

HOW CAN YOU REINVENT AN AISLE? BY USING STORE DATA EFFECTIVELY



It is every manufacturer's dream – and every retailer's, for that matter – to have at their fingertips insights that drive decisions to change the way consumers shop for products. Imagine: you're a manufacturer, and you've just recommended the reinvention of an entire aisle to your retailer...and the retailer says "yes." How often does that happen?

The good news is that, with the right tools, it's actually easy to get the insights needed to make aisle-level recommendations and see if they drive bigger baskets. In fact, we have seen a major pharmacy retailer and one of their top suppliers use powerful analytical tools and gain insights from category data to reinvent the pain care aisle. Let's take a look at the critical elements needed to achieve this.

THE RIGHT VIEW OF DATA

To conduct analysis and get the insights you need in order to make changes to an aisle set, the first thing to have is the right view of data. What do we mean by the "right view"? Almost every retailer and supplier already has access to regular POS data for the categories or products that matter most to them. The tricky part is for retailers and their suppliers to have access to the same data – i.e. a "single version of the truth." Having the same data makes it easier for retailers and suppliers to have the same view of that data. In other words, suppliers should be able to view sales and inventory figures in the same time frame as the retailer – say, the fiscal week that begins on Saturday and ends on Friday. Or suppliers should be able to access the same product hierarchies as the retailer, without sacrificing the flexibility to view product data their own way too. We find that suppliers who don't have access to the same data as their retailers spend dozens of hours each week just reconfiguring and matching up hierarchies before they can conduct analysis. It leaves little time to find good insights.

ADVANCED METRICS MATTER

Next you need the right metrics. 'Sales by item' may not be sufficient information to convince a category manager to revise a planogram – you'd also need basket-level detail that explains the relationship between products. One such metric is basket affinity – in other words, what other products do shoppers buy most often when buying your product? Say you identify a strong affinity between a foot ointment and pain relief tablets; however, they live in different aisles. You might want to test having them both in the same aisle since shoppers tend to buy one when they buy the other. You may also want to see sales of the pain reliever and the foot ointment by planogram, normalized across all planogram sets (given that not all planograms are the same size). This allows you to see which planograms are the most productive and also which one shows the most promise in the early part of your aisle reinvention test. You would also need to measure the size of the basket to ensure the closer proximity of the foot ointment and pain reliever is resulting in bigger baskets as theorized.

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FLEXIBILITY IS KEY

And finally, you need to be able to investigate any theory or question that arises - whether that means seeing what complimentary items have strong affinities with yours, which item size sells better per division or store type (or planogram!) or how a new item launch is doing two weeks after gaining full distribution. You don't know where your next big idea is going to come from so you need the ability to ask any question of the data you have - and be able to do it quickly and easily without waiting days or weeks for someone in IT to get the data and clean it up for you. We have heard from account teams and retailers alike how much they appreciate being able to have analytical power built into easy-to-use reports right at their fingertips.



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So, what tools enable business users to get the right data, use the right metrics and be empowered to do necessary analysis themselves without relying on "data experts"? You need a powerful tool that is both flexible and user-friendly so that any business user can get what they need whenever they need it. The tool should also empower retailers to easily and securely share their data with suppliers. This combination is what makes turnkey reporting solutions for retail powerful. It also provides retailers the ability to share their POS, inventory, POG data and more with suppliers, resulting in truly collaborative relationships. The reinvention of an aisle based on data-driven insights is not a pipe dream; it just takes the right mindset and the right tools.

FOR MORE INFORMATION

To learn more about how 1010data can make aisle reinvention possible, contact 1010data today.