

# Question and Answer with HERSHEY



## TESTING AT HERSHEY

Since 2013, The Hershey Company has employed APT's Test & Learn® software to examine a wide variety of strategic issues, including:

- Merchandising
- Pricing & promotion
- Space optimization

In this interview with APT, David Nolen, The Hershey Company's Senior Director of US Category Strategy Insights, describes how APT's Test & Learn® software helps transform analytic capabilities, strengthens retail partner relationships, and drives value for the company.

## HOW IS YOUR ANALYTICS PROCESS DIFFERENT WITH APT, COMPARED TO BEFORE?

**Hershey:** Prior to partnering with APT, our team conducted a lot of analysis, but we wanted to leverage a more robust test vs. control methodology. Manually using a test vs. control methodology, however, can be a slow and difficult process without the right tools. Given the fast-paced nature of the retail environment, we knew the ability to accurately measure results and act upon learnings in a timely manner would be vital for growth. APT's Test & Learn® software helped us revolutionize our analytic capabilities by expanding our testing capacity and improving our ability to quickly and precisely analyze new programs. Analyzing more new programs each year has not only increased the pace of innovation, but also has helped us strengthen our credibility as an industry leader.

placement, incursion, and pricing, among others. We have even measured the sales impact of various sporting and weather-related events on our products.

For instance, Test & Learn® enabled us to analyze the impact of Hurricane Sandy and discover surprising and valuable insights. As sales were skewed due to the hurricane, we were able to quantify expected demand using APT to correctly plan inventory for the following year.

Licensing APT software and having access to its vast data platform, which integrates multiple data streams, provides significant return on investment for Hershey.

## HOW HAS APT HELPED THE HERSHEY COMPANY IMPROVE COLLABORATION WITH RETAIL PARTNERS?

**Hershey:** One of the biggest advantages of working with APT is that so many of our retail partners are already using APT's Test & Learn® software. Specifically, APT helps us generate results with the same transparent, unbiased methodology that many of our retail partners already know. Our retail partners that are already familiar with APT regard our analytics

## WHAT ARE SOME INITIATIVES WHERE APT HAS DRIVEN VALUE FOR THE HERSHEY COMPANY?

**Hershey:** We have used APT's software to analyze a variety of applications, including merchandising, in-store fixtures, product



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## ABOUT THE HERSHEY COMPANY

The Hershey Company, headquartered in Hershey, Pa., is a global confectionery leader known for bringing goodness to the world through its chocolate, sweets, mints and other great-tasting snacks. Hershey has approximately 22,000 employees around the world who work every day to deliver delicious, quality products. The company has more than 80 brands around the world that drive more than \$7.4 billion in annual revenues, including such iconic brand names as Hershey's, Reese's, Hershey's Kisses, Jolly Rancher, Ice Breakers and Brookside. Building on its core business, Hershey is expanding its portfolio to include a broader range of delicious snacks. The company remains focused on growing its presence in key international markets while continuing to extend its competitive advantage in North America. Visit [www.hersheys.com](http://www.hersheys.com) to learn more.

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with immediate credibility, and using APT provides a common language to discuss analytics with retail partners. As a result, we have been able to collaborate closely and help our retail partners grow their entire confectionery categories.

Our partnership with APT has also strengthened our relationship with our retail partners who aren't currently using APT. They are always impressed by APT's advanced analytic capabilities, and they trust the insights we generate through APT.

### HOW WOULD YOU DESCRIBE YOUR WORKING RELATIONSHIP WITH APT?

**Hershey:** Our relationship with APT is a true partnership. APT uses the "teach you how to fish" model, and they have helped our team establish and expand our testing capability. Additionally, APT's support structure is remarkable. Our team is in constant communication with APT, speaking regularly with their dedicated team of consultants as they support the development of our testing capabilities. They serve as thought partners as we continue to

use the software in new ways, and our partnership continues to evolve as our analytics team grows. Furthermore, they have helped us institutionalize the Test & Learn® process by teaching us best practices. As a result, we are currently building a "Center of Excellence" team to centralize the testing process and maximize profits.

### HOW HAS YOUR PARTNERSHIP WITH APT EXPANDED OVERTIME?

**Hershey:** Our partnership with APT is constantly expanding to new products, retail partners and countries. We are now using APT to measure tests with many of our U.S. retail partners and are expanding our APT relationship to Canada and Mexico as well. Beyond APT's Test & Learn® capabilities, we use APT's Data Explorer and Benchmark software to help us optimize our merchandising and understand geographic and demographic trends. We also use APT's Space Planning Optimizer (SPO) to help our retail partners revamp their store layouts to maximize the productivity of every square foot of space.



## ABOUT APPLIED PREDICTIVE TECHNOLOGIES (APT)

APT, a MasterCard company, is a leading cloud-based analytics software company that enables organizations to rapidly and precisely measure cause-and-effect relationships between business initiatives and outcomes to generate economic value. APT's Test & Learn® software is revolutionizing the way companies harness their Big Data to accurately measure the profit impact of pricing, marketing, merchandising, operations, and capital initiatives, tailoring investments in these areas to maximize ROI. Visit [www.predictivetechnologies.com](http://www.predictivetechnologies.com) to learn more.