

Behind the scenes of innovation success:  
the volume forecasting model has proven to be a reliable management tool.

# Predict, measure, learn, and adjust

In the dynamic FMCG market, a solid volume forecasting model can make the difference between a successful product launch and a costly failure. "Volumetric" studies form the foundation for business cases, production planning, distribution agreements, and marketing budgeting.

Their true value is realized when forecasts are validated against actual performance and the resulting insights are leveraged to drive continuous improvement.

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## INNOVATION



TSVC conducted a post-calculation for FrieslandCampina on three innovations: a drinking yogurt, an spoonable yogurt, and a 0% added sugar concept. For each project, a scenario model was developed that predicted expected sales under different levels of distribution, pricing, and awareness.

The results were convincing: actual volumes fell within a range of  $\pm 10\%$  of the forecast (indices 90–99). This confirms that the model

is not only theoretically strong, but also practically reliable and usable.

At the core of the approach is TSVC's proprietary TVM method, which combines consumer behavior, brand awareness, and the effects of price, promotion, and distribution into quantitative scenarios. The model not only predicts how much will be sold, but also under which market conditions this occurs.

This enables innovation managers, marketing managers, and sales directors to make better-informed decisions, for example regarding optimal distribution levels, break-even media budgets, or combinations of price, distribution, and awareness that deliver the highest ROI (Return on Investment).

An important insight is that post-calculation is not the final step, but rather the starting point for continuous improvement. By comparing forecasted and actual volumes, brands can learn from execution effects, marketing impact, and consumer behavior. This cyclical approach—predicting, measuring, learning, and adjusting—turns volume forecasting into a management tool rather than a black box.

### Cyclical learning

Post-calculation is the starting point for continuous improvement. Comparing forecasted and actual volumes reveals:

- Execution effects (actual distribution vs. planned)
- Marketing impact (effectiveness of the media mix)
- Consumer behavior (unexpected preferences or price sensitivity)

These insights are then used to optimize future product launches.

The results illustrate the concept of “Return on Research”: research not only provides information, but also generates knowledge and measurable returns. As a result, “volumetric validation” is becoming a standard component of go-to-market processes, with brands increasingly asking: “What do we expect?” and “What have we learned?”

### Return on Research

Volume research delivers not only information, but also knowledge and measurable returns. “Volumetric validation” is increasingly becoming standard in go-to-market processes: Not only: “What do we expect?” But also: “What have we learned?”

In short, accurate volume forecasting is not a matter of luck, but of a systematic process of modeling, ...

**Accurate volume forecasting is not a matter of luck, but of a systematic process of modeling, realistic planning, and rigorous post-calculation.**

### Feedback or ideas?

In every edition of FPWork, we discuss a topic related to innovation. Do you have questions or suggestions? Let Gijsbert den Hertog know via [gdenhertof@tsvc.nl](mailto:gdenhertof@tsvc.nl).



Realistic planning and accurate post-calculation are key. For FMCG manufacturers, this represents a step forward: from estimating to knowing, from forecasting to learning, and from a “black box” to measurable returns. The proof of the pudding has been delivered—and confirms that this is a reliable management tool.

### TSVC Innovation Masterclass

TSVC offers a free masterclass on this topic: “Volume forecasting models as a reliable management tool for innovation”.

In a one-hour session, we will discuss several real-life cases, do’s and don’ts, and user experiences.

Want to learn more about the free masterclass? [gdenhertof@tsvc.nl](mailto:gdenhertof@tsvc.nl)

## TSVC VOLUME VALIDATIE MODEL

predict, measure, learn and adjust.

