

CASE STUDY

Personal Care & Beauty

FMCG Supply Chain Intelligence

Every new product launch was a guess. Every campaign stockout cost sales and brand credibility. AI made both predictable.

Personal care FMCG brand · Skincare & hair care · 120+ active SKUs · Modern trade + e-commerce

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1. Overview

A personal care brand selling through modern trade, pharmacy chains, and their own e-commerce channel launched 8–12 new SKUs per year and ran 4–6 major promotional campaigns. Each new SKU launch was planned without any demand history - the procurement team essentially guessed the initial buy quantity based on category experience and wishful thinking. Each campaign created a demand spike that regularly cleared safety stock faster than a reorder could be triggered, leading to stockouts that damaged both the promotion's ROI and the brand's shelf presence.

Post-campaign, the opposite problem: SKUs bought aggressively for a campaign that underperformed created deep overstock that required markdown or clearance - destroying the gross margin the campaign was designed to generate. The team was trapped in a cycle of stockout-overstock with every significant commercial activity.

2. Key Results

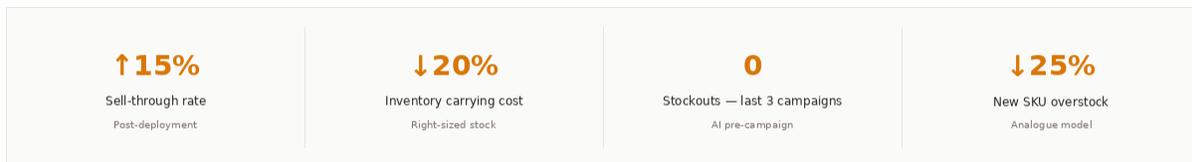


Figure 1: Key outcomes - last 3 new launches and 3 campaigns post-deployment

3. Challenges

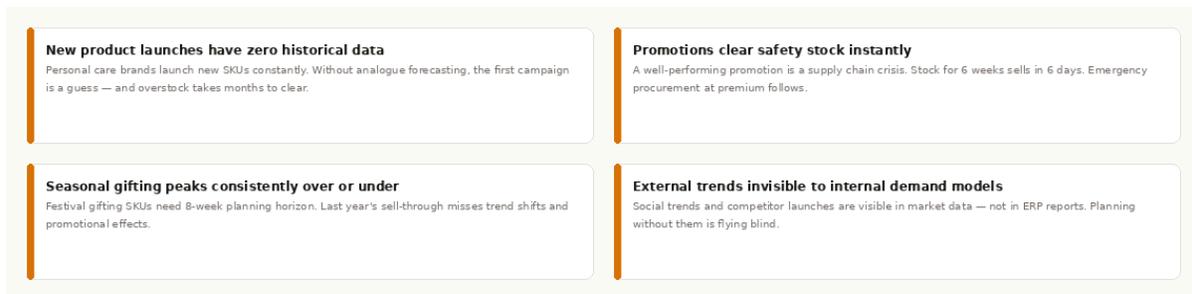


Figure 2: Four planning challenges in personal care supply chain

New SKU Launches Have Zero Historical Data

Personal care categories launch new products frequently. A brand-new SKU going into distribution with no sales history means the initial buy quantity is a guess. An analogue forecasting model - mapping the new SKU to the most similar existing product in the portfolio - provides a structured, data-driven starting point that significantly reduces first-order overstock.

Campaigns Clear Safety Stock Instantly

A well-executed promotion is a supply chain crisis without a pre-campaign procurement model. Stock built for 6 weeks of baseline demand sells in 6 days during a 25%-off promotion. Emergency procurement from secondary suppliers at premium cost follows - the margin from the campaign flows directly to spot market suppliers.

Festival Gifting Peaks Consistently Missed

Gifting SKUs for Diwali, Valentine's Day, and Raksha Bandhan need procurement decisions 8 weeks ahead. Planning from last year's actuals misses trend shifts, packaging changes, and promotional mix differences. The result is wrong quantities in the wrong SKUs every festive season.

External Market Trends Invisible to Internal Planning

Social trends, competitor launches, and ingredient-based search trends are visible in market data - but not in ERP transaction reports. Planning built only on internal data is structurally blind to the market signals that most influence personal care demand.

4. Our Solution

We connected to their SAP system, modern trade POS data, and e-commerce platform. Our analogue forecasting engine mapped each new SKU to its closest portfolio match across category, price point, and target consumer - providing an initial demand baseline before the first unit sold. Campaign-aware procurement caps were generated for each promotional event, preventing both stockout and overstock.

Modules Deployed



Implementation Timeline



Figure 3: Analogue model and campaign module live by week 2

Key Capabilities

- **New SKU intelligence:** Analogue forecasting - new SKU mapped to portfolio match for first-buy quantity recommendation

- **Campaign planning:** Campaign procurement cap - maximum buy per SKU per campaign to prevent overstock even if the campaign outperforms
- **Festival planning:** Festival gifting module - 8-week ahead demand forecast for seasonal gifting SKUs
- **Market intelligence:** External trend integration - market signals, search trends, and category data feed into the demand model
- **AI chatbot:** AI Assistant: 'What should we buy for the new moisturiser launch?' - procurement plan based on analogue model

5. Results - Before & After

Area	Before	With Innovacio
New SKU accuracy	Guesswork — no history	Analogue model — closest SKU mapped
Campaign stockouts	Every promo — stockouts	0 stockouts last 3 campaigns
Post-launch overstock	40%+ excess typical	↓25% forecast cap
Sell-through rate	Variable — heavy discounting	↑15% improvement
Carrying cost	Excess standard	↓20% right-sized
Market signals	Internal data only	External trends integrated

Figure 4: Six metrics across new launches and campaigns



Our last three new SKU launches all performed within 15% of the AI-generated forecast. Before, we were regularly off by 60–70% in either direction. The first launch that ran on the analogue model saved us ₹8 lakh in overstock that we simply didn't buy.

- Karan Mehta, VP Supply Chain · GlowCo Personal Care

6. See It in Your Operation

We map your next SKU launch to your portfolio and show you the analogue-based procurement recommendation - in 30 minutes, before you've committed to a single unit.

Innovacio Technologies AI in Supply Chain	Book a Free Discovery Call 30 minutes · No commitment · Your data	Phone Email Web	+91 90072 71601 hello@innovaciotech.com innovaciotech.com
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