

ECR Europe
Efficient Consumer Response

**THE 10TH
ANNIVERSARY
ECR EUROPE
CONFERENCE
& MARKETPLACE**

Paris

PALAIS
DES CONGRÈS

2005
26-28 April

**GROWING
THE CAKE
TOGETHER**

**BETTER
CONSUMER
VALUE**

ECR - Starter seminar

**“Category Management
in a limited data
environment”**

- April 26th 2005 –
PARIS



Agenda

Category Management in a limited data environment – Introduction

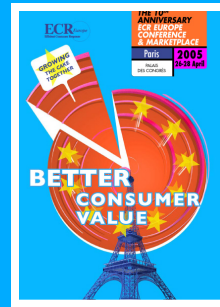
- *Herve Dehareng, Accenture London*

Case 1: ‘Sharing the Benefits of Category Management across a wider platform of Retailers’

- *Joe Kearns, Diageo*
- *Terence O'Hagan, Diageo Ireland*
- *Pat Maginn, Quinns Spirits Grocers and off-sales*

Case 2: Category Management via ‘Joined Business Planning’

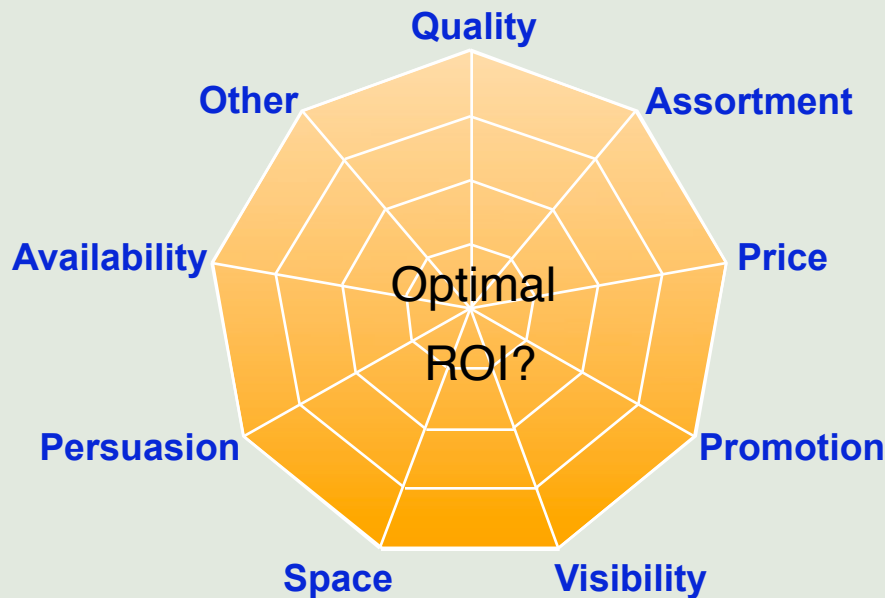
- *Anton Voichik, Gillette Russia*
- *George Nassar, Gillette Russia*
- *Ibrahim Ozturk, Ramstore Russia (Video)*



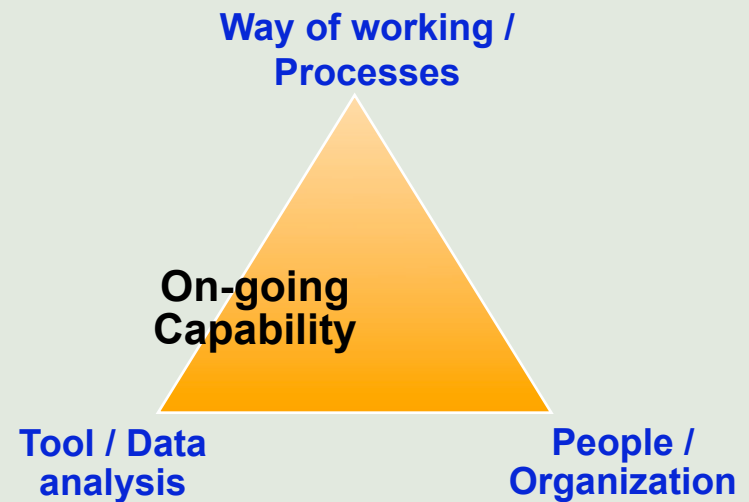
The category management challenge

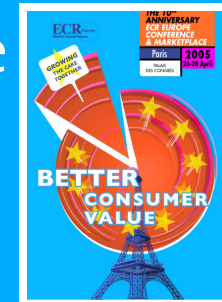
Category Management is a capability aimed at delivering the optimal ROI via the selection of the most effective / efficient growth drivers mix

Category management objective:



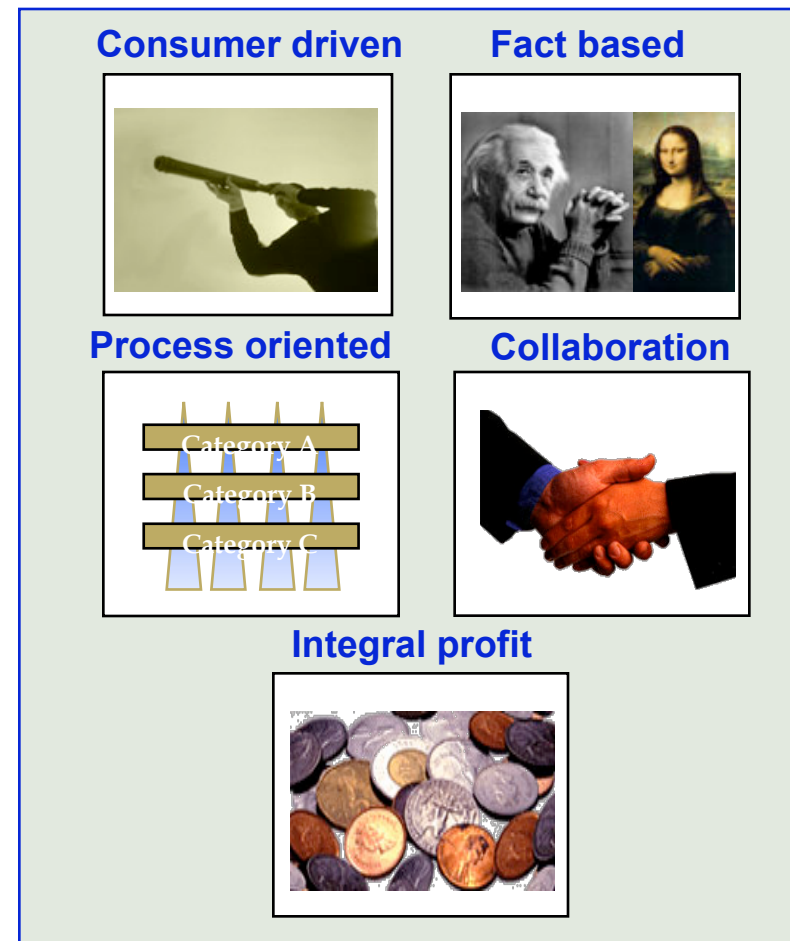
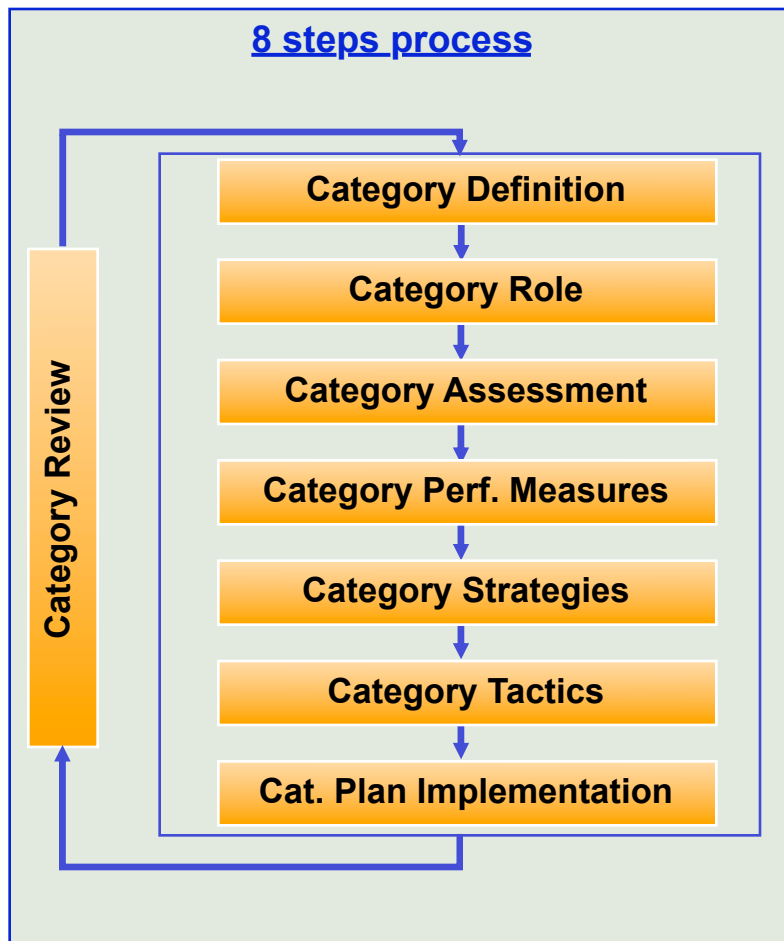
3 key components for the creation of a real successful capability :

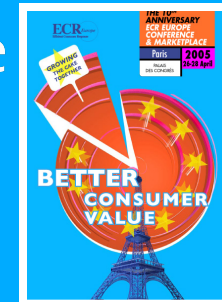




Category management holistic process – ECR 1996

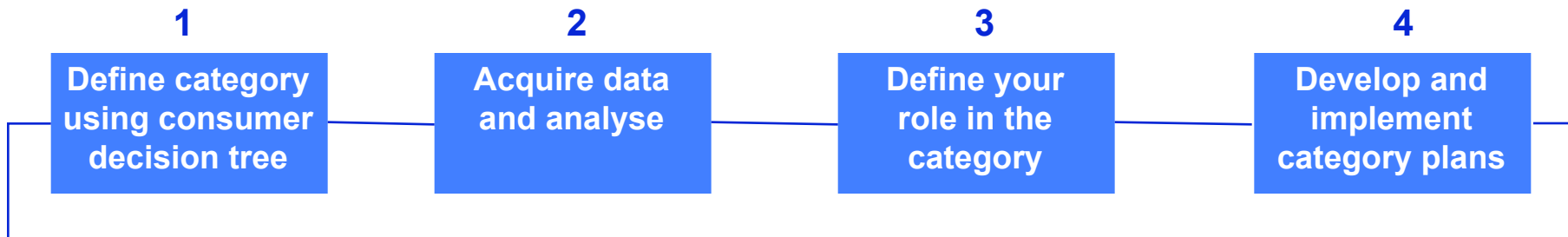
Definition: “Retailer/supplier process of managing categories as strategic Business Units, producing enhanced business results by focussing on delivering consumer value”





From a holistic process to a day-to-day approach – ECR 1999

Summary of 4 step Approach:

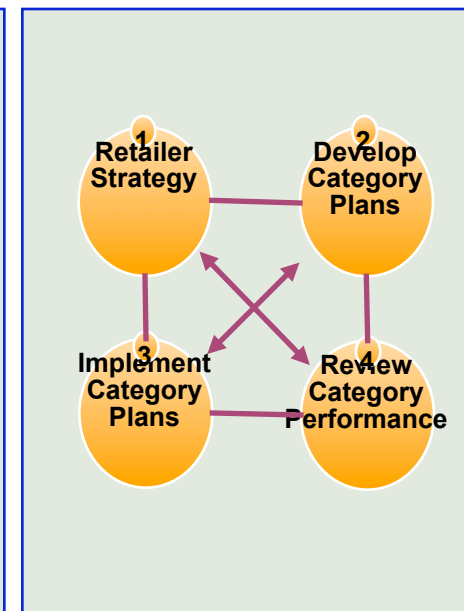
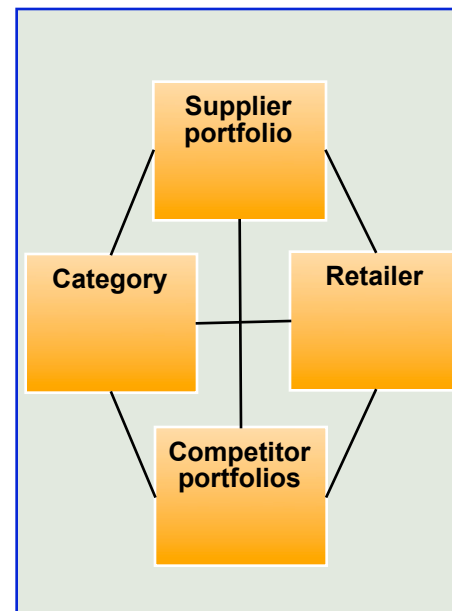


Acquire Data:

- Identify data requirements
- Identify existing data
- Conduct gap analysis
- Elaborate acquisition plan

Analyse Data:

- Use robust and repeatable model
- Logical structure to aid the day to day category management process





Web technology to support day-to-day category management – ECR 2001

Summary of collaborative web-enabled best practices in Category Management

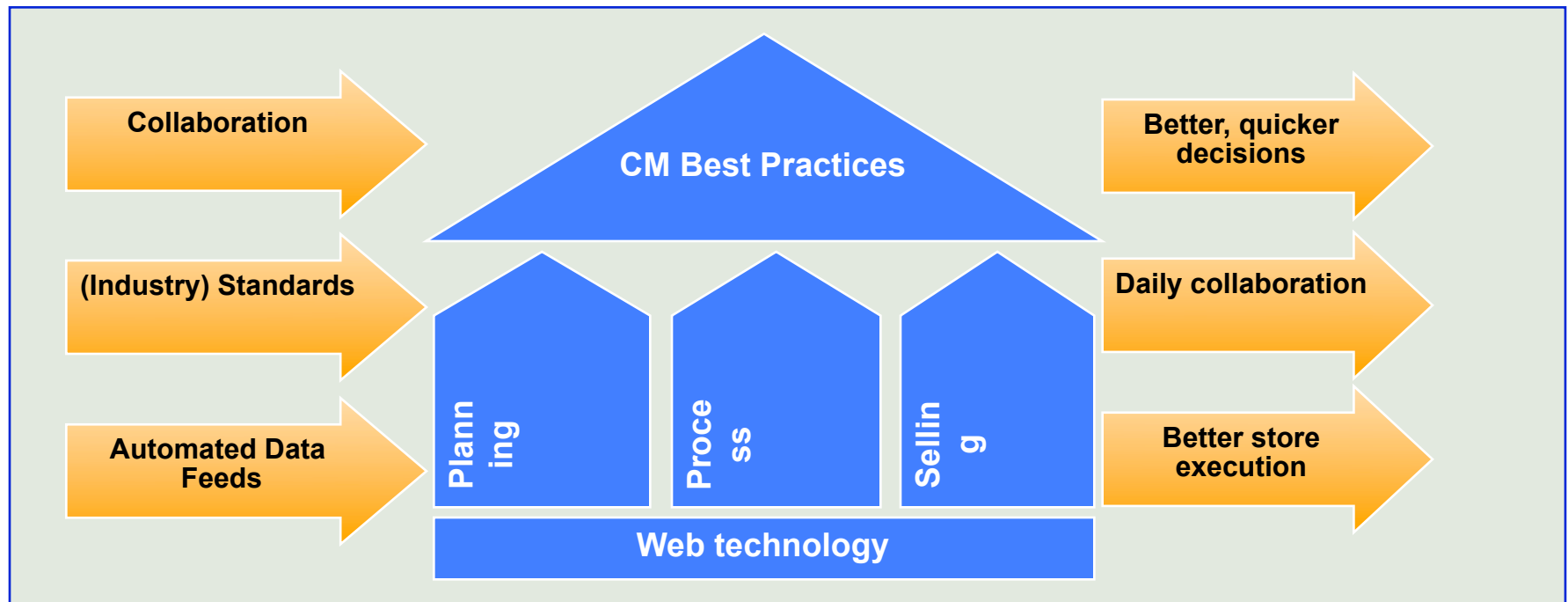
Desired Improvements:

Challenges:

- Lack of trust
- Highly labour intensive
- Too complex
- Poor in-store execution



- Automatic data feeds
- Ongoing activity
- More collaboration
- Clear communication to store personnel

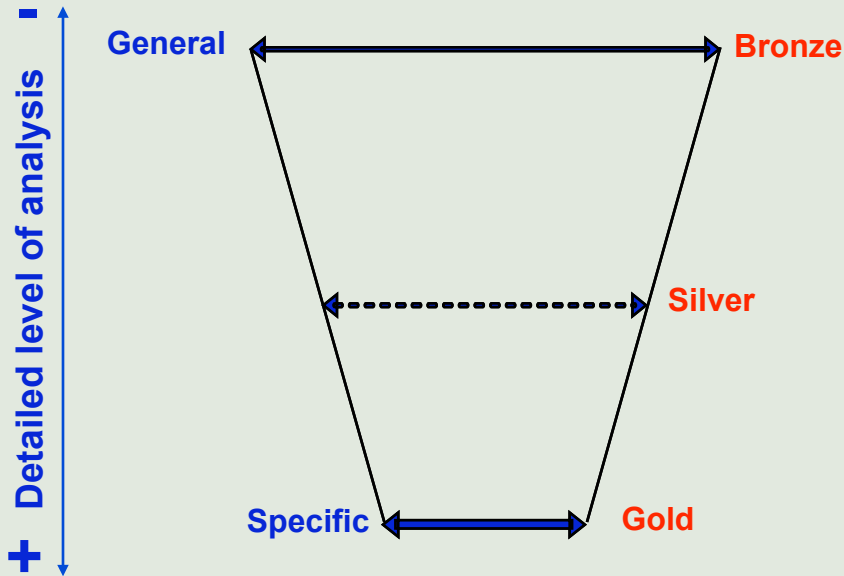




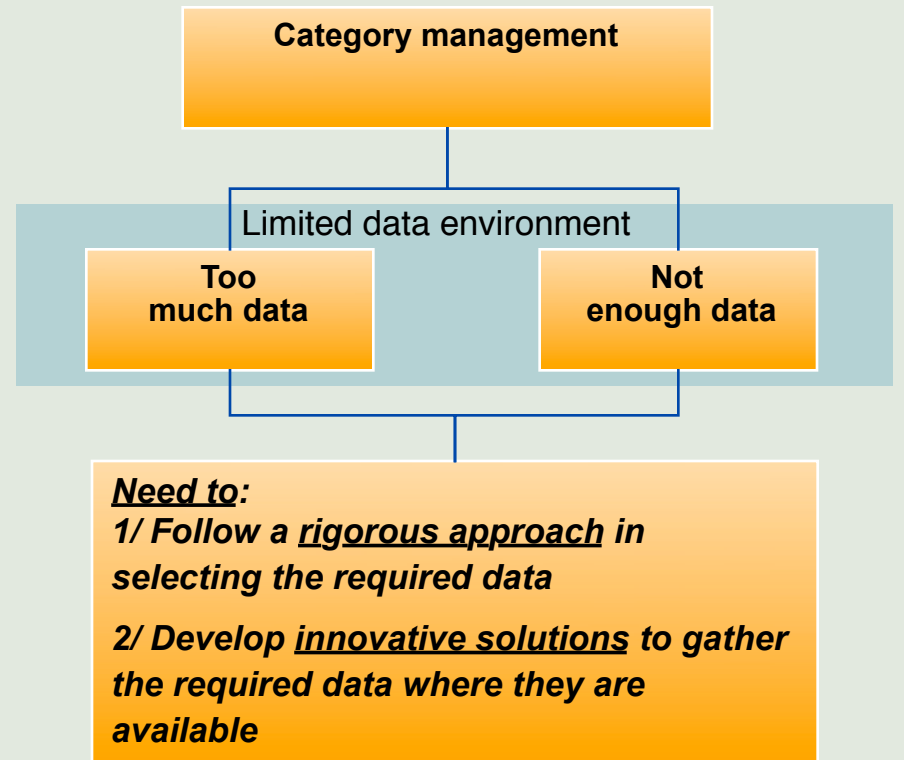
Category Management needs evolution

Increased need for “specific” data

← Required level of details in Category data →

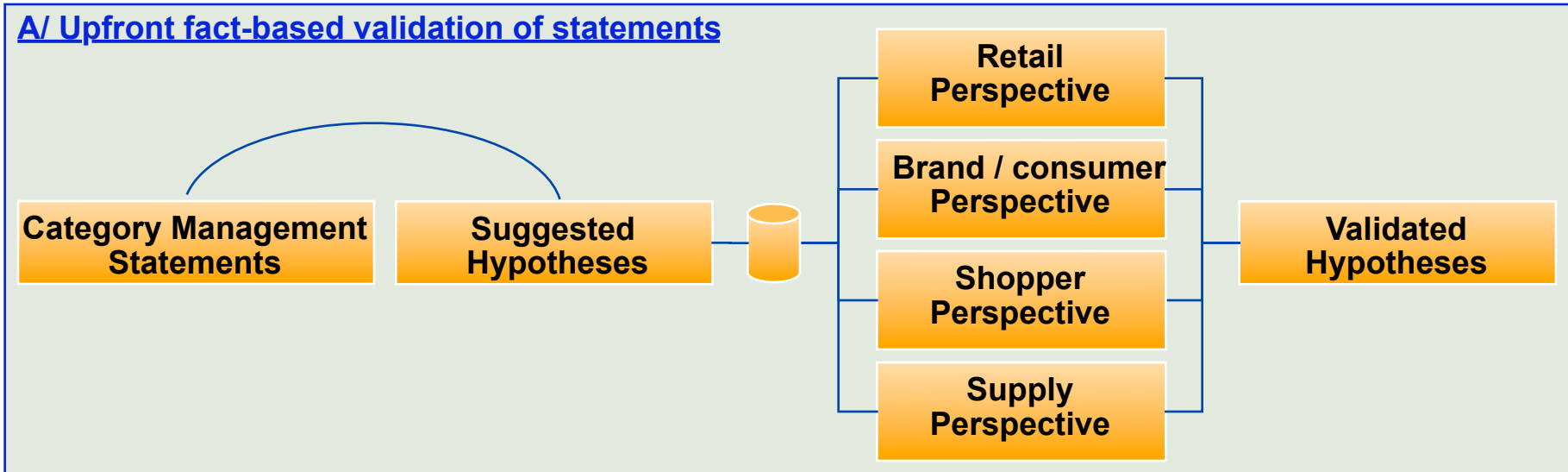


Need for rigorous approach and innovative solution

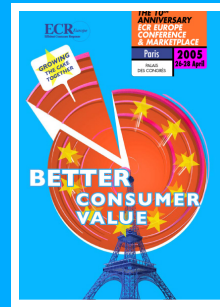




1. Rigorous approach: Upfront fact-based validation of statements



- Approach results
- Guarantee that any category management project is based on facts and not misleading statements
 - Huge gain of time in category management workshops where each subject matter expert has his own view of the category growth drivers
 - Increased level of usability / connection to execution



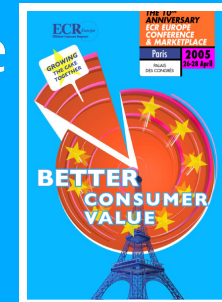
1. Rigorous approach: structure data / research acquisition plan

B/ Structured data acquisition plan



Approach results

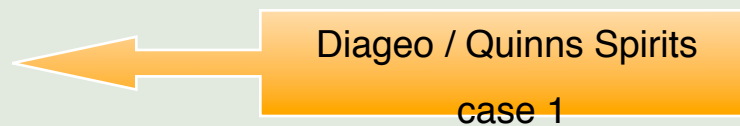
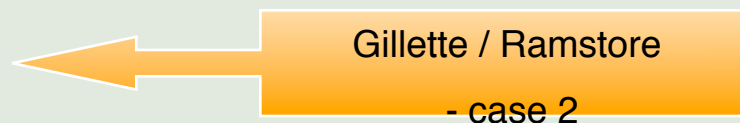
- Better use of data / research budget
- Creation of a category management knowledge database structured according to specific hypotheses



2. Innovative solutions: Access to insight in limited data environment

There are many cases where the environment can be “data limited”:

- I. Data unavailable
 - a. No data provider
 - b. No access to data source
- II. Incomparable data
- III. Data acquisition too expensive
- IV. Too short in time
- V. Analysis scope too large / disparate

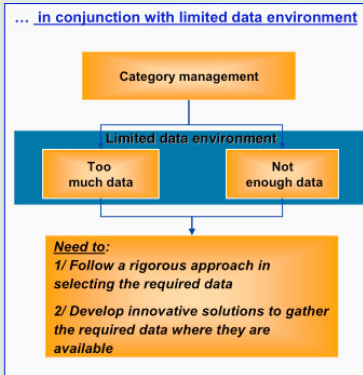


... an innovative solution is therefore required to access to the necessary insight

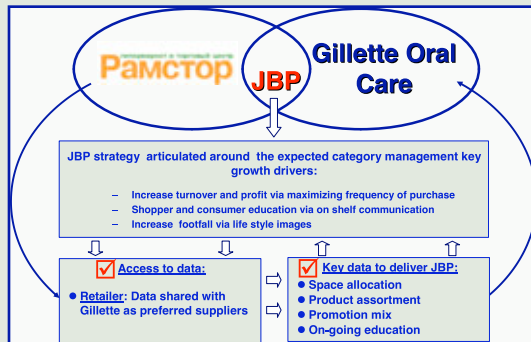


Your Questions

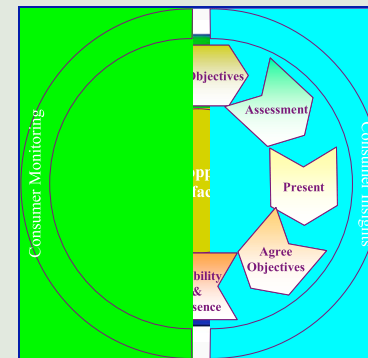
Introduction



Gillette - Ramstore



Diageo – Quinns Spirits



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Work in progress

ECR Paris

The challenge and environment

Beverage Industry in Ireland:

Areas of category management success with key retailers

- > 1. Plan-o-grams
- > 2. Visibility
- > 3. Shopping environment



How do we share our Category Management Successes with 66% of the market – i.e. small retailers?

Category Management area of opportunity:

- > Space management to reduce off-sales/out-of-stocks
- > Merchandise Plan-o-grams according to the shopper segmentation
- > Implement shopper decision tree
- > Ability to Build/adjust plans at store level

Required data/insight:

Retail data at store level:

- > Space allocation
 - > Planogram
 - > Shopper decision tree
 - > Specific store requirements
- ⇒ Too many POS to be handled

Solution

Develop a tool and use sales force to assist in improving insight:

Why?

- > Regular visits/calls
- > Weekly to monthly
- > Relationships already established
- > Regional difference understood
- > Eager to learn Category Management principles

How?

- > 'Driving Shopper Satisfaction'
- > 'Tools of the Trade'
- > Training to sales force

Work in progress

RAMSTORE & GILLETTE Oral Care Category Management Project

Anton Voichik
National Key Account Manager

Kirill Liseev
Oral Care Business Director
Gillette Oral Care



The category management opportunity and the need for data / insight

Oral care category in Russia:

- Category growth slowing down
- Strong consumer upgrade to premium products
- Nationally growth has been driven by distribution expansion
- Oral-B has strong leading position in manual and power oral care
- Oral B has the expertise to grow the overall cake and drive oral care category

Category Management area of opportunity:

- Purchase frequency
- Shopper / consumer education at POS
- Footfall

Required data/insight:

Retail data at store level:

- Space allocation
- Product assortment
- Promotion mix
- On-going education

Shopper / consumer insight:

- Research at POS level

Gillette Oral Care

Limited availability of required data

Required data/insight:




Retail data *at store level:*

- Space allocation
- Product assortment
- Promotion mix
- On-going education



Possible sources of information:

Limited data environment:


-  Agencies: - Data not complete
- Data not ready
-  Sales force: - Too time consuming
-  Retailers: - Data not shared with suppliers

Shopper / consumer insight:

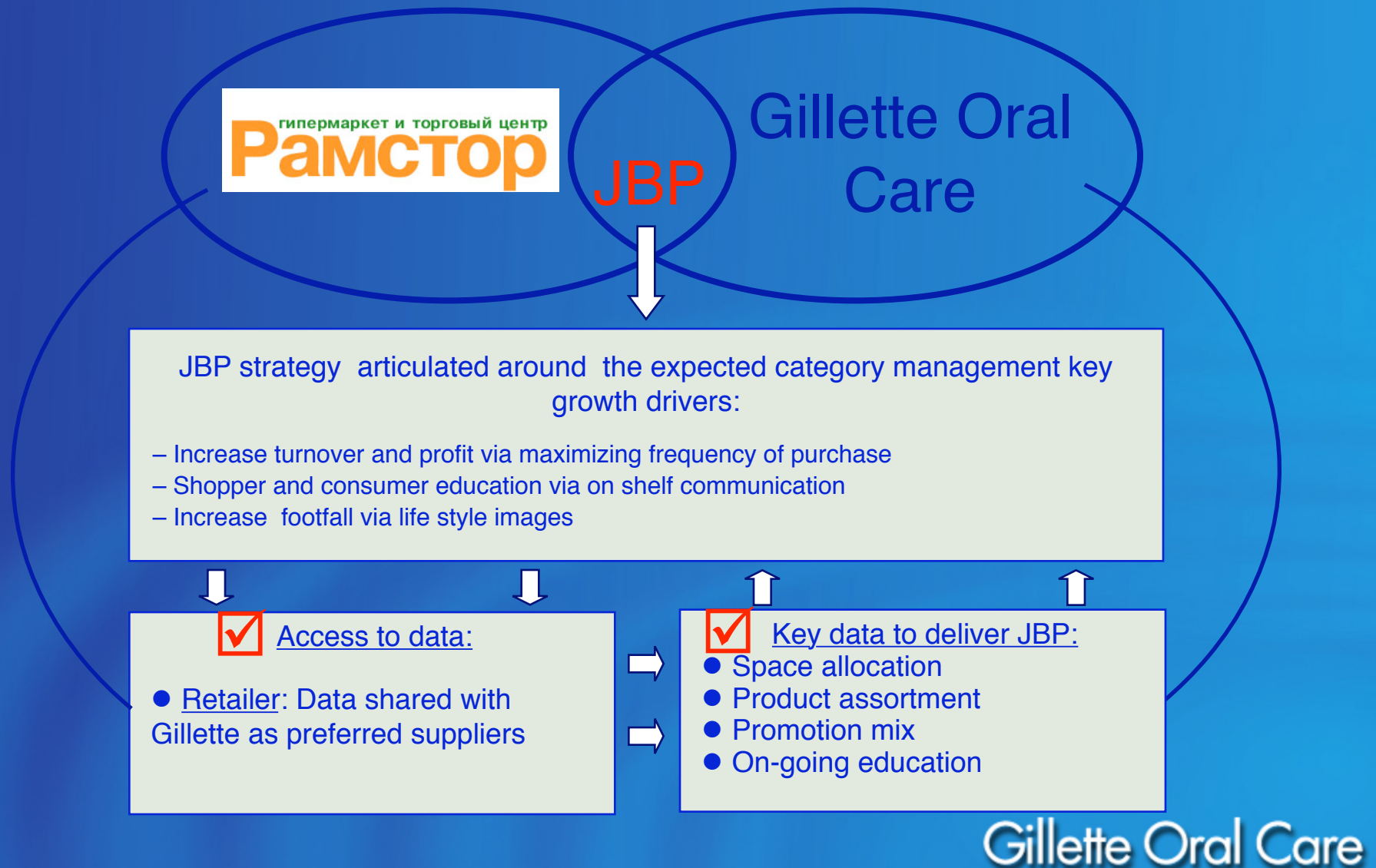
- Research at POS level



Limited data environment:

-  Agencies: - Research not ready
- Analysis too long in time versus deadlines

Oral Care solutions 1: Join Business Plan



Solutions

1/ Joined Business Plan:

The development of a Joined Business Plan with a strategy articulated around the expected key growth drivers:

- Increase turnover and profit via maximizing frequency of purchase
- Shopper and consumer education via on shelf communication
- Increase footfall via life style images

... enabled the sharing of information including the one required to better develop category management

2/ Use corresponding and existing researches developed in other comparable environments:

Use of Gillette French shopper and consumer researches as a first basis and filter to better understand and suggest:

- Consumer consideration set
- Attraction of shopper
- Selection process
- Trade up and frequency habits

... Further developed and validated by local researches

Solutions

1/ Joined Business Plan:

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