

Wspólne planowanie półki i asortymentu zgodnie z oczekiwaniami kupujących

Jak to zrobić efektywnie?

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Complex and challenging environment



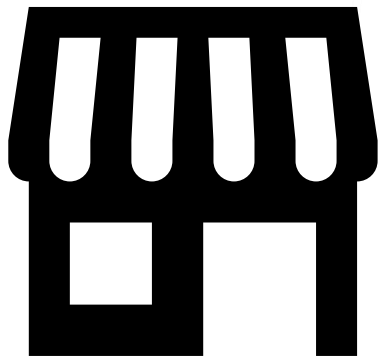
Cautious, Intentional

Shrinking wallets

Value for money

Disloyal Shopper after crisis

32% will change a store, depending on promo offering



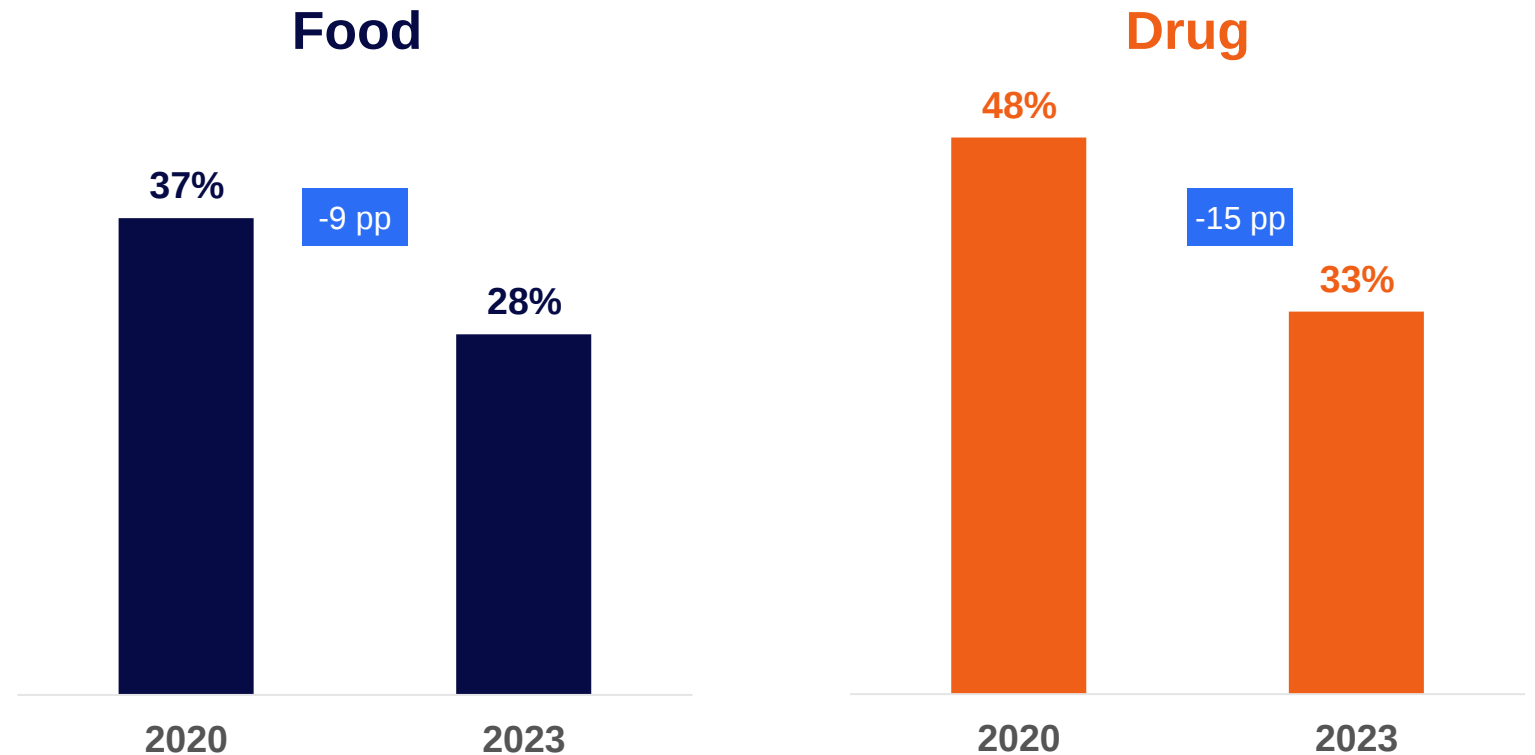
54% actively looks for promotions, either changing store or looking for promo in store



Shoppers are disloyal towards brands



I knew what **brand** I wanted to buy:



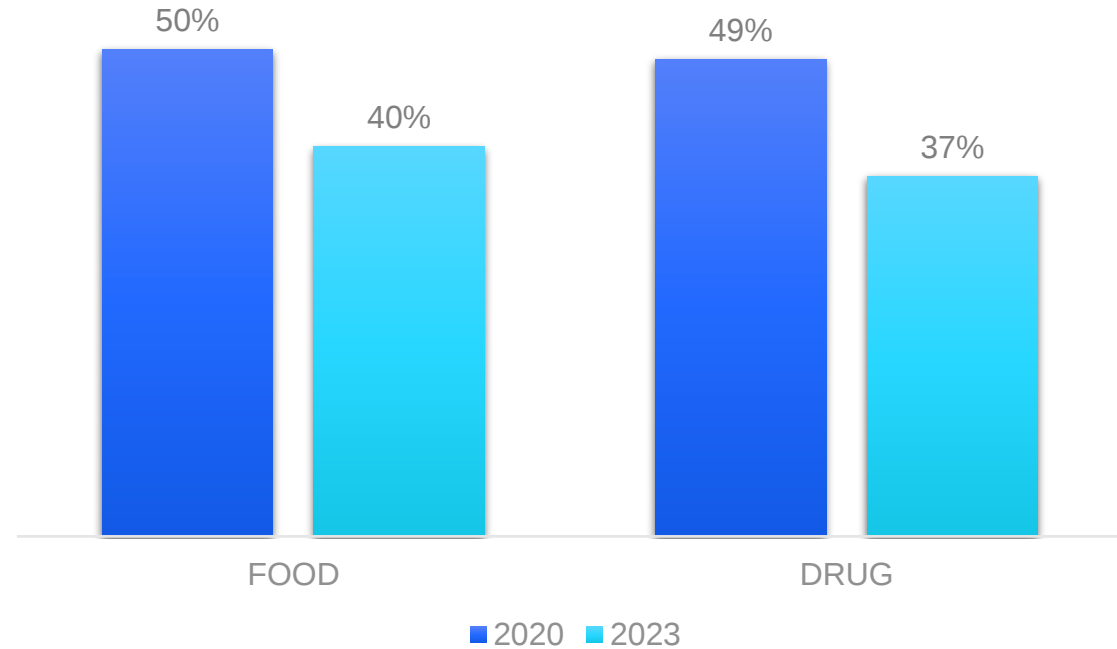
Źródło: NielsenIQ Category Shopping Fundamentals, 2020, 2023

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Less autopilot shopping makes shelf to be a real Moment of Truth

Average % of purchases "automatically"



Less autopilot

The decisions are taken in front of shelf, and based on shelf offering

The challenge: The shelf is changing

The right pricing, promotion, assortment and marketing strategy can't have impact if a product is not *on the shelf*

The
purpose of
the shelf
and the
store is
changing

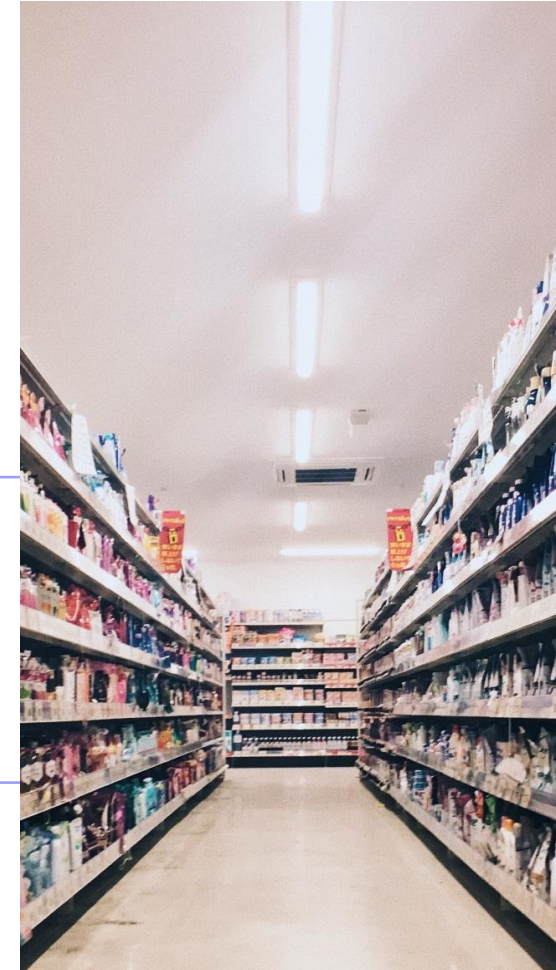


● **Brick-and-mortar** stores are now also fulfillment centers for online purchases

● The shelf needs to support more frequent shopping events

● Assortments (avg # items per store) are shrinking, but avg # of **active items** is **increasing**

● **Private label** products are **growing**



Shelf space
is under
pressure

Keep it simple

26%

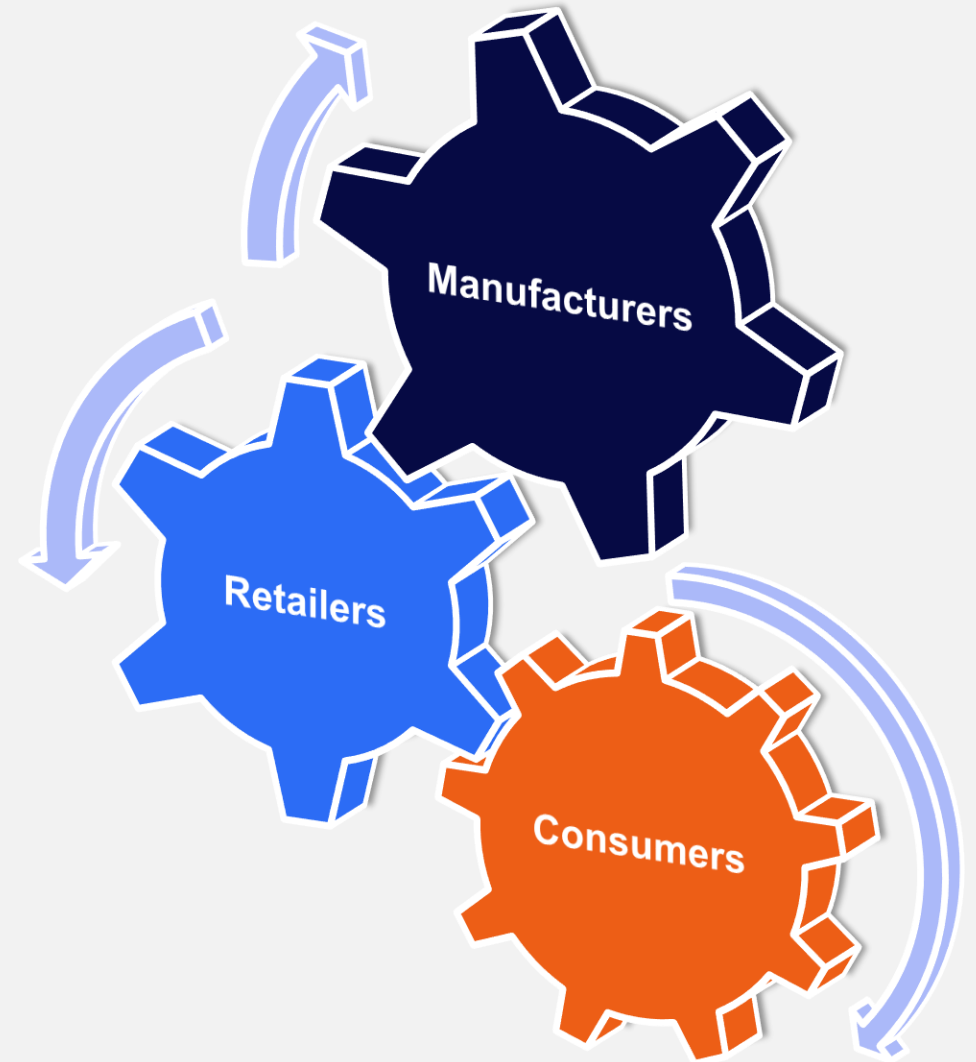
I often feel **overwhelmed with information** when I am making a large purchase (e.g. car, washing machine, TV, furniture etc.)



30%

Having **less choice** makes it **easier** for me to make a **purchase decision**

**The complexity can
be solved
by combining
Shopper,
Manufacturer, &
Retailer
perspective.**



Shopper

Target relevant shoppers



Gain insights into your shoppers' needs, habits, motivations, along with their pre-store shopping influences and explore how these elements vary across your key markets and channels.

Shop

Unlock channel & retailer choice



Enhance your strategy based on which missions are most important, and what factors drive channel and retailer choice for your category.

Shopping

Influence purchase decisions



Sharpen your strategies and retail tactics (shelf layout, point-of-sale materials, promotions, in-store location, displays) to grab shoppers' attention at the point of purchase

Business Challenges

“Wrong products at the wrong shelf that result to increased out-of-stock conditions”

“Poor execution levels and ability to track compliance leading to lost sales”

“Lack of extensive support by experienced consulting teams”

“Too much time spent in operational tasks instead of investing on what matters to me the most”

“Costly, long software implementations plus increased level of complexity making it difficult for our teams to follow”

Synchronize the vast product offer with limited shelf & basket size

Avg # of items in Supers* **~4K**

Assortment change in Poland **-6,3%**
2023 vs 2022

Is the product range too wide with respect to what ends up in shopper's baskets?



<200 SKUs

50%

of retailers examine
assortment compression

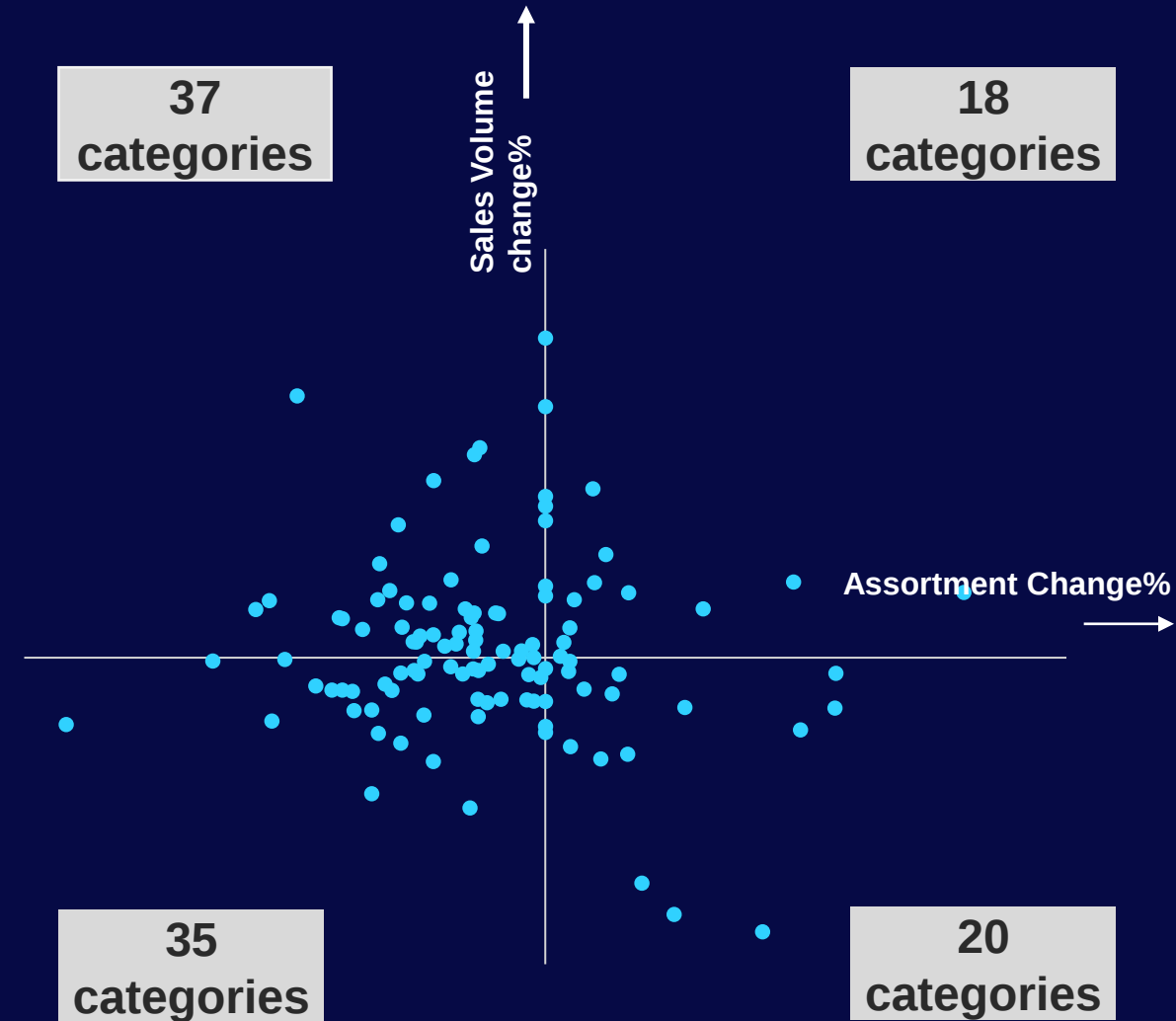
85%

of executives in FMCGs
agree that their assortment
needs rationalization

There is no correlation
between increasing
Assortment vs.
increasing *Sales*

Source: RMS Serbia Multicategory Mar24

Assortment Change % vs Sales Volume change %



Total of 110 FMCG categories

Portfolio fragmentation index = Share of Assortment/ Share of Volume

With changes in channels, it is important to get the shelf right first

With *limited shelf space* on offer, it's imperative your merchandising decisions to hit a *sweet spot* within the category

80%+
of volume
is driven by
product being
on shelf

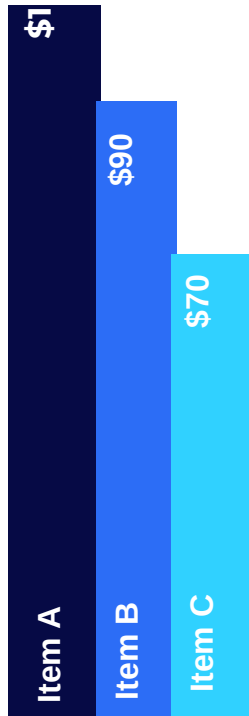
Shopper's
decision
limited to 3-
7 sec

~ 4k items
per average
supermarket

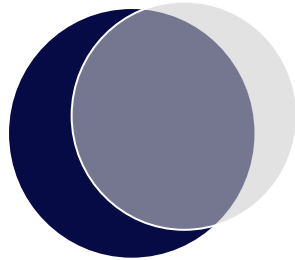


How to identify the best team of SKUs to drive growth? Incrementality as guiding principle for assortment decisions

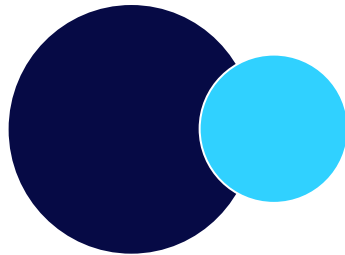
Don't rely solely on sales rankings to tell the story



VS

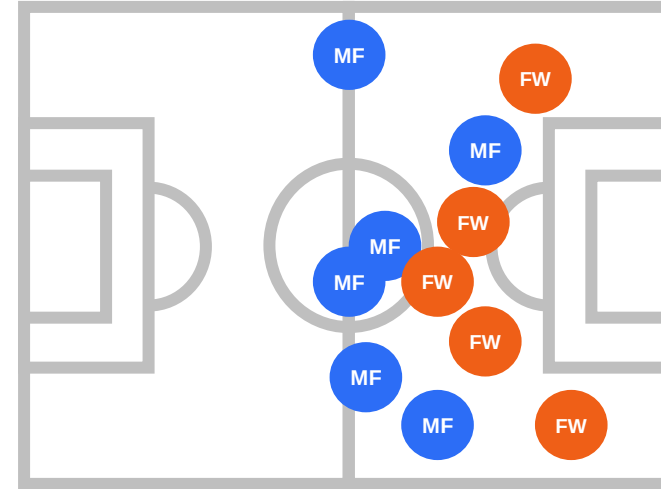


High cannibalization
Incremental sales: \$35



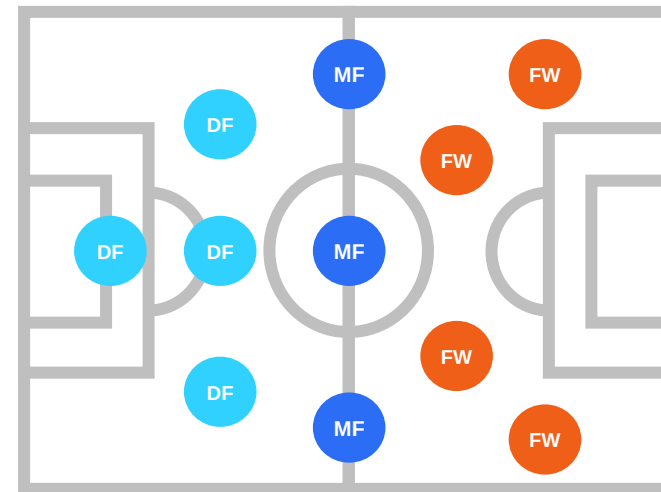
Low cannibalization
Incremental sales: \$50

Sales data only tells you one part of the story. Identify the **incremental value** to deliver **maximum sales**.



High performing individuals

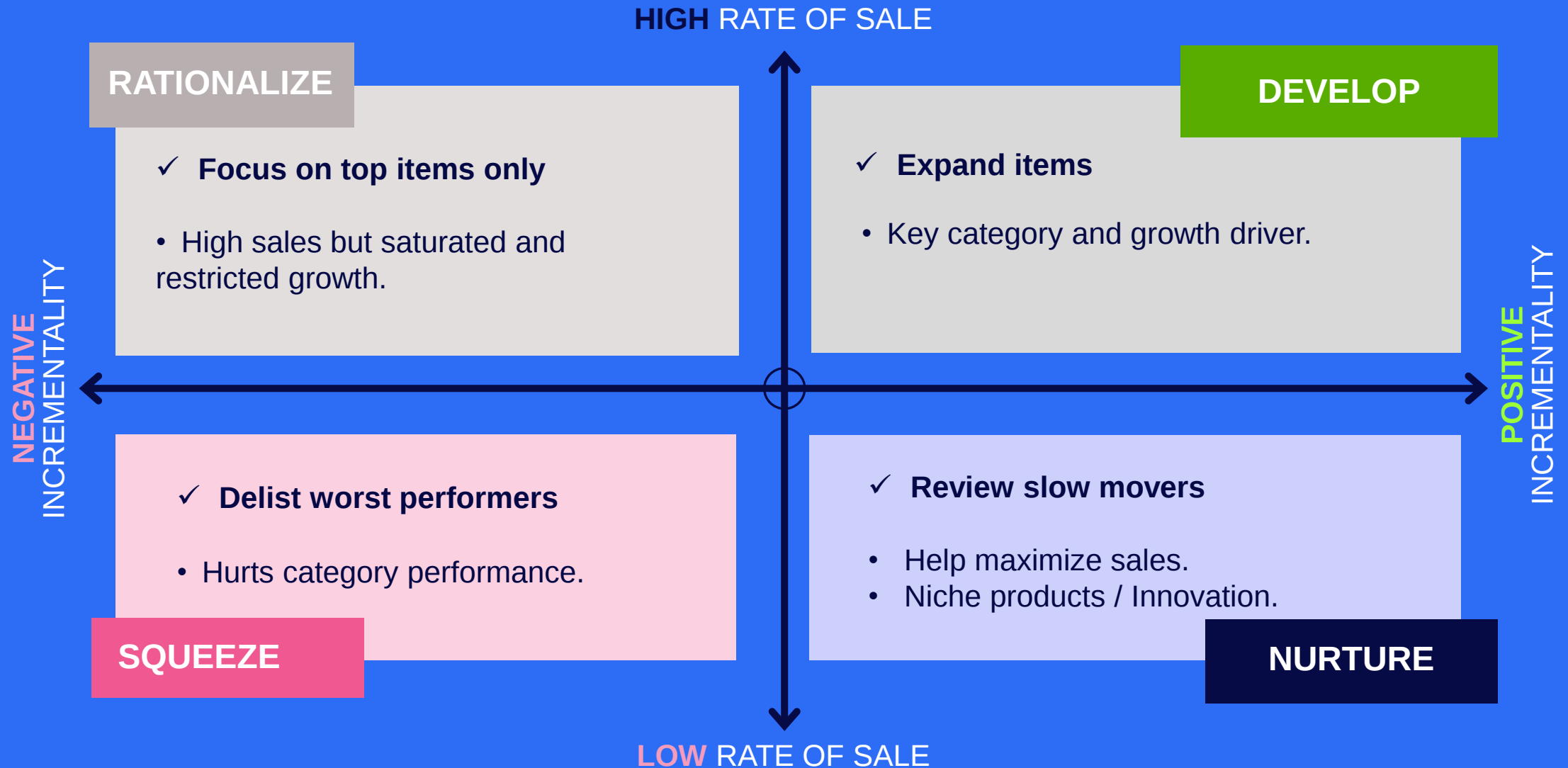
Team of strikers see primadonnas on the same team get in each other's way.



High performing *teams*

If everyone has a defined role to play, team is more efficient and all positions are covered – better results.

Strategic Implications



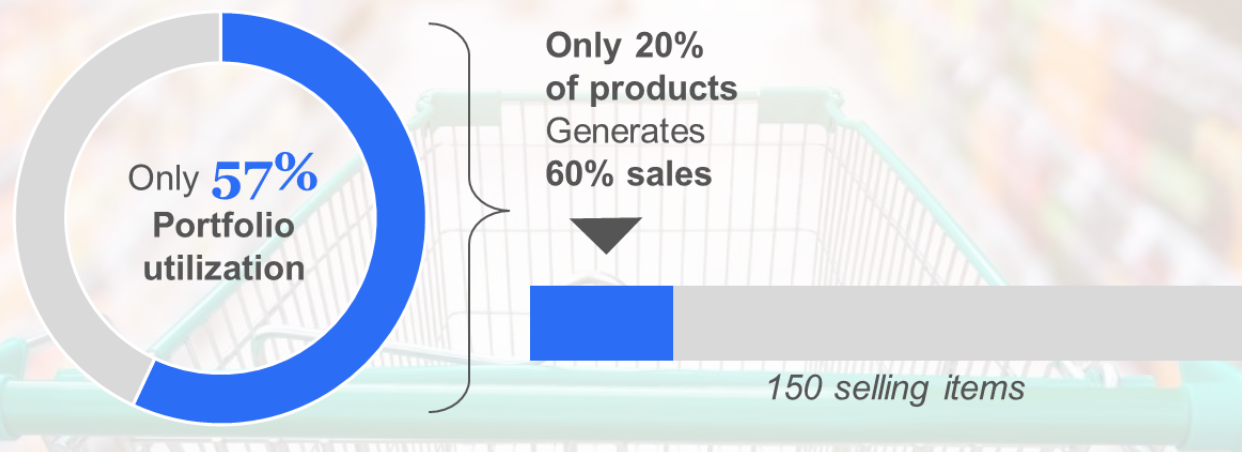
CASE: Fueling growth through a manufacturer- retailer *assortment* strategy (1/2)

Main star: Manufacturer H, 60% market share.

Challenge:

- Total 150 selling items
- High concentration
- New consumer shopping habits

New shopping habits further complicated the category leading to the creation of new segments



CASE: Fueling growth through a manufacturer- retailer *assortment* strategy (2/2)

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Business Imperative

- Reduce portfolio complexity to minimize logistic costs.
- Keep stable/Increase category sales.



Findings and activation

Reduce active items by 40%:

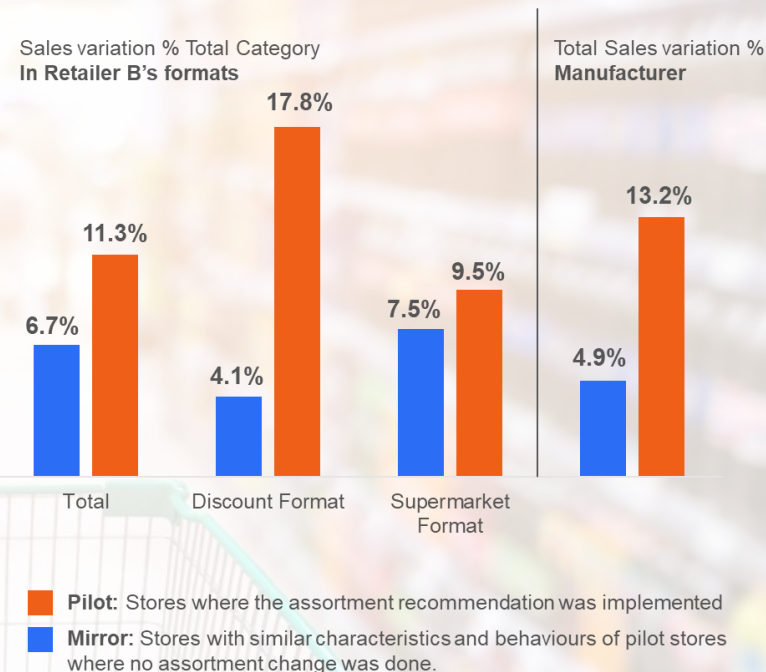
Supermarket:

- Rationalize the larger saturated segments
- Give space to the smaller incremental segments

Discounter:

- Increase active SKUs in larger segment (more incremental)
- Reduce the offering in smaller segment

+4.6% Category sales increase



Organizing shelf

May 2024



You need to find letter 'Y'

You have 5 secs for this...

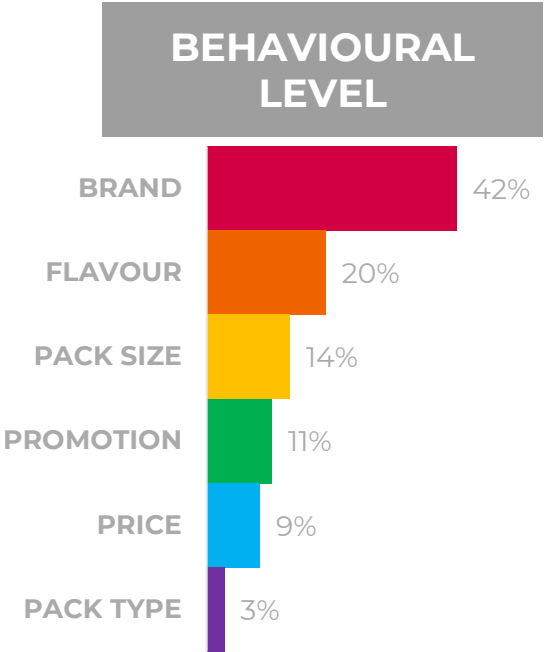
G	J	W	N	O	A	P	Q
O	M	C	E	K	L	A	A
Z	V	B	H	T	U	I	S
D	J	Y	N	L	K	X	R
A	T	H	C	U	E	O	F

You need to find letter 'Y'

You have 5 secs for this...

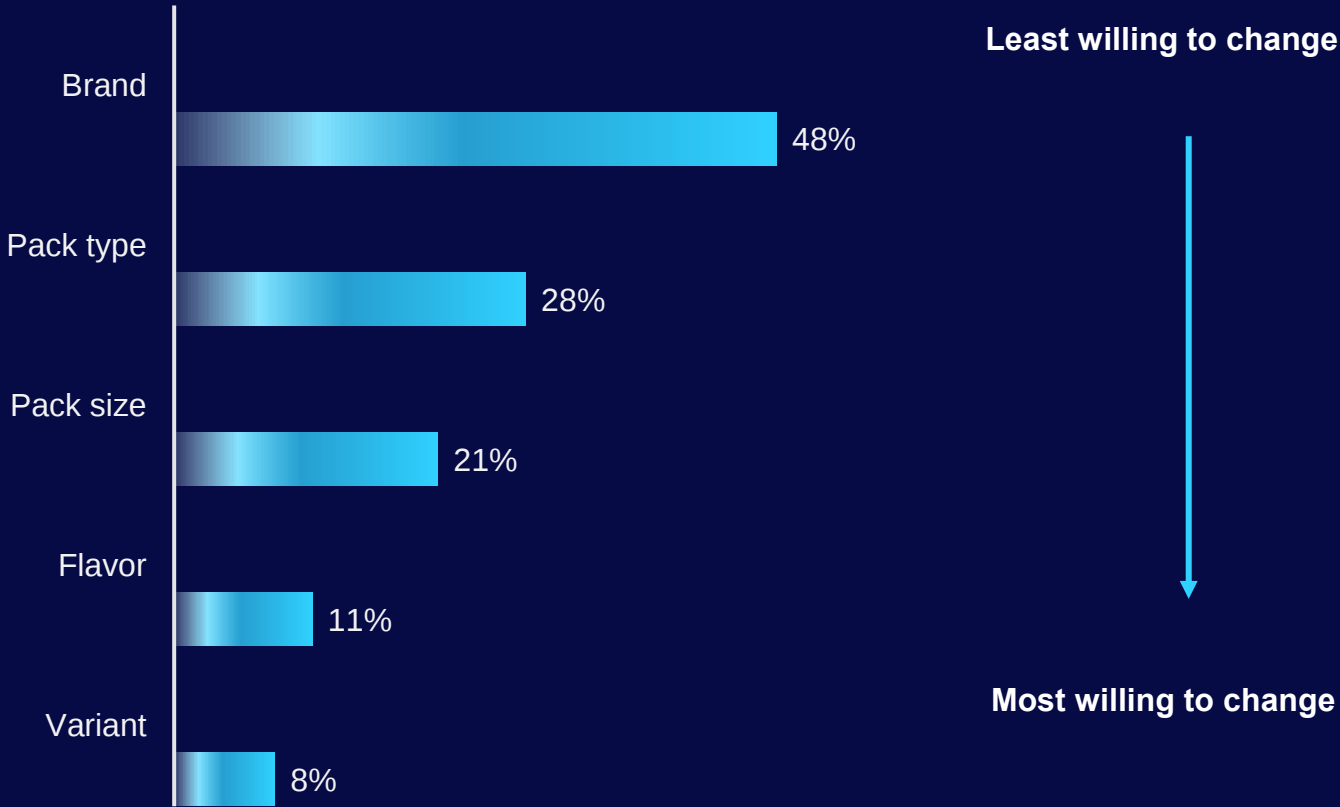
G	J	W	N	O	A	P	Q
O	M	C	E	K	L	A	A
Z	V	B	H	T	U	I	S
D	J	Y	N	L	K	X	R
A	T	H	C	U	E	O	F

Understand shopper decision hierarchy (decision tree) to know what layout facilitates shopper decisions process



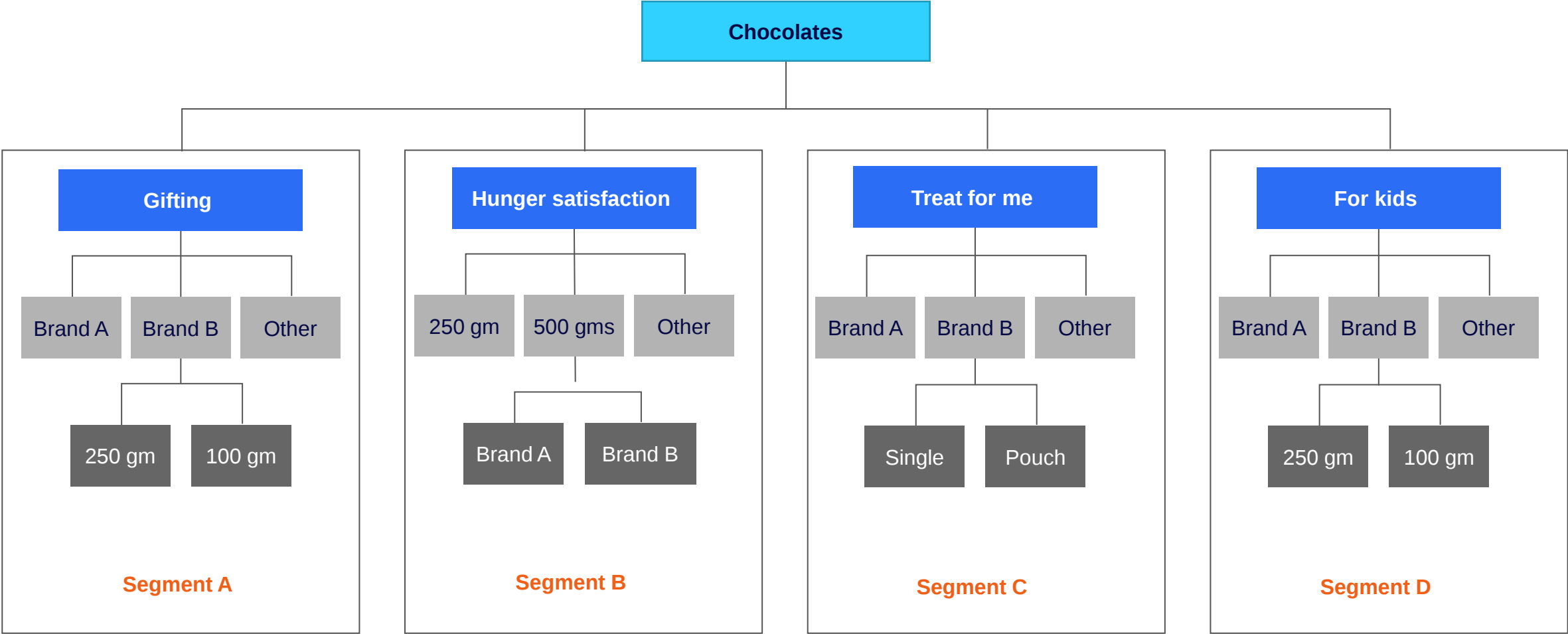
The decision to purchase chocolate is the ‘Consumption occasion’

Shopper decision hierarchy



Functional	- Hunger, energy - Break - Stress relief
Emotional	- Relaxation - Indulgence - Comfort
Social	- Family togetherness - Intimate sharing - Social fun

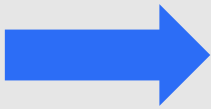
The decision tree showed a split based on consumption occasion



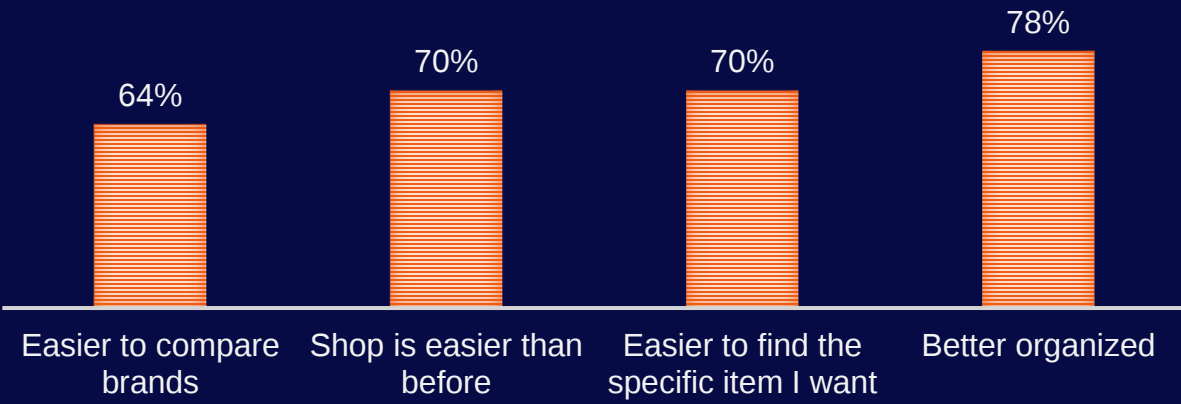
New shelf organized by consumption occasion improves sales and shopping experience



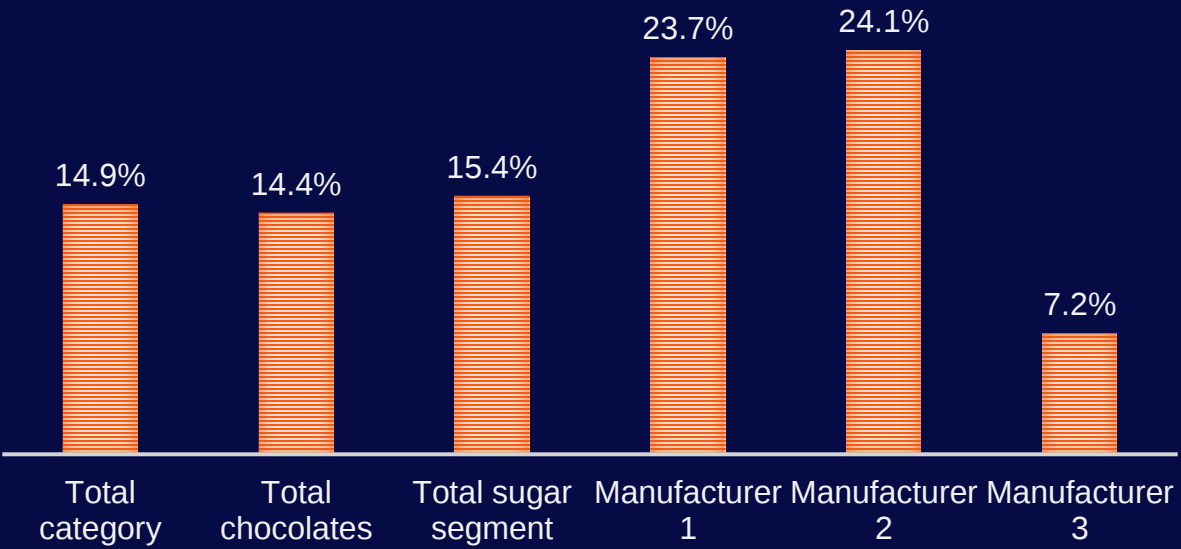
Shoppers were buying more expandable consumption



% of shoppers who agree



% increase of transaction size



Comprehensive solutions improve how you organize and visualize your shelf



Supports simple or complex planogram, building, analysis and reporting



Ensure fair share of space, manage stock levels, visualise layouts, POS materials, evaluate performance



Localize largest opportunities in the category or biggest risks



Identify pockets of growth for category and areas of risks



Visualize and apply merchandising rules to your assortment



Discover recent incremental innovation and its impact on your portfolio

Shelf Architect



Incrementality of items to category sales

Opportunity finder



Identify out-of-stock risks and reduce supply chain disruptions

Spaceman



Maximize sales and profits by improving product availability

Why invest in Space Management software?

Benefits for successful space management initiatives



Revenue increases of 10% to 20%

through reallocation of space and refined assortments that streamline store-stocking practices and improve in-stock position



Margin improvements of 5% to 15%

by identifying higher margin items, ensuring their inclusion in the range, and providing the appropriate space allocation



Inventory reduction of 5% to 10%

through the identification and removal of inefficient inventory

Gartner: Space Management in a Customer-Centric World: How To Increase Revenue and Strengthen Customer Loyalty by Mike Griswold and Lora Cecere.

Set *your path to growth* by focusing on what you can control

Re-
understand
shopper

Decode
winning
product mix

Implement
optimized
shelf space
plan

Cooperation between Manufacturer and
Retailer is critical to ensure *winning at shelf*
and *shopper satisfaction*

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