Everest Group®

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Revenue Growth Management (RGM) 2.0: the Next Battleground for Enterprise Technology in CPG

Contents

Introduction

Revenue Growth Management (RGM) is emerging as a strategic imperative for CPG enterprises amid tightening margins, tariff wars, inflationary pressures, and shifting consumer behaviors. What was once viewed as a tactical pricing lever is now evolving into a data-driven growth engine – enabling smarter promotion planning, dynamic pricing, and precision assortment.

Yet, many companies face significant barriers to effective execution, including fragmented data ecosystems, legacy analytics tools, and limited cross-channel integration. The urgency is heightened by digital acceleration and increased channel complexity, which demand more agile, scalable solutions.

For enterprises, RGM offers a path to sustainable profitability and sharper commercial execution. For technology providers, the timing is ripe: a rapidly expanding market, underserved by current solutions, presents a rare opportunity to lead in shaping next-generation RGM ecosystems. By leveraging AI-powered analytics, real-time data integration, and scalable cloud-based platforms, they can help RCPG companies unlock new value sources and deliver measurable business impact.

In this Viewpoint, we explore:

- Why RGM is important for both enterprises and technology providers
- The core pillars of RGM and how current technology capabilities align – or fall short – across these dimensions
- Technology providers' notable developments shaping the RGM landscape and impact across enterprises

Why RGM is ripe for innovation and investment

RGM is fast becoming a high-impact priority for the RCPG industry. While the business case is clear – enhancing profitability, agility, and promotional effectiveness – the technology landscape remains fragmented. A surge in enterprise interest, coupled with rapid market expansion and no single provider leading the space, highlights a major whitespace for technology providers.

Exhibit 1: RGM at an inflection point: why technology providers must act now

Source: Everest Group (2025), US Census Bureau

Big deals, bigger momentum	Trade spend continues to be CPGs' second-largest cost after COGS; TCV of contracts with RGM in scope range from US$5-30million over 3-5 years
	RGM is becoming a CFO initiative, as companies sharpen pricing, promotion, and mix capabilities
Profit pressures fuel RGM	With erratic sales growth (-0.9% MoM in January 2025 and 0.2% MoM in February 2025 in US) and pricing driving most gains, RGM is essential to stabilize volume
	For instance, PepsiCo is reversing shrinkflation by adding 20% more chips to its larger packs to recover volume growth
No clear technology leader	There are over a hundred local and global RGM providers with enterprises using multiple partners – there are no end-to-end winners in this fragmented space yet
	For instance, Blue Yonder offers strong pricing solutions, but has limited trade promotions capabilities
AI is the key	Eight in ten companies rank AI integration among their top three strategic investment priorities within RGM for the next 12-18 months
	A unified RGM framework, powered by AI, advanced analytics, and seamless integration, can unlock significant benefit

As RGM cements its place on executive agendas, the urgency for scalable, integrated solutions is growing. Hence, to unlock full potential, technology providers must go beyond point solutions and collaborate closely with enterprises to build adaptive, data-driven ecosystems.

The RGM technology map: what is built, what is missing

As RGM gains traction across enterprises, the technology landscape is still taking shape. Exhibit 2 outlines current capabilities and whitespace opportunities across key RGM drivers highlighting where providers are innovating and where they need further development.

Exhibit 2: Current and future RGM technology capabilities

Source: Everest Group (2025)

[NOT EXHAUSTIVE]

RGM lever	Key solution functionalities	Leading technology providers	Current whitespace and potential opportunities
Pricing	• AI/ML delivers real-time pricing, margin analyses, simulations, and pricing approvals • Integrated pricing connects to sales/finance for dynamic adjustments	• Revionics' multi-agent AI pricing automates pricing decisions • Vendavo, Zilliant offer AI-driven dynamic pricing • PROS and Price Edge focus on customer-specific, agile pricing	• Autonomous AI pricing systems simulate, decide, and execute strategies with minimal human input • Solutions embed carbon or sustainability scores directly into pricing decisions
PPA	• Models optimize product sizes, formats, and pricing to find channel-specific price-pack sweet spots • Tools simulate PPA what-if scenarios for smarter decision-making	• Blue Yonder links PPA with supply-chain feasibility • UpClear offers comprehensive tools for price-pack structures • Vendavo optimizes discounts and allowances effectively	• Virtual digital twins simulate consumer behavior and competitor response in real time • Fully automating shrinkflation strategies dynamically
Promotions management	• RGM tools optimize product mix by analyzing SKU profitability, velocity, and redundancy • Forecast demand and revenue across assortment scenarios	• Salesforce runs personalized coupon campaigns • Oracle automates promotion optimization • RELEX and Revionics optimize promotion pricing	• AI autonomously adjusts promotion calendars, discounting, and marketing in real time • Blockchain enables transparent, real-time validation of promotions across the retail chain
Product mix	• Tools cluster products by preferences or margins and flag weak SKUs for pruning • Forecast demand by scenario, factoring in space and category roles	• o9 enables AI-driven SKU rationalization • Anaplan supports scenario-based mix planning • SAP delivers margin optimization tools	• AI will autonomously manage SKUs, adding or delisting based on performance • Generative AI suggests new products from unstructured demand signals
Trade promotions optimization	• Systems unify trade plans with financials to show true net revenue post-trade spend • Advanced tools optimize trade investment decisions	• SAP enables trade spend management and analytics • TELUS offers AI-driven trade promotions optimization • Infor links trade promotions to ERP systems	• AI bots handle real-time retailer negotiations, dynamically adjusting trade terms • Smart contracts auto-allocate trade spend and execute payments based on promotion outcomes

RGM in motion: innovation and impact unfolding

As the RGM landscape matures, companies are progressing beyond foundational pricing and promotion tactics toward:

- AI-powered decision-making
- Agile strategies responsive to global volatility
- Integrated, consumer-centric RGM models

Real-world case studies demonstrate how innovations such as dynamic pricing powered by machine learning, scenario planning in volatile markets, and cross-functional RGM platforms can unlock significant financial outcomes and long-term growth.

Case study 1

Hershey, a global leader in confectionery and snacking, manages a large and complex retail network with substantial investments in trade promotions. To enhance the effectiveness of its Trade Promotion Management (TPM), the company sought to improve forecasting accuracy, planning efficiency, and return on investment, while reducing the friction and failures caused by legacy systems.

Business challenge / Scope of work

- **Inefficient trade spend:** Existing systems lacked the sophistication to optimize investments and drive better promotional returns
- **Manual, complex planning:** Disparate tools and manual workflows slowed down the planning cycle and created friction across sales, finance, and demand planning
- **High system incident rate:** Frequent operational issues in the legacy TPM system negatively hampered productivity and user satisfaction

Solution

Hershey implemented SAP TPM on the S/4HANA Cloud, utilizing predictive analytics and embedded machine learning for real-time scenario modeling, AI-driven promotional optimization, automated trade investment adjustments, and enhanced cross-functional collaboration across sales, finance, and marketing teams.

Impact

7.3% increase in trade spend efficiency: Optimized promotional investments delivered measurable gains in effectiveness

99.5% forecast accuracy: Advanced forecasting tools improved planning accuracy across key SKUs and channels

Over 50% reduction in system incidents: Upgraded infrastructure reduced operational disruptions, improving user satisfaction and reliability

Stronger planning and RoI: Greater alignment across sales, marketing, and finance teams drove strategic decision-making and better outcomes

Case study 2

A Fortune 500 US department store with over 1,000 locations sought to modernize its pricing approach. The retailer faced declining market share, inefficiencies from outdated high-low pricing, and a growing need to adopt data-driven pricing models to remain competitive in a rapidly evolving retail landscape.

Business challenge / Scope of work

- **Inefficient, reactive pricing:** The traditional high-low model and manual decision-making lacked agility and consistency, resulting in delayed execution, revenue loss, and margin erosion
- **Complex promotion structures:** Managing promotional campaigns without pricing automation created planning friction and limited RoI
- **Need for strategic shift:** The retailer aimed to transition to an Everyday Low Pricing (EDLP) strategy supported by intelligent pricing tools

Solution

The retailer implemented Competera's AI-driven pricing platform to automate and optimize pricing decisions

The platform enabled advanced demand-based modeling, automated price recommendations, and real-time insights across product categories

A pilot in the fragrance category proved successful, prompting an enterprise-wide rollout of dynamic pricing capabilities

Impact

40% increase in online revenue: Optimized pricing drove significant topline growth

59% increase in units sold: Dynamic pricing improved product competitiveness and customer conversion

25% improvement in profit margins: Strategic pricing alignment with demand boosted profitability

30% growth in new customer acquisition and 50% reactivation of dormant customers

71% increase in purchases per visit and 30% boost in page views, improving online engagement and conversion rates

Conclusion

RGM is no longer a conceptual ambition, it is a structural necessity for RCPG enterprises navigating inflation, margin pressures, and shifting consumer dynamics. While organizations increasingly recognize the strategic value of RGM, most continue to struggle with fragmented systems, underpowered analytics, and disconnected commercial processes. Technology must now evolve from enabling tactical execution to orchestrating end-to-end, data-driven decision-making.

For technology providers, the opportunity lies not just in filling functional gaps but in reimagining how RGM can operate as a connected, adaptive system. This requires more than point solutions. It calls for interoperable platforms, AI-native design, real-time data integration, and the agility to scale across organizational and regional complexity.

The RGM agenda is clear – but the technology blueprint is still taking shape. Those that define it today will lead the future of profitable growth in the RCPG sector.

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