CASE STUDY

Spoiler Alert digitizes Danone North America's U.S. markdown program

Better business, best for the world, benefits for all stakeholders.

As part of one of the largest food & beverage companies in the world, Danone North America wears its values on its sleeve as one of the largest Certified B Corps on the planet. With its portfolio of brands that span essential dairy and plant-based products - including Activia®, Dannon®, Horizon Organic®, International Delight®, Oikos®, So Delicious®, SToK®, Silk®, and Wallaby Organic®, Danone takes a holistic approach to ensuring its demand planning efforts minimize excess inventory, and when it occurs, pursuing a number of initiatives to keep good products from going to waste.

Financial returns from Danone's Zero Waste initiative

In an effort to create a more scalable and systematized approach for managing its excess inventory, Danone partnered with Spoiler Alert to digitize its U.S.-based inventory markdown sales program.

Launched in July 2020 in the heart of the COVID-19 pandemic and combined with continuous efforts in supply and demand planning over the subsequent 12-month period, Danone has seen significant reductions in finished goods waste and higher returns on its markdown sales program through the introduction of Spoiler Alert's liquidation platform.

The combination of reductions in total distressed inventory combined with net increases in revenue from markdown inventory sales is a clear win-win-win across Supply Chain, Sales and Customer objectives.

> *Danone has seen significant reductions in finished goods waste.*

RESULTS

10% decrease in distressed inventory available to sell, highlighting strong results from supply and demand planning improvements

14% increase in markdown revenue, despite reductions in available inventory to sell

Stronger engagement with value-channel customers

One of the key objectives of Danone's partnership with Spoiler Alert was to improve the manufacturer's ability to be a vendor of choice for its value-channel customers, meeting the evolving and growing needs of the discount retail segment of the grocery industry.

Between July 2020 and June 2021, Danone significantly increased customer visibility into excess inventory available to purchase, providing a growing list of markdown customers with the opportunity to buy a more diversified portfolio of SKUs and brands than it had in the past.

> Danone significantly increased customer visibility into excess inventory available to purchase.

RESULTS

33% increase in sell through rate of inventory available to sell

73% increase in inventory made available to purchase by customers

24% increase in active customers buying markdown inventory

70% increase in size of active value-channel customer base

Productivity gains from process digitization

Prior to the introduction of Spoiler Alert, Danone North America carried out their markdown efforts through two separate work streams based on distribution facility locations, despite overlap in data and customers. With Spoiler Alert, Danone has been able to introduce a single, standardized and streamlined process. This has been achieved by grouping its inventory offerings by location and customer, while building configurable distribution lists to maximize the speed with which inventory is getting to market.

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RESULTS

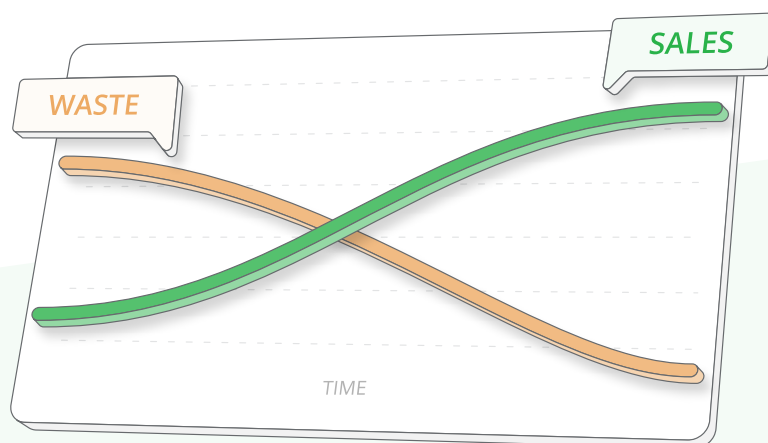### SPEED TO MARKET
67% decrease in time to prepare and deliver inventory offer sheets to all value-channel customers

PROCESS PRODUCTIVITY
50% improvement in overall markdown process and resource productivity

Spoiler Alert

Get to know us

Spoiler Alert is a Boston-based technology company on a mission to take the pain and waste out of distressed inventory management. We have deep roots in manufacturing, distribution and retail and bring decades of experience across supply chain, analytics, and sustainability.

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