

Centrally planned Category Management strategies implemented on large scale

Best Practice – Convenience Retail in Germany
ECR Global Catman Network Webinar #3

The Challenge

You are probably familiar with this part of the challenge

Every location is different!



Hamburg Wilhelmsburg



Hamburg Eppendorf



... and this challenge also seems quite obvious

Shelf structures can be very different



Open cooler big



Walk-in-cooler with doors



Open cooler small



Walk-in-cooler separated

Beverage cooler ≠ Beverage cooler

Heterogenic shelf structures require well-fitting planograms per store

Same linear shelf metres, but...

Open cooler



Walk-in-cooler



This is why generic master planograms cannot fit

If your plan does not fit in, it will not be executed

Shelf structures of local site do not match to planogram

Category spaces are not aligned to demand

Not feasible 1 to 1

Front facings do not reflect local stock ranges

Local Hero items are missing in the planogram



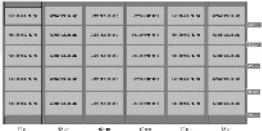
The Solution

Store-individual optimisation with digital tools

With fact-based and accurate planning in category management to 1:1 feasibility

1

Master data and sales



Shelf structure



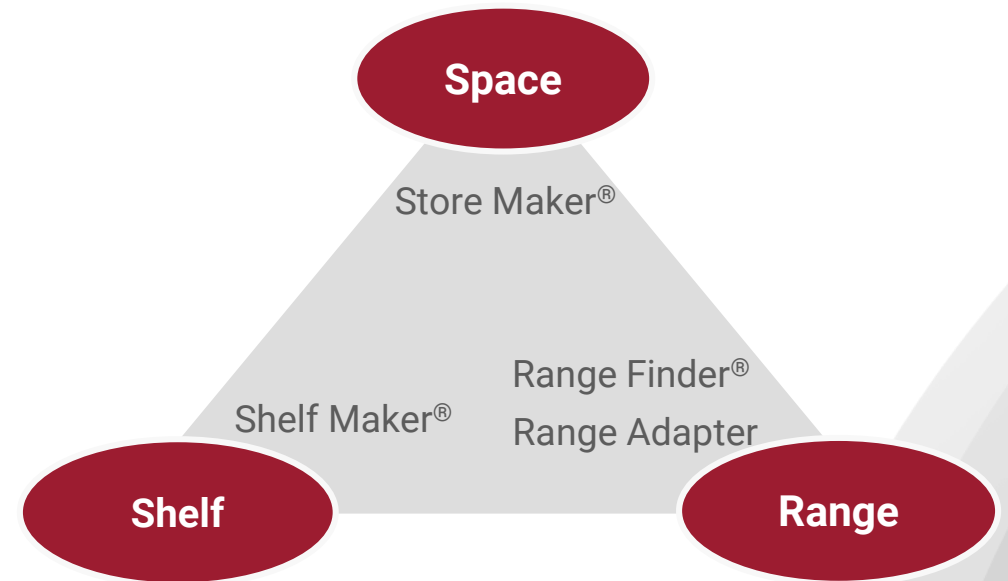
Item master data



Sales value & volume

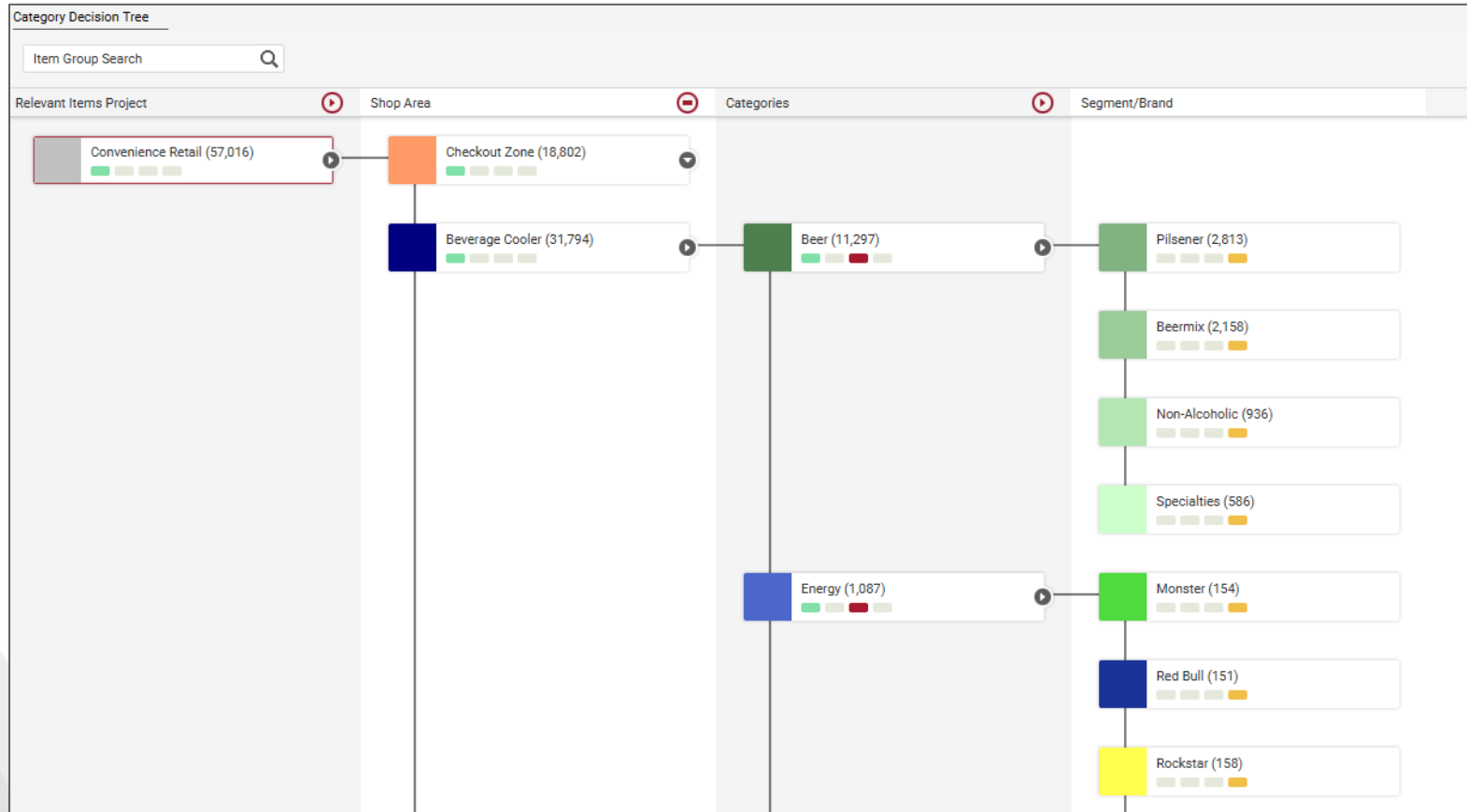
2

Fully integrated software to manage the „magic triangle“



To start off, you flexibly define your Category Decision Tree

The Category Definition is the fundamental basis for all Tactics



e.g. segment blocks

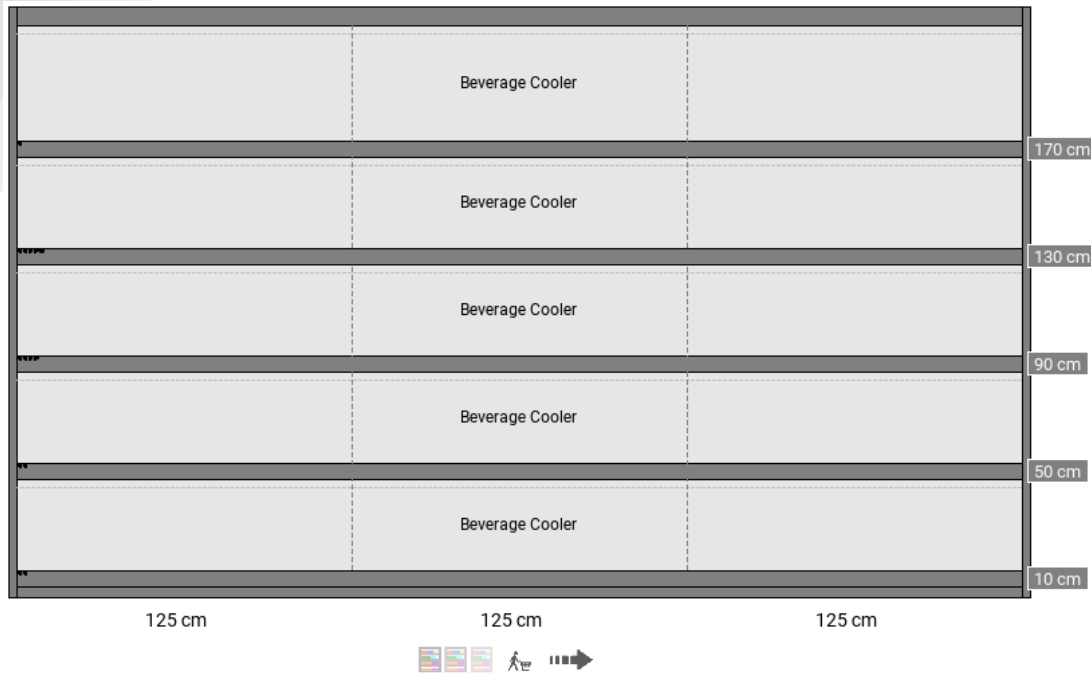


e.g. brand blocks

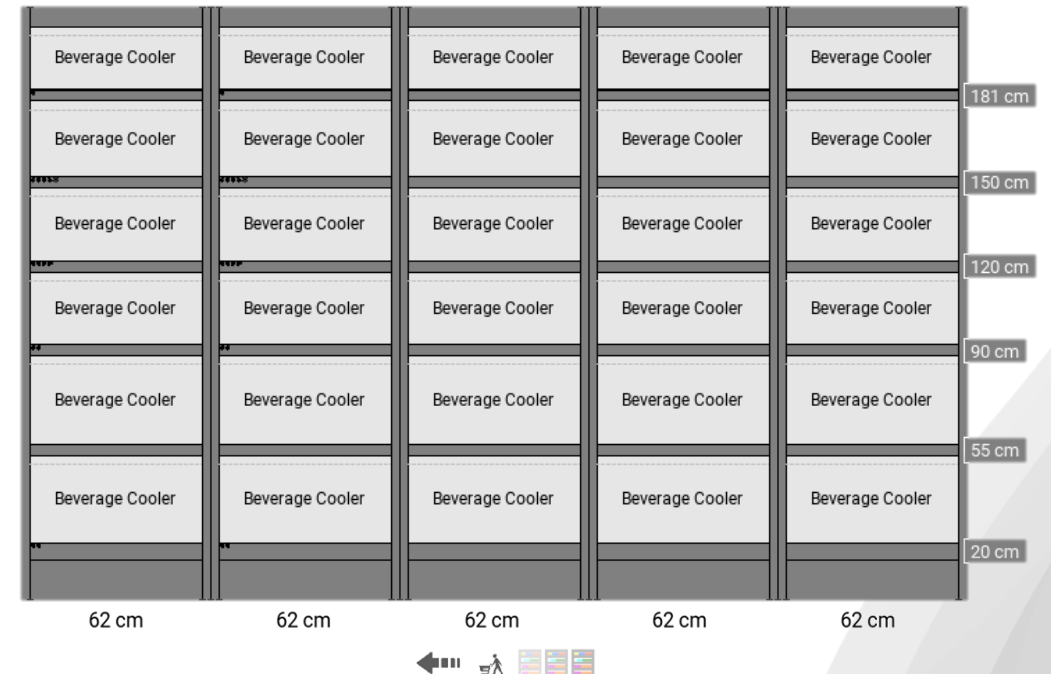
Just at a distance of a couple of km but...

Shelf spaces should correspond to local sales and Category role

Convenience Shop Hamburg Wilhelmsburg



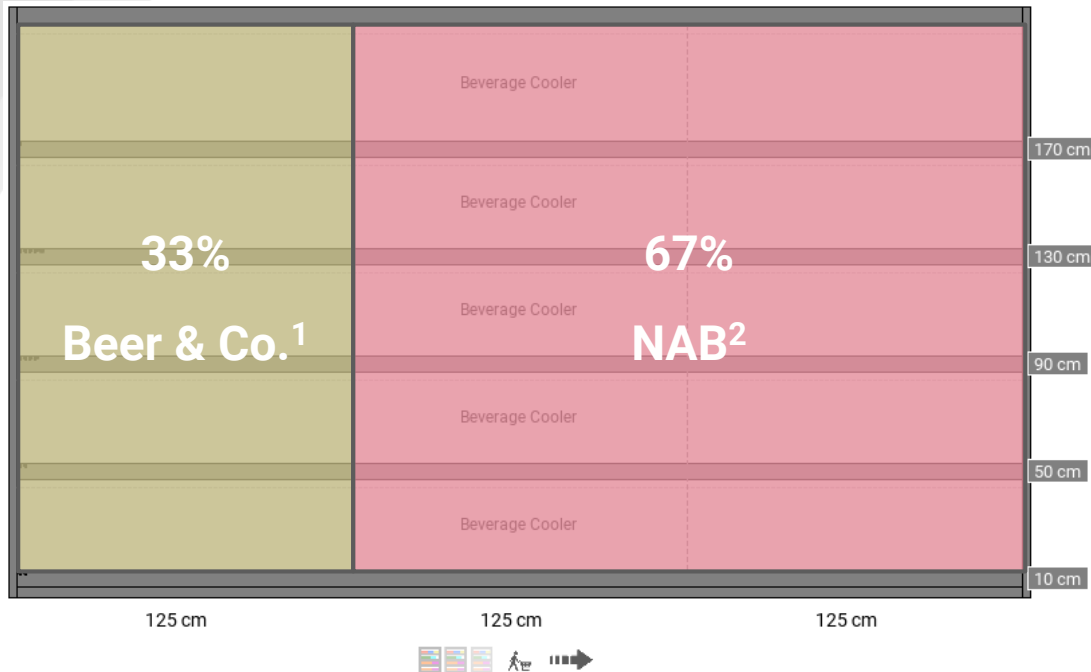
Convenience Shop Hamburg Eppendorf



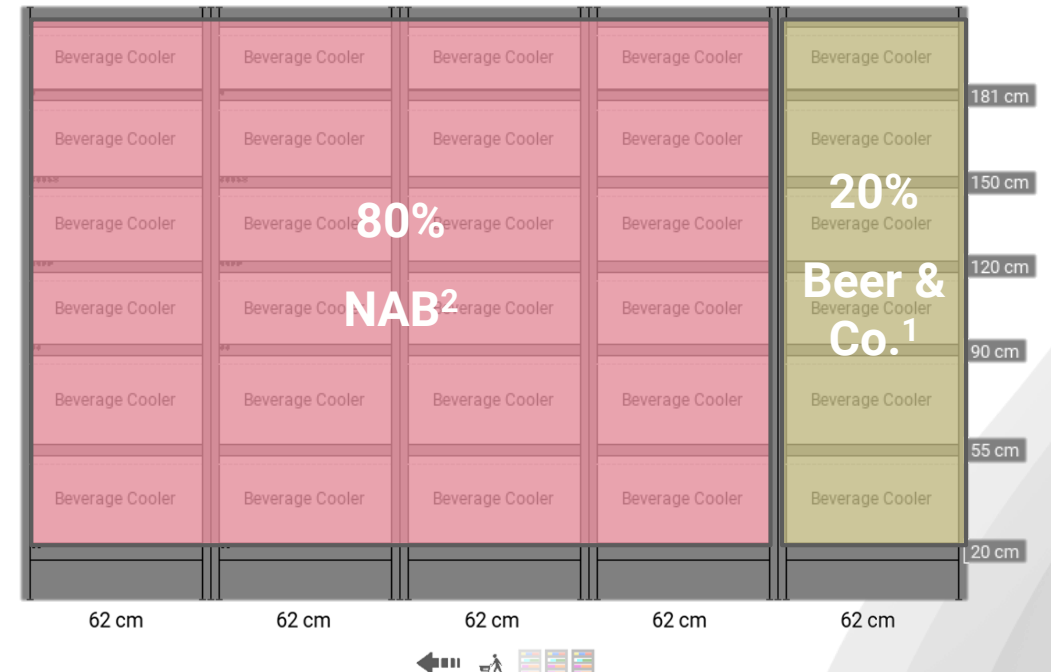
Just at a distance of a couple of km but...

Shelf spaces should correspond to local sales and Category role

Convenience Shop Hamburg Wilhelmsburg



Convenience Shop Hamburg Eppendorf



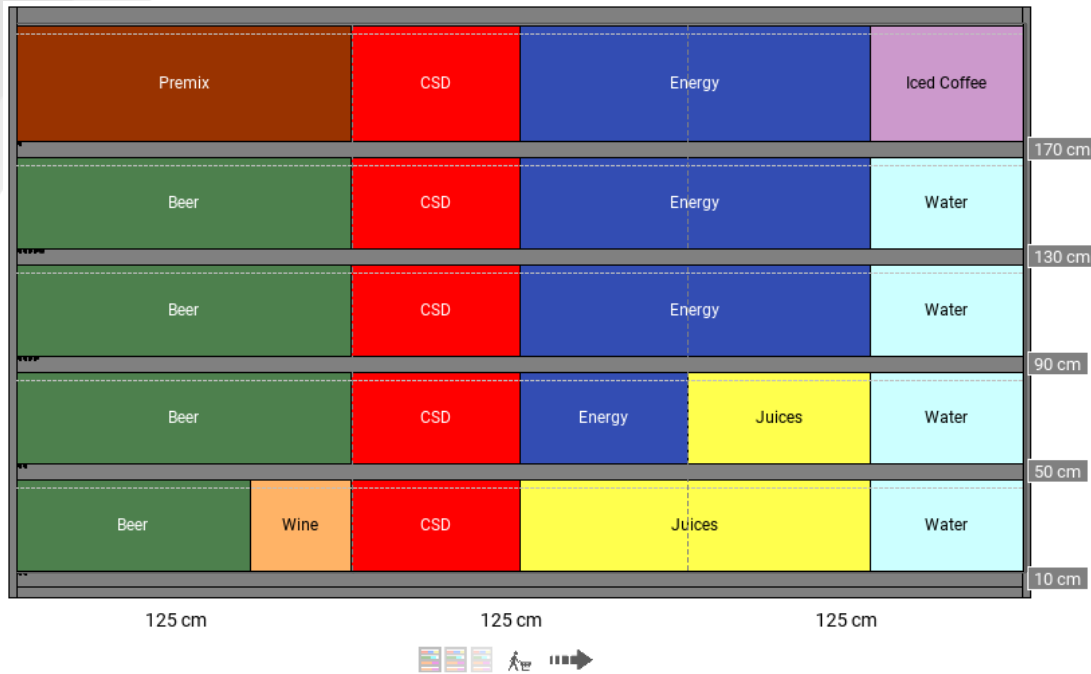
¹Beer & Co. includes all relevant items in alcoholic beverage categories for convenience shops such as Premix, Beer and Chilled Wine/Sparkling Wine.

²NAB includes all relevant items in Non-Alcoholic Beverage categories for convenience shops such as Softdrinks, Energy, Juices, Iced tea and Water.

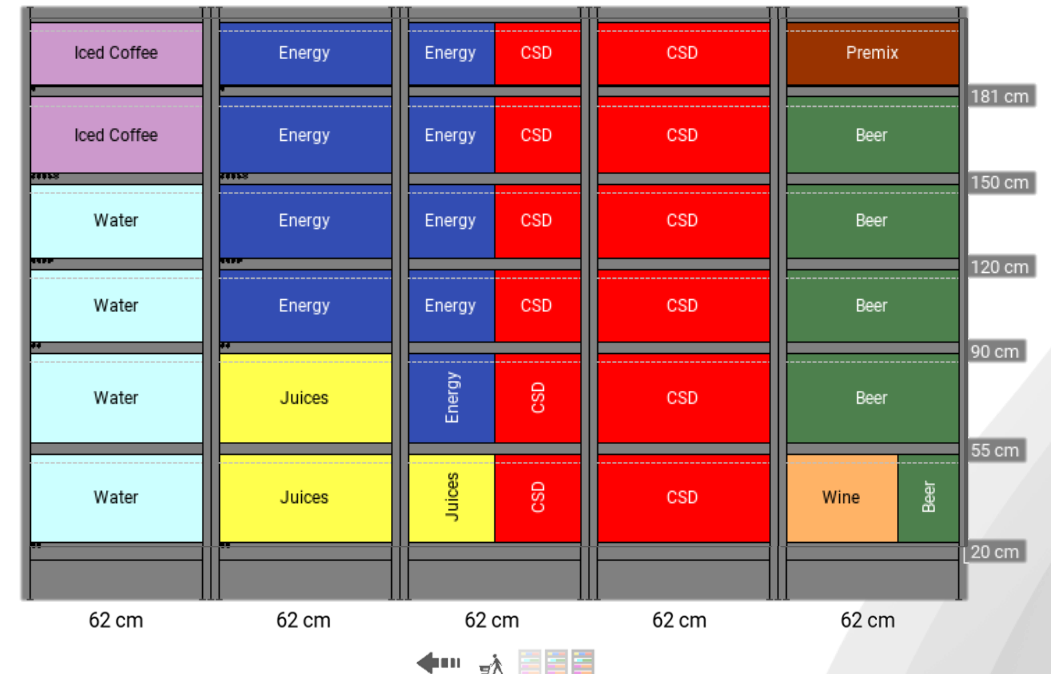
Just at a distance of a couple of km but...

Shelf spaces should correspond to local sales and Category role

Convenience Shop Hamburg Wilhelmsburg



Convenience Shop Hamburg Eppendorf

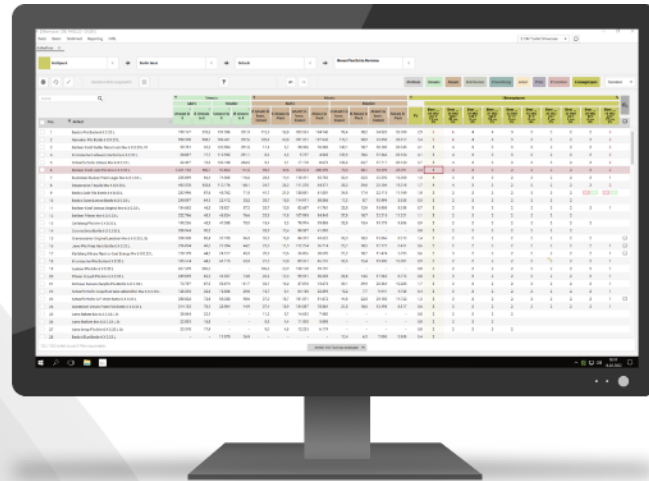


Once you know the shelf spaces, go for the right range

Two-step process to connect range strategy and individualisation per local site

1

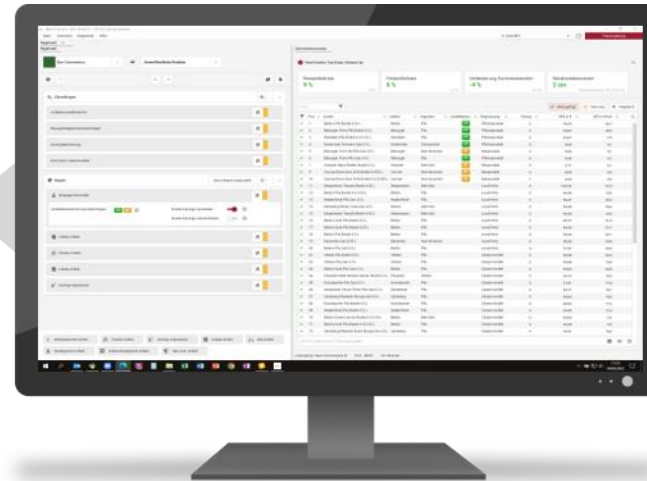
Range strategy per cluster



Software Range Finder®

2

Individualisation per local site



Software Range Adapter



Hamburg Eppendorf



Hamburg Wilhelmsburg

Once we know the range, go producing planograms

Rule-based production of store-individual planograms with patented process*

1. Space



2. Range



3. Shelf Vision



4. Rulesets



Software Shelf Maker®

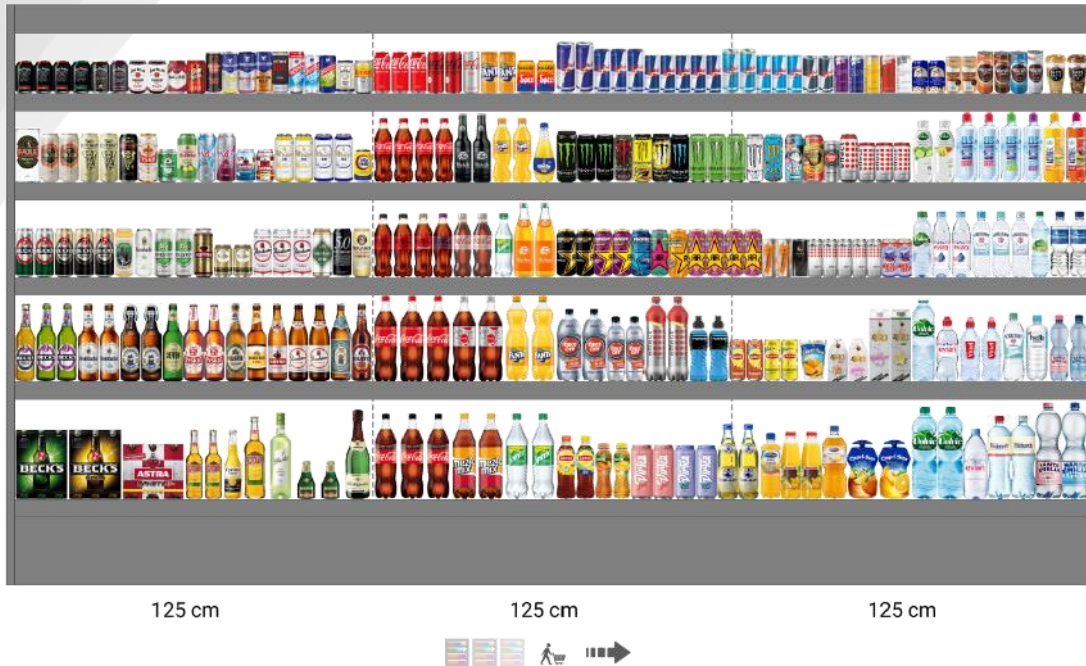


*International Patent EP 2697752 (= WO 2012/139747)
"Method for producing individual shelf images for different sales locations"

What store-individual optimisation really means

In a nutshell not just adjusting item facings but completely different results per site

Convenience Shop Hamburg Wilhelmsburg



Convenience Shop Hamburg Eppendorf



What store-individual optimisation really means

In a nutshell not just adjusting item facings but completely different results per site



Hamburg Wilhelmsburg

263 facings whole cooler

177 SKUs whole cooler

14 Local Heroes 16 Local Losers

6 m linear shelf for Beer & Co.

60 facings Beer

43 SKUs Beer

15%

15%

38%

30%

Hamburg Eppendorf

258 facings whole cooler

149 SKUs whole cooler

10 Local Heroes 8 Local Losers

4 m linear shelf for Beer & Co.

37 facings Beer

30 SKUs Beer



Important: Involvement of the people in-store

SAM[®] (Shopper Activation Mobile[®]) is the enabling execution tool

SAM[®] is your offline-capable, easy-to-use app on mobile devices (tablet) for using it in-store.

With SAM[®] your employees can quickly and easily capture shelf structures and shopper flows live at the POS.

In SAM[®], you receive prepared content from the back-office that might be adapted efficiently in-store based on the sales data of the location.*

SAM[®] provides you with all facts on the space productivity of each meter of the linear space with direct indication of the linear shelf share for brands and manufacturers.



Software SAM[®]



Demo video: <https://www.hoffrogge.com/en/services/sam/sam-shelf/index.html>

*International Patent EP 2697752 (= WO 2012/139747) - "Method for producing individual shelf images for different sales locations"

How Hoffrogge can support you

Enabling you to implement your strategies with software tools and know-how



Software Development

Software tools proven in practice and quick translation of requirements into solutions

Fully-integrated software suites for users in back-office and in-store

Focus on efficiency, scalability, user experience and compatibility



Customer Management

Support and expertise in implementing Category and Sales Management

A team of ECR-certified Category Managers with years of experience

Flexible service options in the sense of 'make or buy'



Your success

What is in this approach for manufacturers?

Provide tangible added value for retail partners via Category and/or Sales management



Arne Koslowski

VP Marketing/Commercial Development,
Coca-Cola Europacific Partners Germany

*'Our daily business is characterized by an **innovative** and **execution-oriented** way of working.*

*Together, we have set **new standards** in the industry with **outlet-specific optimisation** of space, product ranges and planograms.*

*The **digitalisation** of the Category Management processes **on the shop floor** ... is another expression of the high performance and joint success.*



Nina Eichmeier

Sales Manager,
Coca-Cola Europacific Partners Germany

*'The **SAM Shelf®** app from our solution partner Hoffrogge helps us a lot in achieving our **sales objectives**.'*



What is in this approach for retailers?

Involvement of responsible people in store is key for sustainable execution!



Udo Berg

Head of Category Management Services,
Lekkerland SE

*'We especially succeed in managing the perfect mix of **centrally** defined strategies and **local store requirements** within our approach.*

*Hoffrogge's **fully integrated software tools**, combined with our shopper insights, market data and experience in the convenience channel, provide us with a **holistic perspective** that can be **scaled up** ...'*



80-90% execution*



Mirko Bante

Sales Territory Manager,
Lekkerland SE

*'Store-individual planograms are a **clear competitive advantage** in our daily business.*

*If space, range and shelf reflect **regional and local** demand, both are better off – **shoppers and retailers.**'*



Thank you!

For any feedback, questions or interest in our solution please refer to:
Julian.Ploetz@Hoffrogge.com

