AIM SHELVES, WIN SALES

Category Adjacency & Decision Hierarchies

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Two key placement questions:

Where should my shelf be in the store?

&

Where should my skus be positioned on the shelf?

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CATEGORY SHELF PLACEMENT – WHY IS IT IMPORTANT?

Placing related categories close to each other can:

Help shoppers find what they are looking for – more time shopping, less time looking!

Prompt shoppers into making multiple purchases instead of one

Increase consideration of products when alongside rivals bought by similar shoppers

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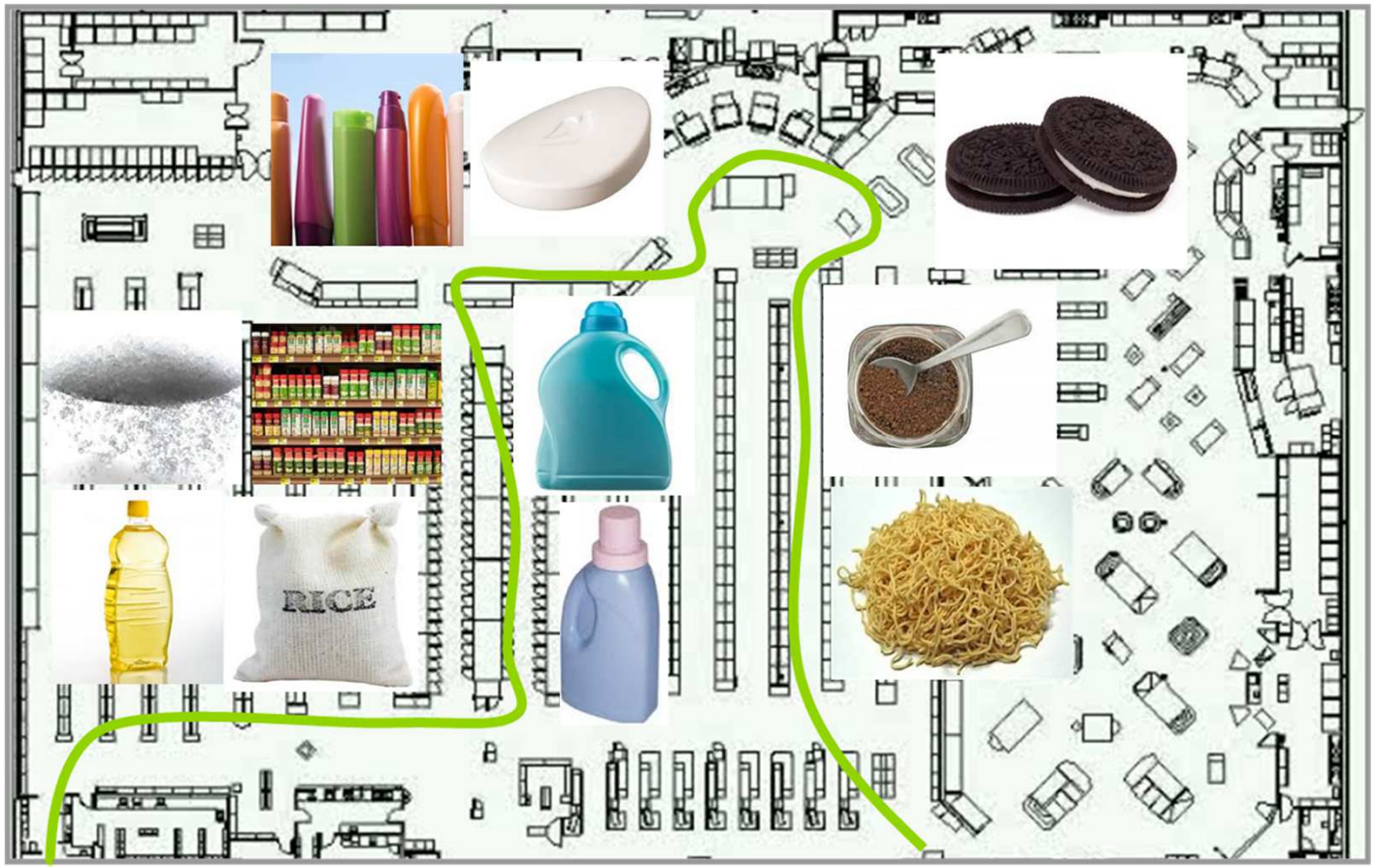
PURCHASE INTERACTIONS DO MATTER IN-STORE

I saw in store and it reminded me to buy?

52%*

UNPLANNED PURCHASING



*Source – Worldpanel China – Hypermarkets LinkQ Trip replay study

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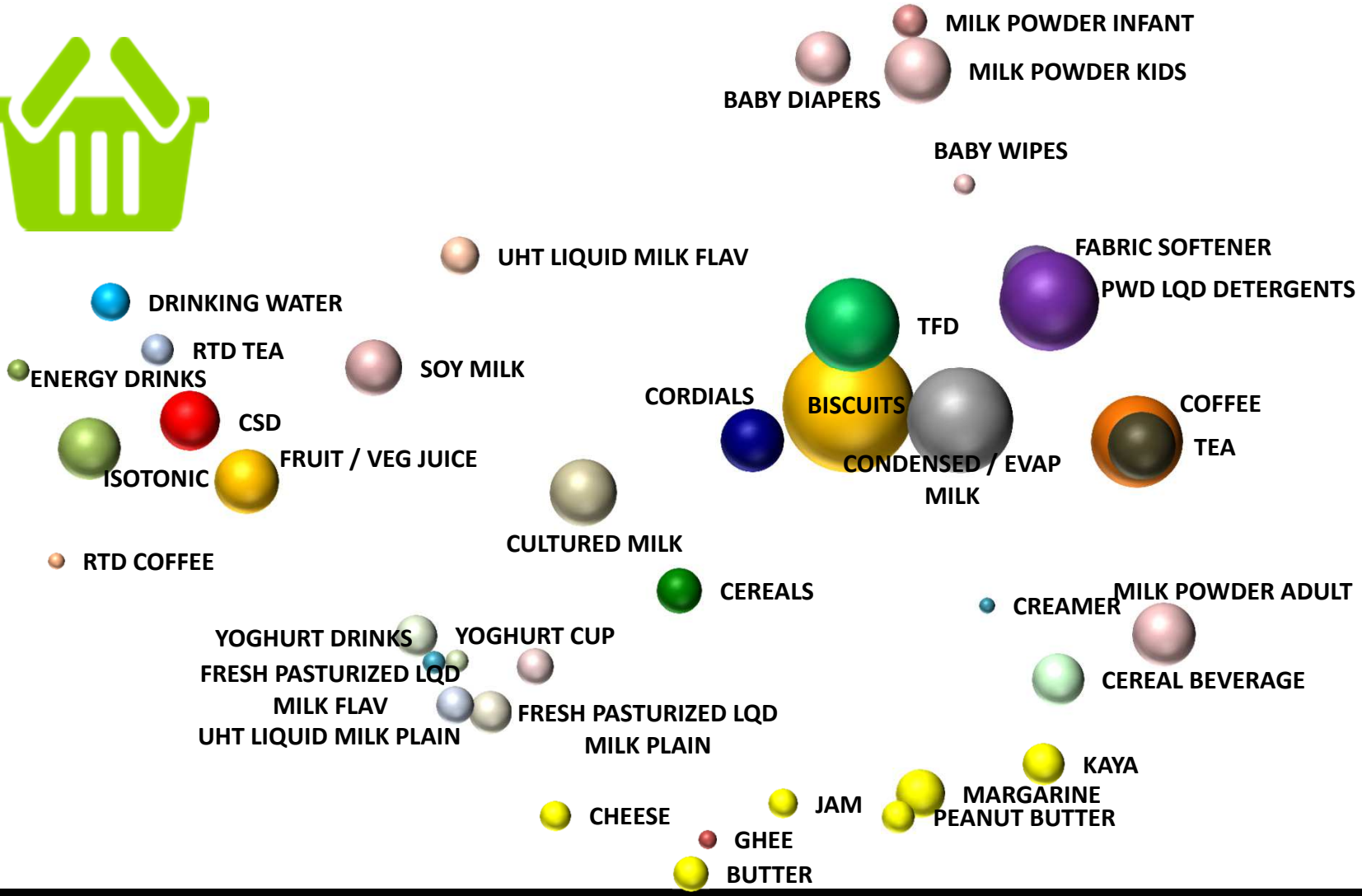
WHAT CATEGORIES SHARE BASKETS?

Basket occasions duplication reveals same trip associations.
i.e. items purchases together on the same trip.



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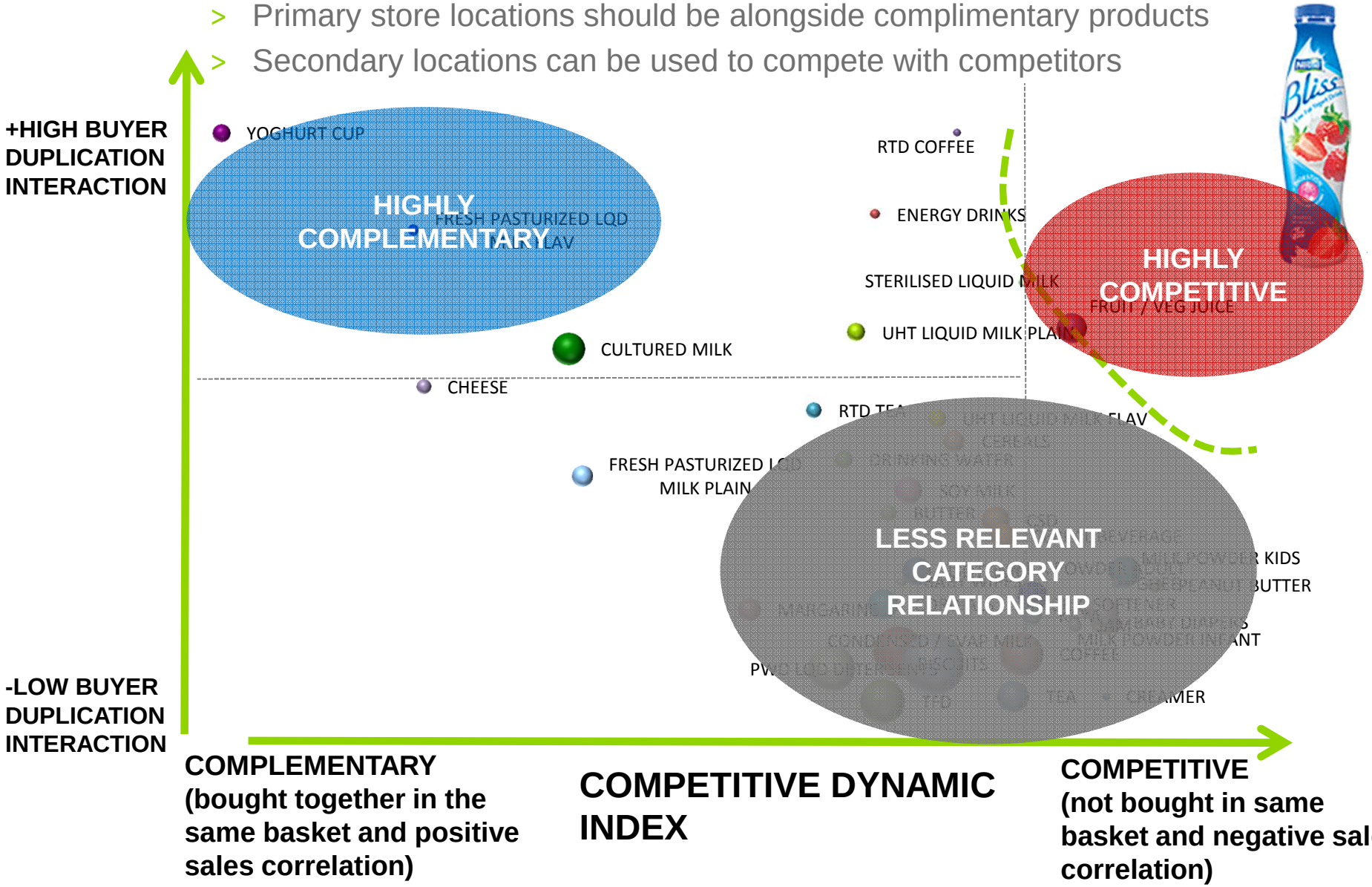
WHAT IS COMPLIMENTARY VS COMPETITIVE WITH MY CATEGORY?

> Primary store locations should be alongside complimentary products

> Secondary locations can be used to compete with competitors



COMPLEMENTARY (bought together in the same basket and positive sales correlation)

COMPETITIVE DYNAMIC INDEX

COMPETITIVE (not bought in same basket and negative sales correlation)

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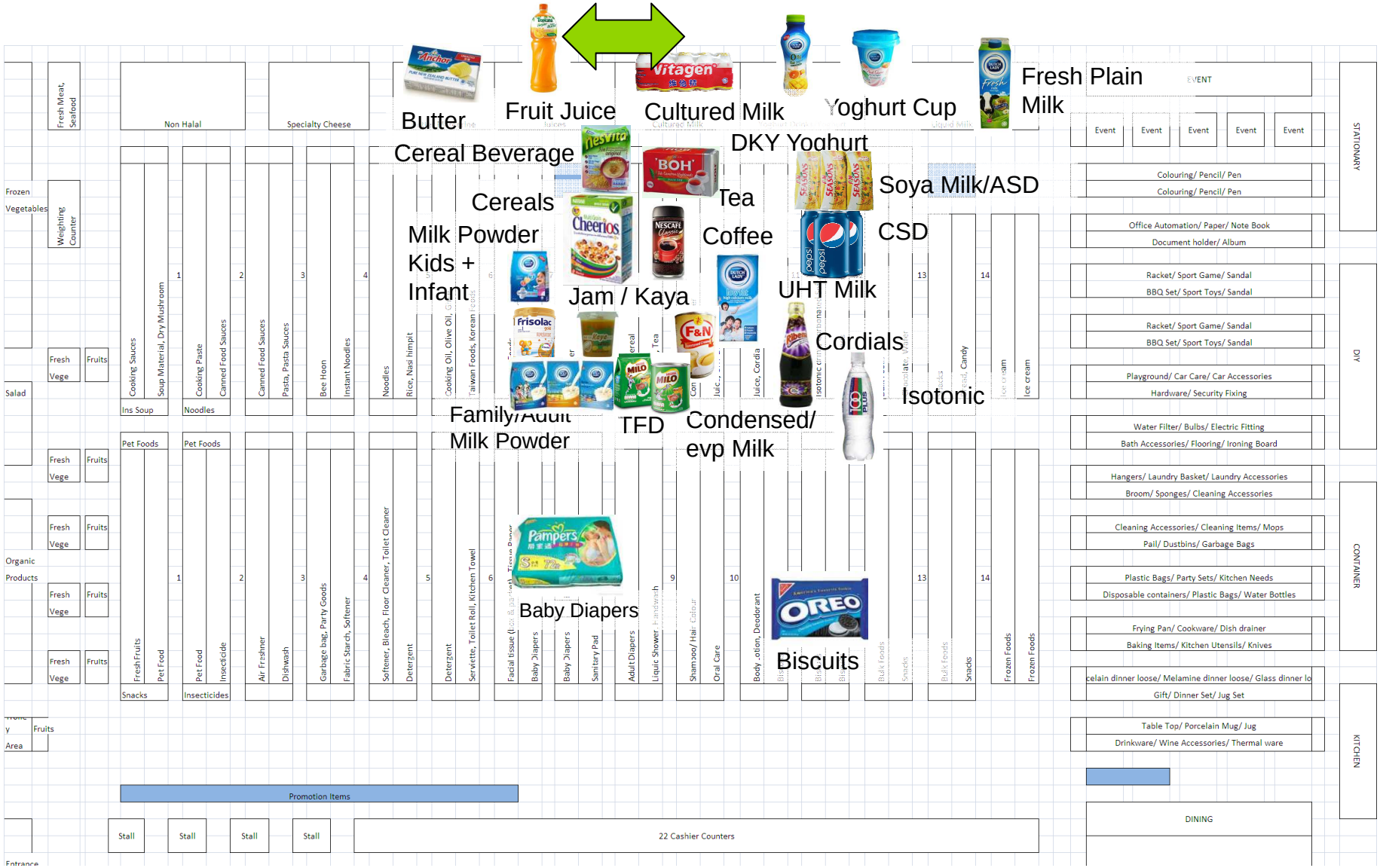
QUANTIFIED UPLIFT

Retailer performance can be used with store layouts to quantify value of adjacencies



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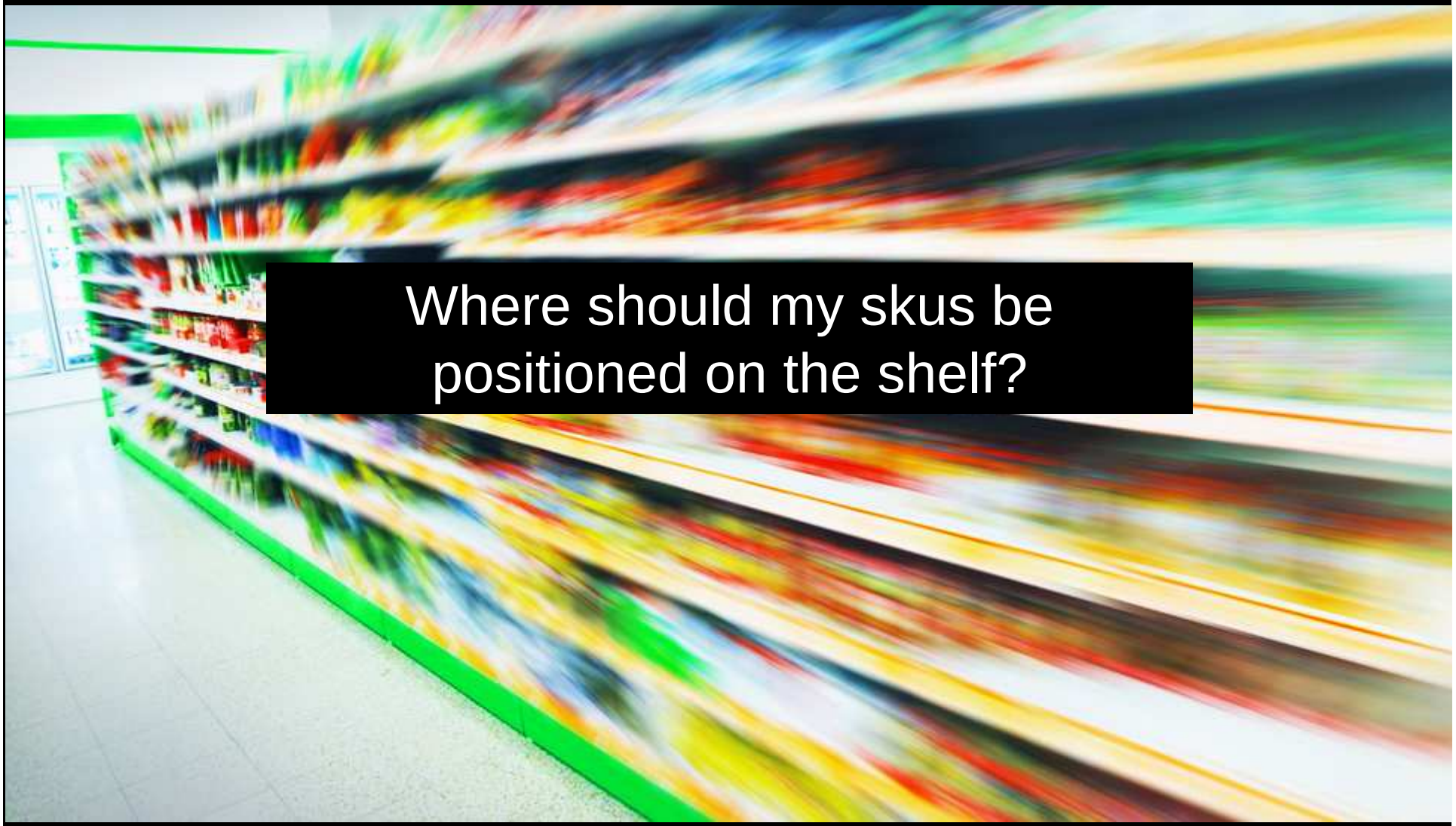

Where should my skus be positioned on the shelf?

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SHELF CONSIDERATIONS FOR BRANDS.

- Needs to be easy for shoppers to find what they are looking for
- Groupings should reflect shopper decision areas, with placements and space allocations driven by how shoppers behave
- Needs to drive growth (brand and category) by increasing focus on priority performing SKUs
- Should also be practical, both for retailer to restock and shoppers to buy from.

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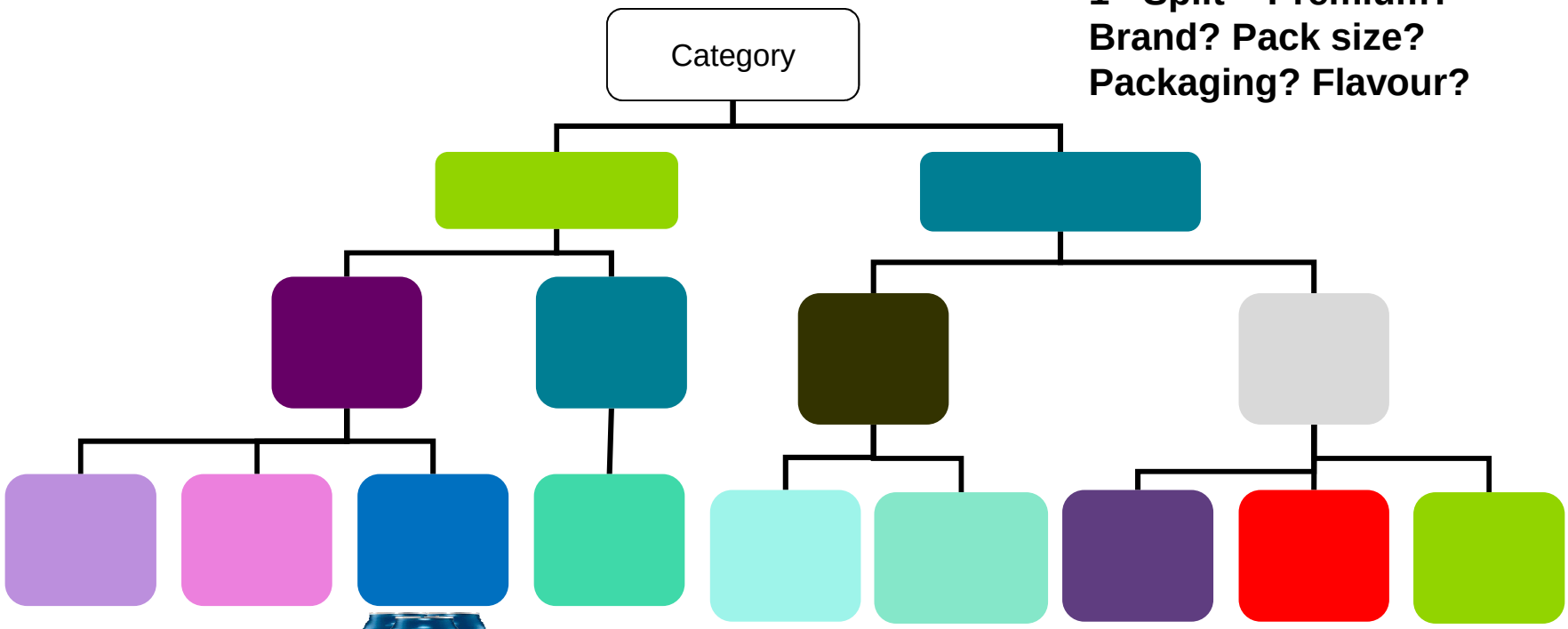
STEP 1 – THE DECISION HIERARCHY FOR THE CATEGORY

Providing a shopper lead sectorization of the category which to focus planogram shelf layouts on.



1st Split – Premium? Brand? Pack size? Packaging? Flavour?

Each end branch on the structure diagram represents a competitive set of skus that the shopper considers within their decision set.

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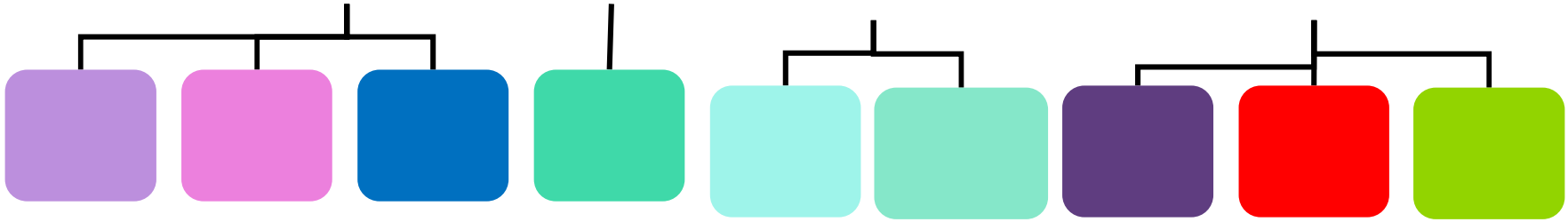
STEP 2 - OPTIMAL SHELF DESIGN FOLLOWING CATEGORY DECISION HIERARCHY.

– Shopper decision areas need to be followed with relevant sku assortment groupings placed physically close together and given the spacing in proportion to importance (# of purchase decisions / value / volume / 1 year growth).



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WHEN SHOPPERS SCAN THE SHELF LOOKING FOR THEIR PURCHASE THEIR VIEW IS FOCUSED ON THE CENTRAL DIAMOND.

– High priority SKUs should locate on the middle chest level row and avoid the lower and upper corner areas of the shelf that attract significantly less shopper gaze.

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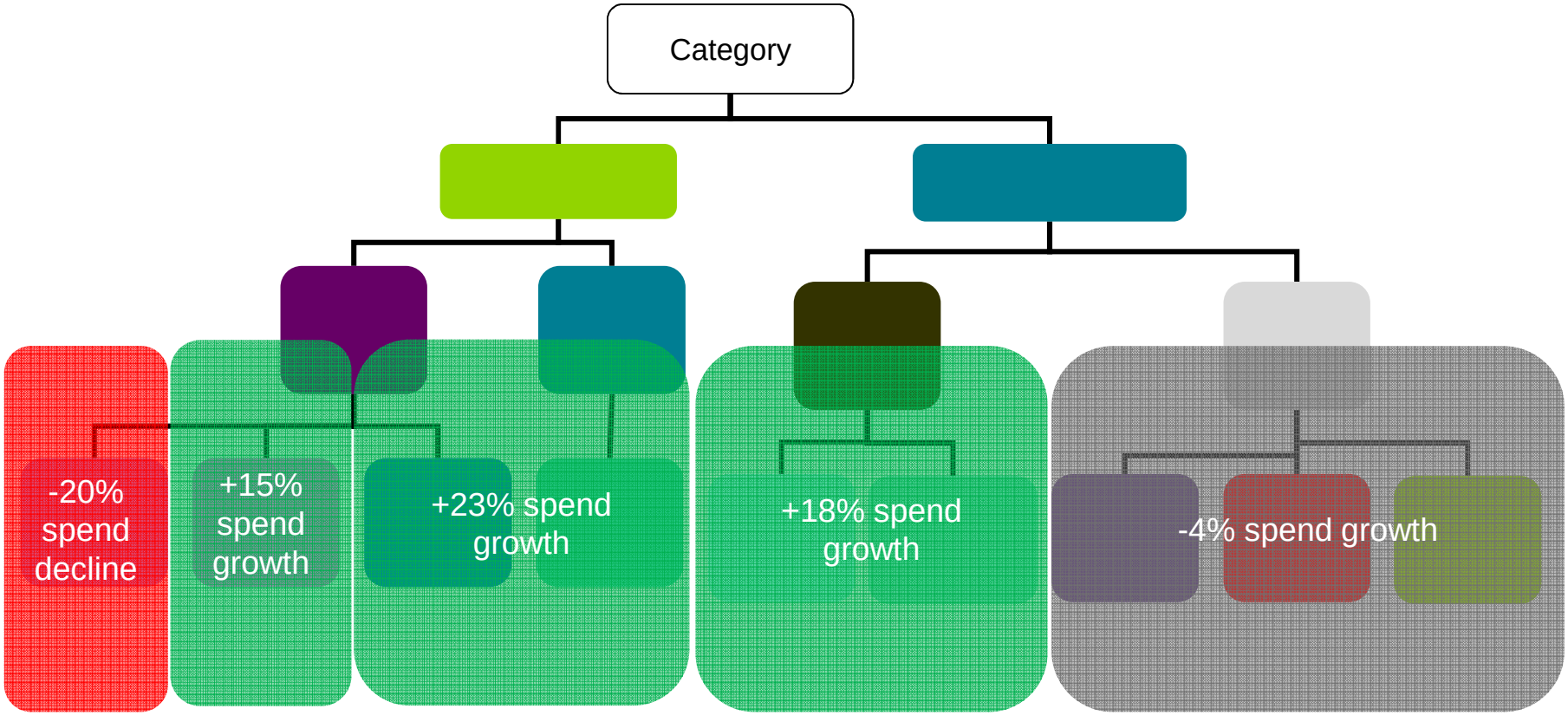
KEY SEGMENT GROWTH RATES AND SHARE IMPORTANCE HELP DETERMINE THE SHARE OF SHELF AND PRIME SHELF POSITIONS.



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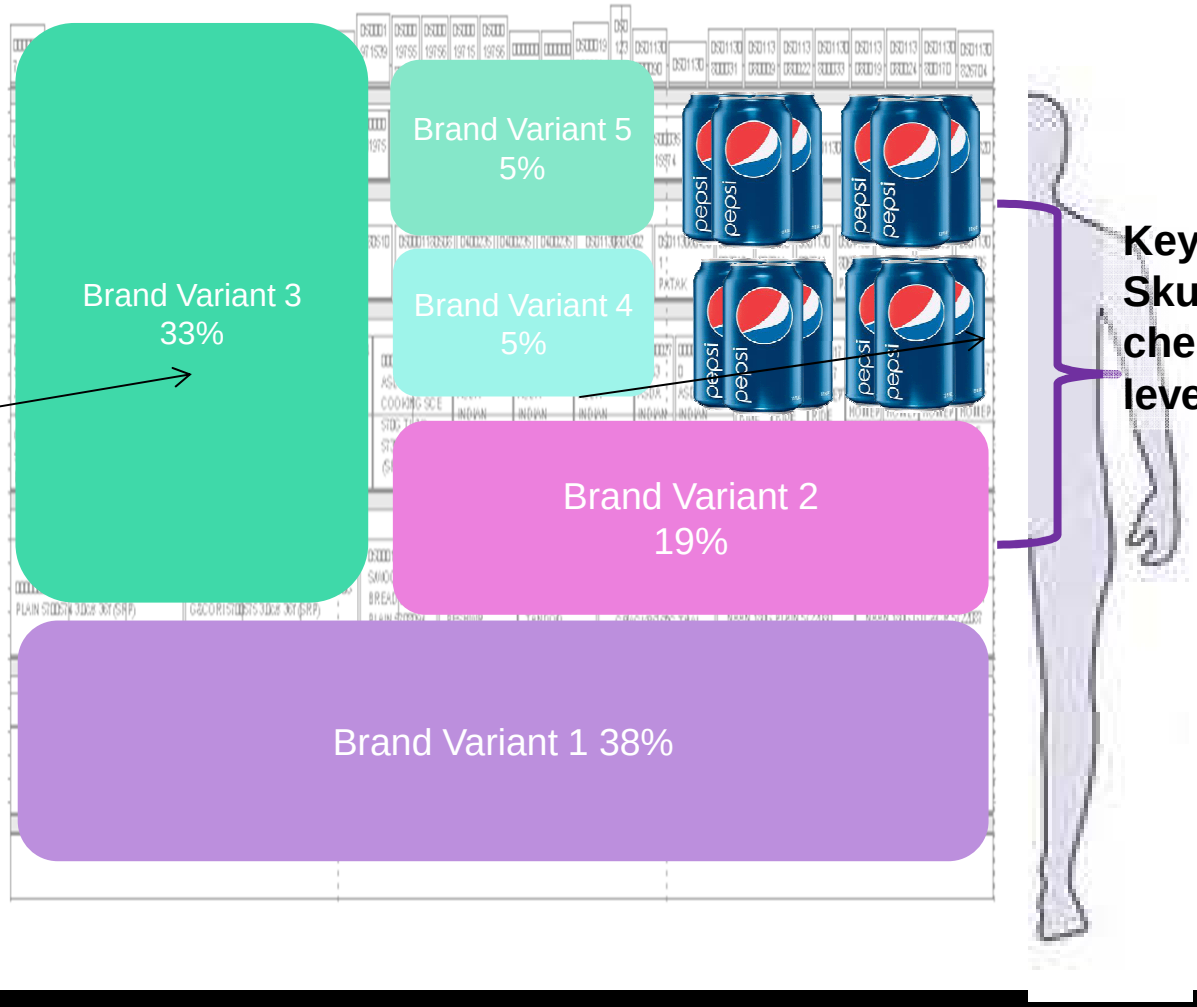
PLANOGRAM - PRINCIPLES APPLIED TO SINGLE BRAND BLOCK RULE

Prime chest to waist level shelf for fastest growth skus.
Space allocation matched to share. Ensures manufacturer and retailer maximize the potential of the category.

Brand Variant 3. 33% of shelf. And growth rate strong so gets prime position.



Key growth area Skus given prime chest to waist level.

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Two key placement questions answered

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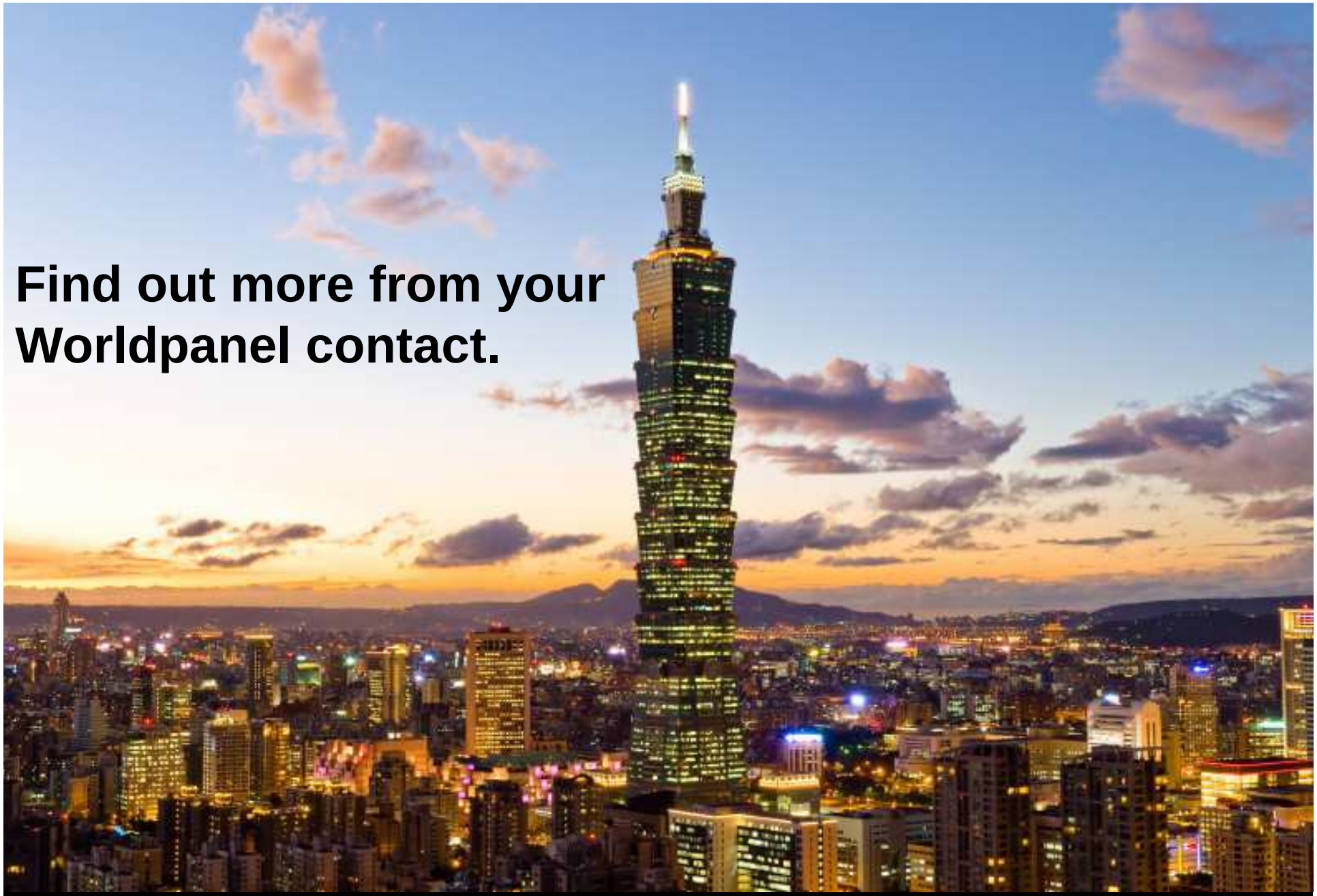

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