



insights

Store-Level Strength

Location-Specific, Item-Level Data Drives Brand ROI

In today's competitive operating environment, consumer goods companies know that winning shoppers' dollars requires a level of personalization and strategic planning that enables them to tailor assortment, trade promotions, shopper marketing efforts and retail coverage to the most micro level possible.

While store-level data has long been used to glean insights into a brand's historical sales performance and promotional effectiveness, the ability to integrate store-level performance with critical shopper intelligence and geodemographic data is now providing powerful insights to companies seeking to optimize their store-specific performance. The result: measurable store-by-store improvements in brand sales and return on investment against trade and in-store activities.

"We've always known that all stores are not equal, yet the ability to identify and execute against the opportunities that exist for items at the store- and item-level has long been a capability unique to advanced DSD suppliers," says Lori Stillman, executive vice president for Advantage's Analytics, Insights & Intelligence (Ai2) division. "Our methodology allows us to identify the best stores to activate, whether that's media planning or retail execution. It's at the intersection of household and store where we can derive much smarter thinking and close the gaps on personalization desired by shoppers."

This next-level data analysis could reveal, for example, that even though a store generates very strong sales for a specific item, the full potential of that item —

Quick Take

- > Consumer goods companies are combining store-level, geodemographic and psychographic data to increase sales and ROI.
- > Store-specific data is informing new-item placement, assortment strategies and promotional activities.
- > New insights are powering a fluid, location-specific retail execution model.

based on the demographics of that store's shoppers — has yet to be achieved. The resulting recommendations may lead to an enhanced replenishment and merchandising strategy on an item that might otherwise be left unchanged, Stillman notes. When this approach is taken in aggregate across a planogram, overall sales grow.

New products and promotions

Analyzing store-level data combined with geodemographic and psychographic data can also inform decisions around new-product introductions and facilitate discussions between the brand and the retailer, according to Jennifer Gruber, vice president, analytics, Ai2.

"This allows us to change the conversation with retailers of all size," she notes. "Small retailers, working independently or through wholesalers and distributors, typically are void of shopper data. Leveraging our data set, we're able to provide them insight into their shoppers in ways they haven't had access to in the past, creating better collaboration and better decisions."



"With larger retailers, we are able to assist manufacturers to ensure their expectations on performance and investments in products make sense. For example, if a manufacturer wants, and pays for, distribution in stores representing 85% of the ACV [all commodity volume] for product X, but the product only aligns with shoppers in 50% of the ACV, they can create sales targets that address that discrepancy, at a minimum. But they could also look at only selling the product at targeted stores, creating a better spend and more curated, store-level solution for retailers."

Optimized assortment

Similarly, overall product assortment can be optimized by region, by market or by store using location-specific and demographic data analysis.

"The data helps us be much more prescriptive in the assortment and trade recommendations we make to retailers, allowing each and every store to be ideally tailored to those shoppers who frequent a specific location," Stillman says. "The precision of the approach creates a win for the retailer, the brand and, most importantly, the shopper."

Store-level data analysis also helps manufacturers maximize promotions by highlighting stores whose customers are most likely to be receptive to specific campaigns. "Rather than activating these programs on a retailer or even nationwide basis, we're empowering brands to bring a laser focus to their planning and use their total dollars more strategically," Gruber says. An ice cream brand, for example, might leverage this data to choose which flavors to demo on a store-by-store basis to best drive shopper engagement, stimulate trial and increase sales.

The same holds true for the activation of in-store promotional displays. The data analysis might reveal only half of the stores in a market have a customer base that will be receptive to a specific promotional shipper, for example. Rather than send a single shipper to every store in the market, brands could double up in stores with a shopper base more closely aligned with the product.

Retail execution

Location-level data also informs retail coverage strategies by optimizing store-level service based on each site's opportunities, something the Advantage Retail Operations division has been doing with the help of the Ai2 team, according to Andrew Keenan, vice president of retail operations at Advantage.

"It's an entirely new approach, completely driven by data and the insights the data provides," Keenan says. "We are able to look at opportunities and build solutions through a store lens versus a retailer lens and provide the best possible store segmentation for execution, including frequency of

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visits and time spent in each store. It's about looking at the universe as thousands of stores, not dozens of retailers."

More refined execution leads to greater efficiencies and increased returns. "This more focused coverage reduces distribution voids at the shelf, corrects more systemic out-of-stocks and ultimately boosts sales at store level," Keenan says. "This is especially critical during promotional weeks."

What's more, store-level data and insights drive more fluid execution strategies that evolve over time. As in-store teams execute against the identified opportunities in each location, resources are shifted to other, emerging opportunities, he adds.

While leveraging store-level data requires greater resources and creativity, it's paying off for clients, Keenan says. "For example, when our dedicated retail teams are powered by the right analytics, we're able to deliver a 4:1 return on retail investment."



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