	**Diagnostic**	**Predictive**	**Prescriptive**
• Shopper segmentation • SKU whitespace analysis	• SKU rationalization • Attribute modelling • Demand transferability analysis	• Scenario planning • Scenario comparisons	• Portfolio optimization engine • Pack-size prioritization • New product launch

Capabilities

Assortment excellence with OBPPC+ PPA framework

Sigmoid's powerful approach combines the powerful OBPPC framework with our proprietary Price Pack Architecture methodology to create a comprehensive assortment strategy that delivers measurable business outcomes. This integrated framework offers a structured portfolio optimisation approach that addresses consumer needs and business objectives.

Occasion based differentiation

Matching packs to distinct consumption needs (e.g., such as a trial, family sharing, on-the-go, gifting, everyday indulgence etc.

Brand and Price tiering

Different pack formats across price segments (e.g., budget packs for everyday purchases, multi-packs and bundles, premium formats for gifting etc.)

Pack format and Channel mapping

Optimizing packaging to channel requirements (e.g., multi-unit value packs for club stores, bundled gifting packs for eCommerce, premium formats for speciality/retail channels)

OBPPC + PPA
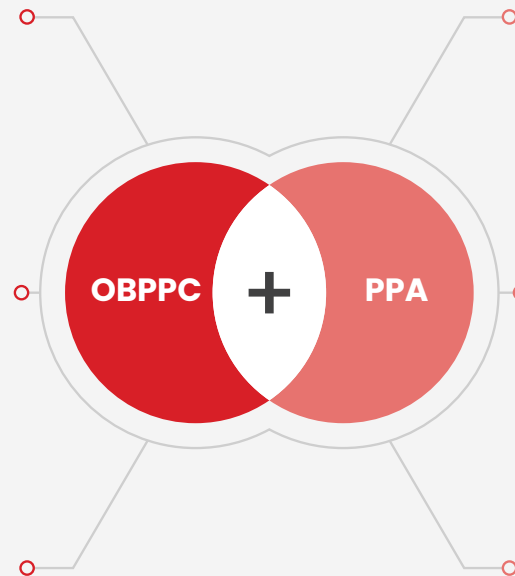
Price laddering and brand binning

Identifying price whitespaces to uncover trade-up or trade-down opportunities and aligning brand positioning with relevant demand spaces

Pack whitespaces and NPD launch

Identifying pack whitespaces and launching new packs based on the innovation pipeline

Attributes driving the purchase decision

Creating consumer micro-segments and identifying critical attributes driving purchases on specific occasions

OBPPC+ PPA framework enables organizations to:

Drive incremental revenue by filling whitespace in occasion-pack gaps	Improve portfolio productivity through channel and pack optimization	Enable premiumization and brand trade-up through clear tiering and value cues	Support retailer-specific strategies with tailored pack-price offerings

Defining pack roles and pricing strategies

Each pack format plays a distinct role in addressing consumer needs and must be priced and promoted accordingly to maximize both shopper appeal and business value.

Pack Role	Strategic Purpose	Target Shopper	Pricing Strategy	Promotion Approach	Promotion Frequency
Trial / Recruitment	Low-barrier entry to attract new or lapsed users	Price-sensitive, light users	Affordable "magic" price points (EDLP)	Avoid discounting to protect brand equity	Low
Frequency	Encourage repeat use through everyday pack sizes	Broad loyal base	Competitive pricing vs key brands	Targeted, limited promotions	Medium
Upsize	Deliver volume value through larger pack formats	Families, heavy users	Value-per-unit optimized for yield	Frequent price promotions or bonus packs	High
Premium	Offer high-end, experiential or image-driven packs	Affluent or occasion-based users	Premium pricing with minimal or no discounting	Selective cross-promotions without markdowns	Intermittent

Leading CPGs have realized a significant impact with Sigmoid's OBPPC+PPA framework

Client: Global Home & Hygiene Products Manufacturer

Challenge: Disjointed pricing and promotional strategies led to an imbalanced portfolio across EMEA.

Solution: Sigmoid deployed a PPA solution combining price sensitivity analysis, pack architecture modeling, and whitespace identification.

Client: Global Food Manufacturer

Challenge: The company lacked a clear framework to understand the relationship between pricing, pack architecture, and consumer demand.

Solution: Sigmoid developed attribute importance models and a scenario simulation engine to evaluate the impact of new product innovations and portfolio shifts.

Client: Fortune 100 Beverage Company

Challenge: Stagnant category growth and increased competition from private labels and local brands put pressure on the client's market position.

Solution: Sigmoid analyzed consumption occasions, mapped demand white spaces, and modeled SKU-level demand transferability to guide portfolio adjustments.

Impact:

4.5% volume growth opportunity identified

196 SKUs rationalized, and **27** new SKU structures introduced

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Impact:

Better targeting of new launches

Optimized pack-size portfolio to capture new demand pockets

Impact:

Clear opportunity spaces identified

Competitive edge with strategic portfolio optimization

Conclusion

In a market where every pack must earn its place, the combination of analytics-driven Price Pack Architecture (PPA) and the OBPPC framework gives CPG brands a strategic edge. By aligning consumer occasions, brand roles, pack formats, and pricing strategies, businesses unlock not just revenue, but relevance, efficiency, and long-term loyalty.

At Sigmoid, we enable this transformation through AI-powered analytics that optimize pack decisions, improve promotional effectiveness, and accelerate growth. Every pack becomes a precision growth lever, designed by data, perfected by AI, and activated for real-world impact.

About Sigmoid

Sigmoid combines data, analytics and AI consulting to help enterprises gain a competitive advantage through effective data-driven decision-making. Some of the world's largest data-driven organizations partner with Sigmoid to solve complex business problems. Sigmoid's experts specialize in data engineering, cloud, machine learning, generative AI, and DataOps.

Learn more at www.sigmoid.com

Let's Get Started!

Reach out to us at marketing@sigmoid.com to design smarter price-packs for your business.

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