EFFICIENT CONSUMER RESPONSE

CHALLENGES AND OPPORTUNITIES FOR USING INFORMATION AND TOOLS TO SUPPORT CATEGORY MANAGEMENT

COMTASK

TOMORROW'S SOLUTIONS TODAY

InnovatingCategoryManagement.com

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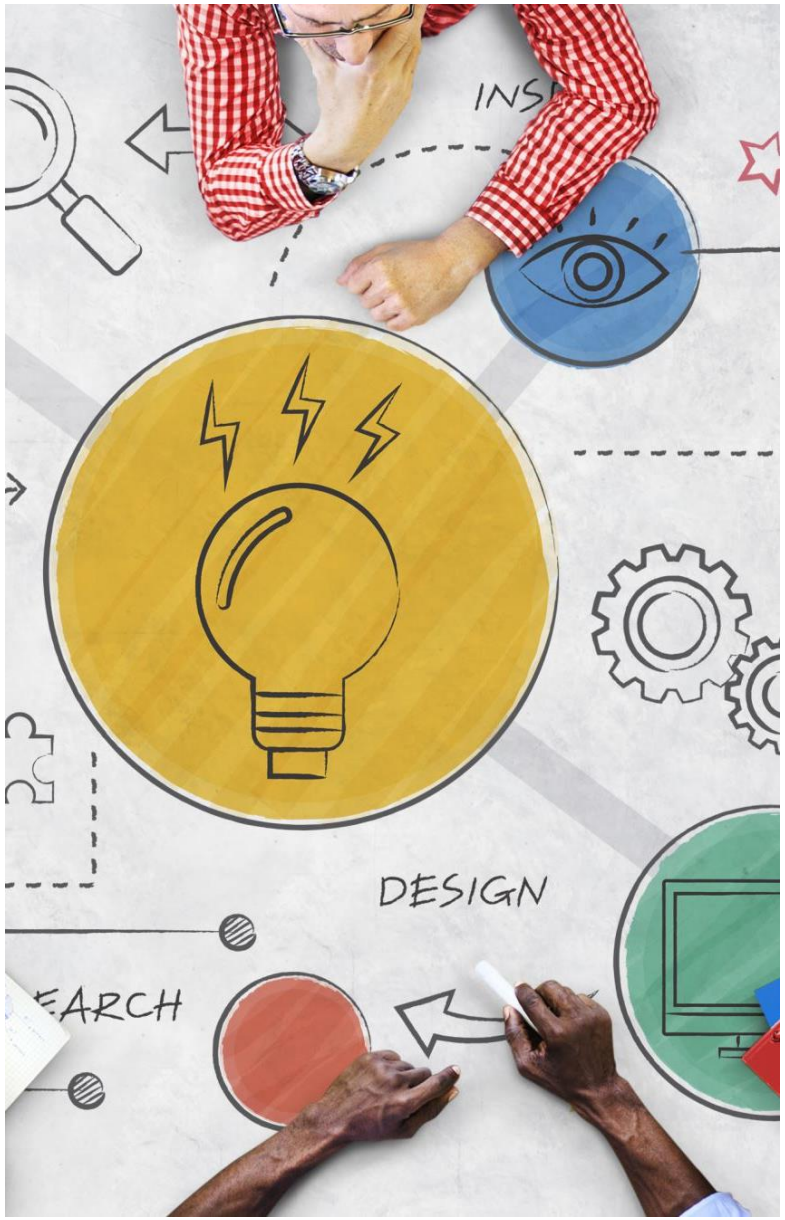

GEORGES MIRZA

Over two decades of building solutions for the industry, working with some of the biggest names in retail and CPG.

Product-focused with a track record of building differentiating solutions.

Envisioned and developed new and innovative solutions at Nielsen. Led product for the company's merchandising services software division.

Managed global product for Category and Space Management at Blue Yonder. Grew the portfolio and established market leadership.

Created the 7 Habits of Highly Effective Category Managers.

As CPO of RFSpot, orchestrated the first introduction of a robotic data collection solution into live stores.

Publish InnovatingCategoryManagement.com blog on retail solutions, robotics, and computer vision.

Advise retailers/CPGs and solution companies on building highly differentiated products.

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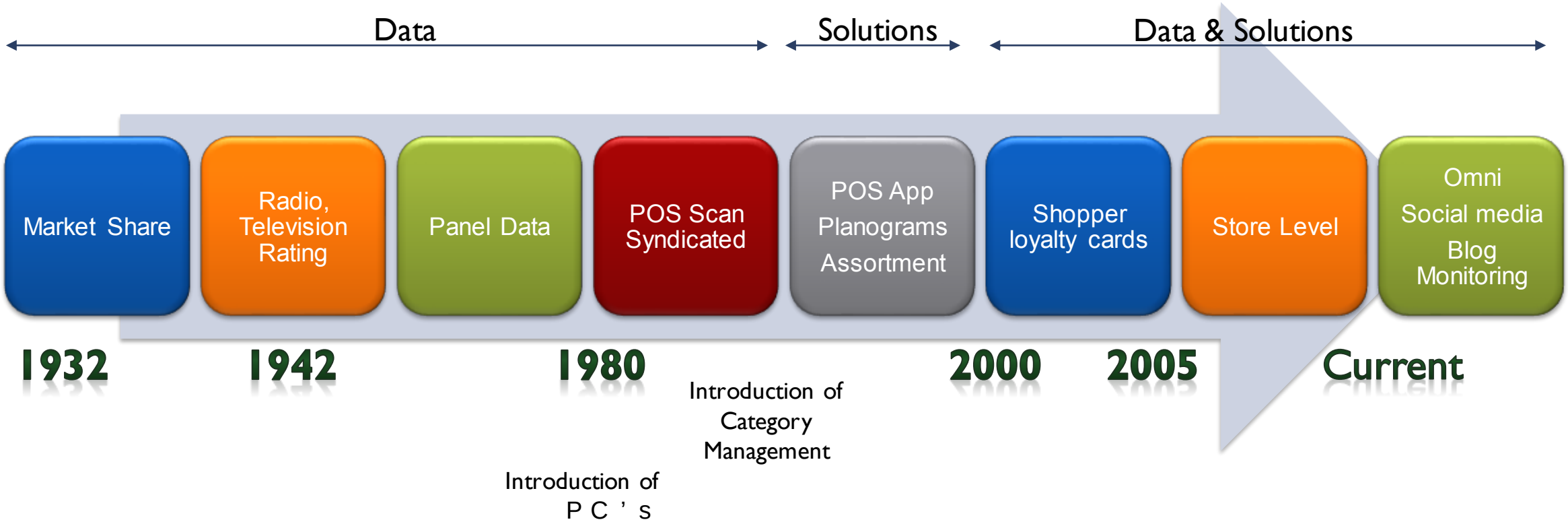
HOW WE PROGRESSED –DATA & SOLUTIONS CONVERGING



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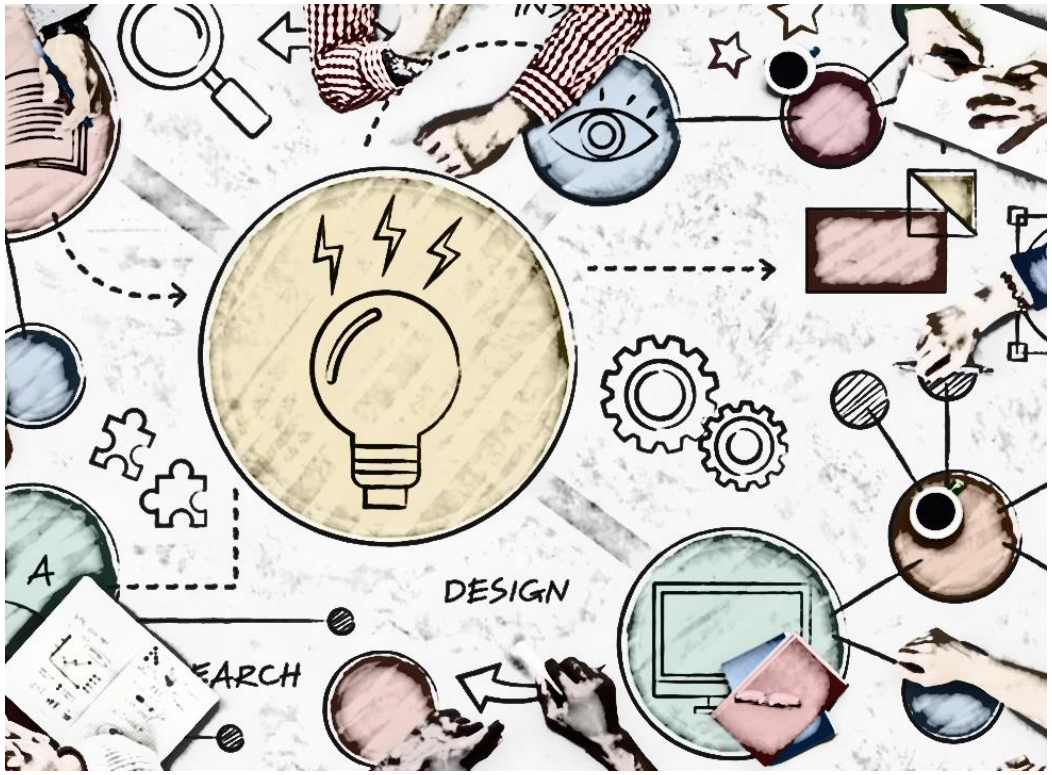
CATEGORY MANAGEMENT EVOLUTION



- The category management processes are still **relevant** and **essential**
- We prevented it from reaching its full potential by not evolving **legacy** solutions to address the growing complexities of today's retail operating conditions
- The data analytics and the steps at the foundation of the process stayed true to form. Those who followed the **8 - step** process saw significant returns
- The challenges in innovating and **scaling** the solutions brought us to the current state

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SMART CATEGORY MANAGEMENT SOLUTIONS

Smart category management solutions refer to using advanced technologies and data analytics in a collaborative platform to optimize and manage processes that deliver on the category management promise of profit and sales at scale.

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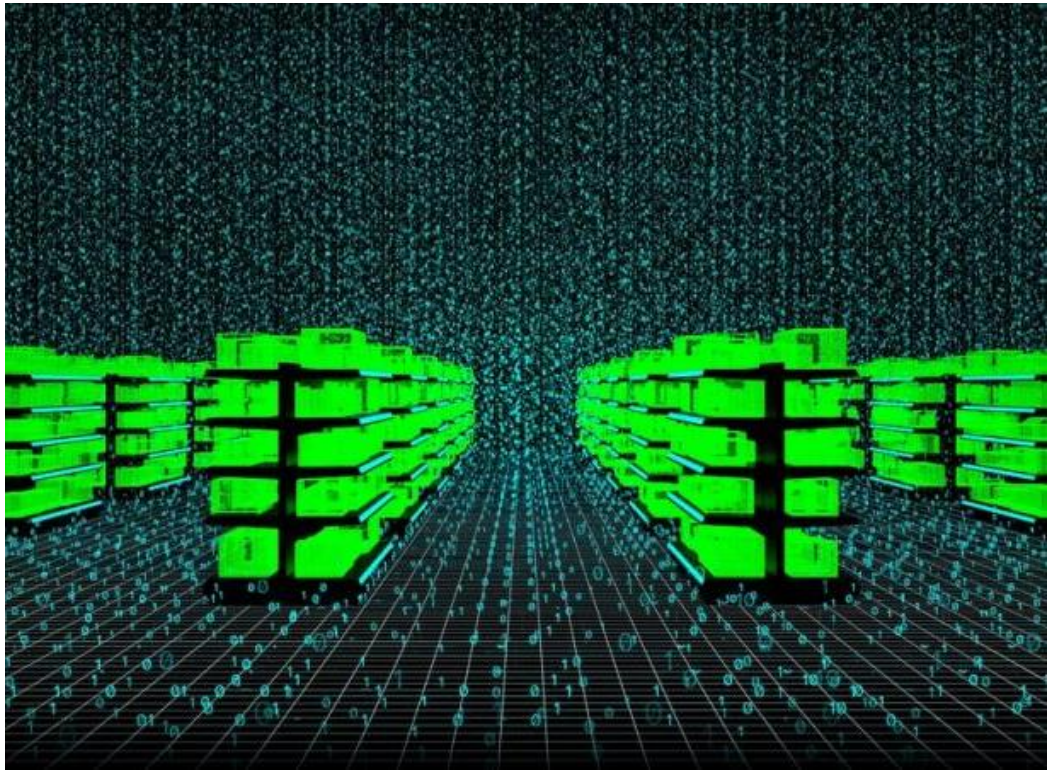
CHALLENGES REACHING SMART CATEGORY MANAGEMENT



transactional-based

It gets complicated when you need **spatial** data to build and monitor planograms and assortments

Products **must fit**, especially fast-moving goods

What we envision in the digital world must be rolled out to the physical

The challenge is data and tools executing flawlessly at every store while conforming to structural limitations

Blending the Art & Science

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NEW TECHNOLOGIES

SO WHAT?

- Artificial Intelligence
- Computer Vision
- Robots
- GenAI
- ChatGPT
- Machine Learning
- Large Language Model

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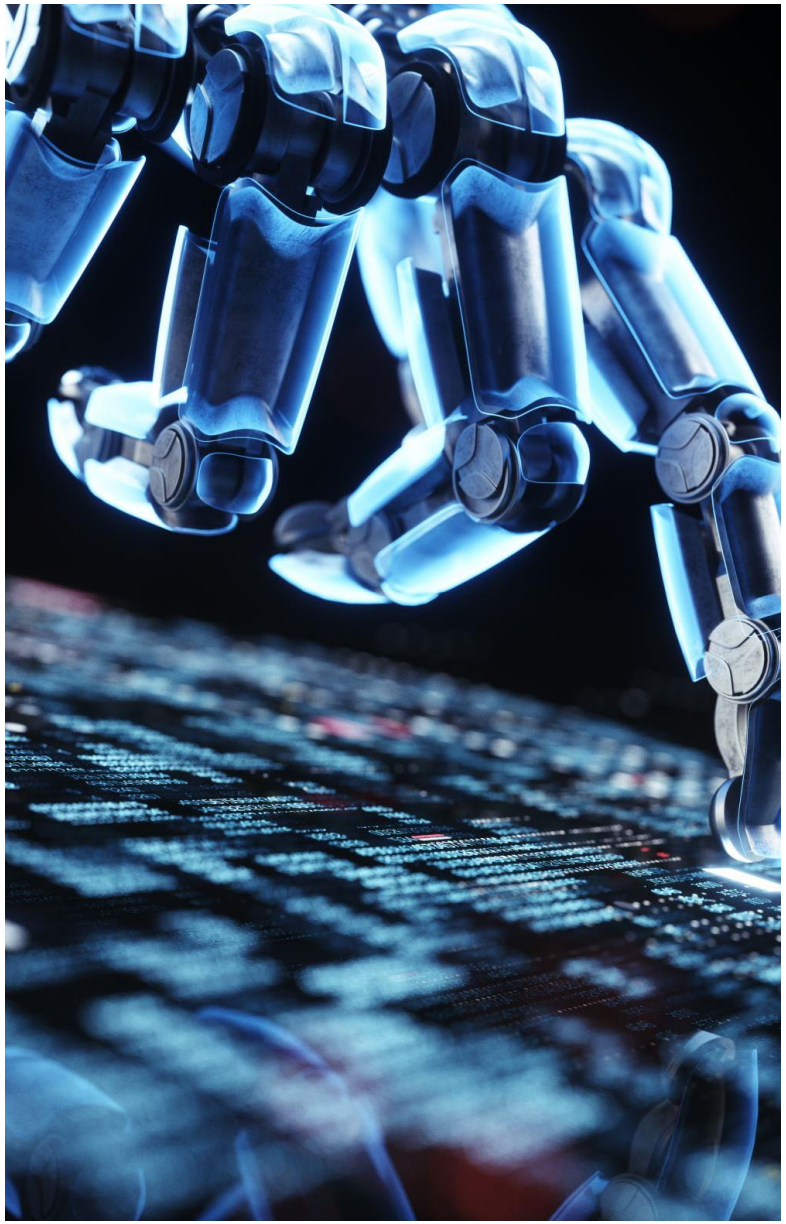
NEW TECHNOLOGIES IMPACT ON CATEGORY MANAGEMENT

- Several solutions have emerged over the years in a quest to get us closer to a viable product that will propel category management to the future
- Making legacy tools obsolete and ushering in new, more effective, intelligent tools to deliver better outcomes at the shelf
- From handheld devices, robots, or fixed cameras, computer vision and sensors are getting closer to providing shelf insights in near real-time at scale

Striving for Accurate, Repeatable at Scale solutions to reach excellence



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SMARTER CATEGORY MANAGEMENT
AI IN ASSORTMENT AND SPACE

- With the advent of AI/ML, several newcomers have started to show the possibilities. Legacy solutions are in catchup mode
- Data, intelligent tools, and a collaborative platform would make the competition for space much more effective and deliver a tailored assortment to the store and the shelf
- We are experiencing the early lifecycle of the products, which will be the foundation for the next decade

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Data

- Traditional data sources provide a partial view
- Alternative data sources to drive differentiation
  - Early trend identification
- Preparing for the "unknown unknowns"

Solutions

- Start with the end in mind
- Adaptability is key
  - Best of breed vs end-to-end capabilities
- Proven legacy vs innovation –Challenging
- Store-level visibility
- Better insights
- Effectiveness category reviews
- Innovating and competing

Platform

- Integration with the retailer eco-system
- Communication and Collaboration
- Tasking at the store level
- Tracking of shelf condition
- Insightful to Predictive to Prescriptive
- Ready for the "unknowns"

KEY COMPONENTS FOR SUCCESS

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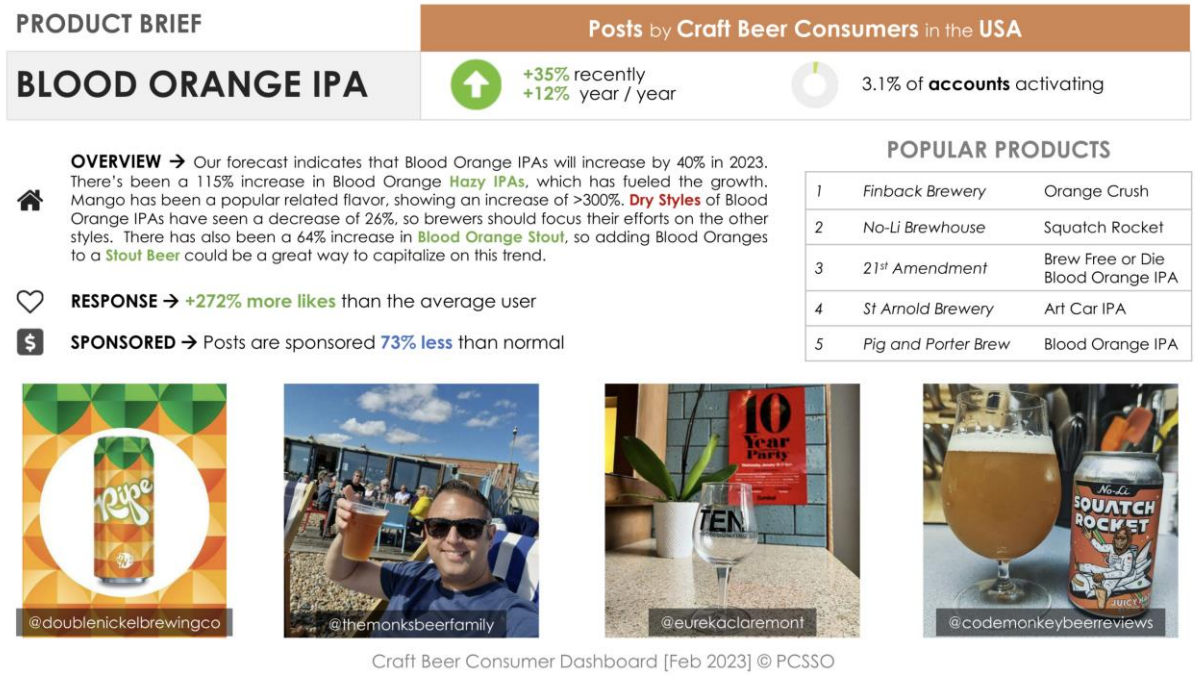
IMPACT OF SOCIAL MEDIA AND ALTERNATIVE DATA

- Traditional data provides us with a partial view of our shoppers
- Computer Vision and AI, when directed at Social Media imagery, provide us with an unprecedented view of our consumers
- The new world of consumer and shopper segmentation, profiling, and trend forecasting



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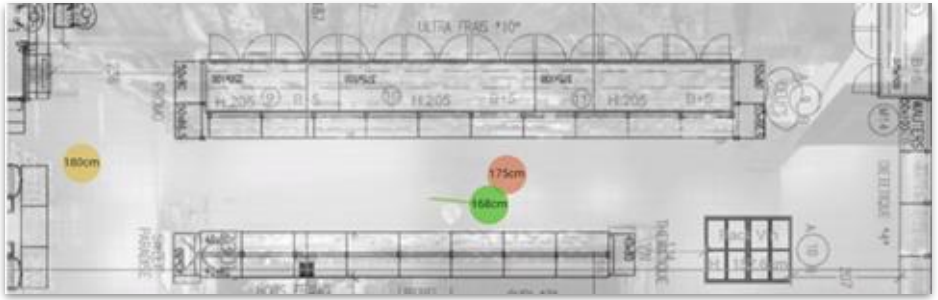
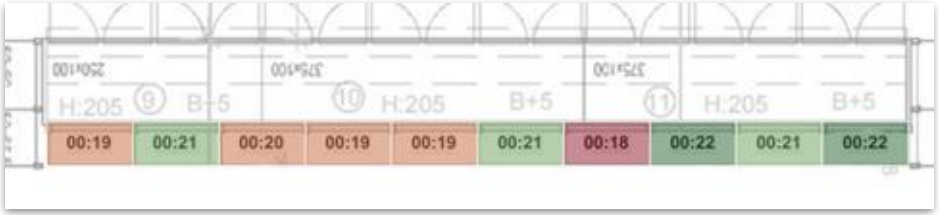
1 Amoobi technology collects shopper journey in-store automatically and anonymously



2 Data is automatically converted into insights for category managers



Example: dwell time in front of each element Helps category managers understand possible complexity in the path to purchase

With Amoobi, **Category managers** can

Make **better decisions** about the **space optimization** and organize the sequence in a category to facilitate the customer journey (and conversion)

Make **faster decisions** based on Amoobi recommendations

Improve collaboration between retailer and supplier with fact based insights

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AUTOMATION –SHELF INSIGHTS

- Near real-time visibility to shelf conditions
- Consider
  - Handheld devices, fixed cameras,
- A must-have component for Smart Category Management
- The Why
  - Unprecedented visibility to store conditions
  - Reviews based on actuals, not plans
  - Better reporting on compliance and shelf conditions
  - Smarter assortment and planograms
  - Effective response to shopper behavior and needs

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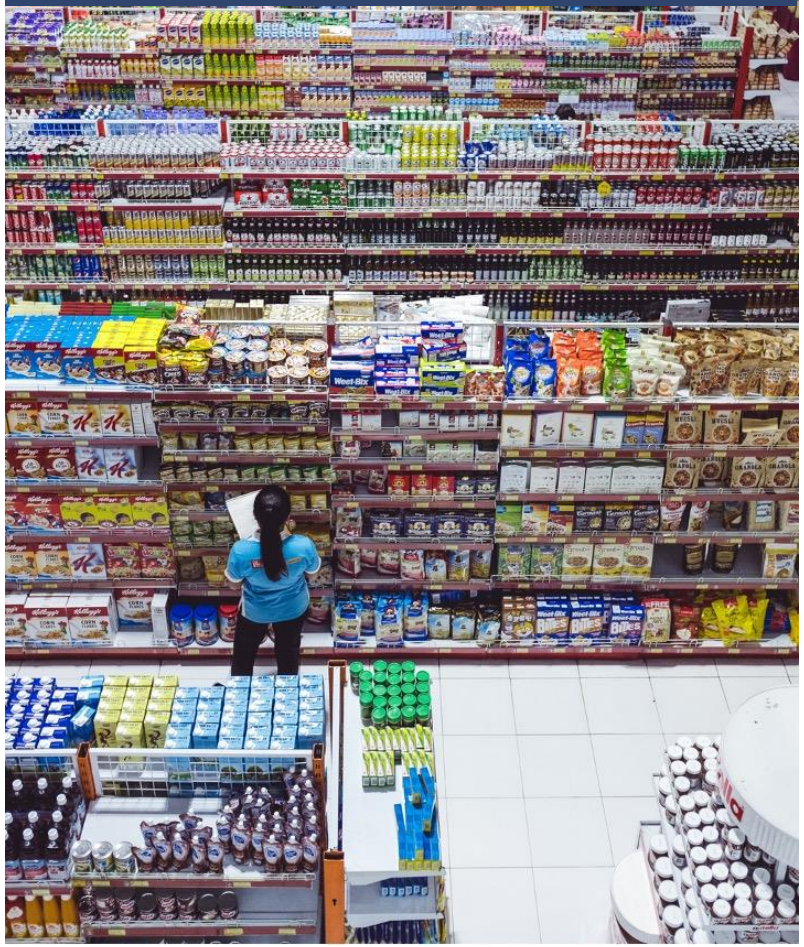
SHELF CONDITIONS

Function	Handheld	Robots	Fixed Cameras	Semi-Fixed Cameras
Stock detection (OOS, low, medium, in stock)	Y	Y	Y	Y
Planogram compliance	Y	Y	Y	Y
Price tag	Y	Y	Y	Y
Shelf tag/Product description	Limited	Y	Limited	Limited
Barcode detection	Limited	Y	Limited	Limited
Video capture	Y	Y	N	Y
Overstock	Y	N	Y	Y
Product image	Medium	Medium	High	High
Shopper disruption	Medium	High	Low/NA	Low/NA
Cost	Low	High	Medium	Low
Install/Implementation cost	NA	Medium	High	Low
Maintenance needs	None	High	Medium	Low
Human dependency	High	Medium	Medium	Low
Scan frequency per day	Labor Availability	1-3	Unlimited	Unlimited
Near real time	Labor Availability	N	Y	Y
Safety concerns	NA	Medium	NA	NA



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NRF 2024

- An abundance of innovation
  - Digitization of store
  - ESL
  - Artificial Intelli
- End to end category
  a journey
- Near real-time shelf insights is key to smart category management

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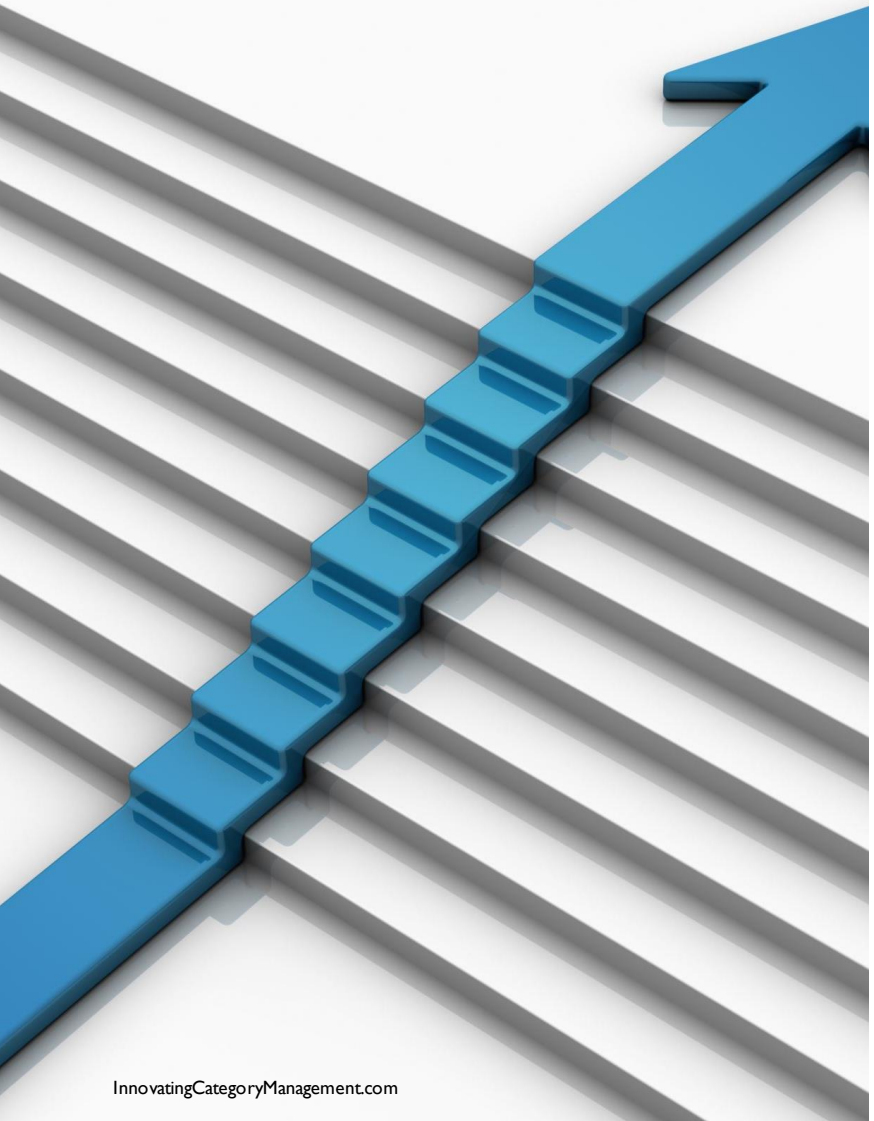

WHAT I LEARNED & THOUGHTS TO PONDER

- Abort long-term roadmaps and focus on vision, learn, and adjust –Be Agile
- Partner with solution providers, hold them accountable and demand more
- Consider new solutions and startups(they will surprise you), establish budget for pilots
- Success should include the integration of **data**, **solutions**, and **platforms**
- Be clear on problems you are to solve when evaluating new tools and tech

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QUESTIONS?

THANK YOU!

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