

---

## ***Consumer Goods: Know What's Happening***

---

Data is only useful when it can be turned into meaningful information – insights that let you know what's happening – and why. When Consumer Goods companies have the right tools, they can more effectively assess factors impacting sales and promotion performance, and get on the path to future success at the store.

There is a big difference between knowing what your sales numbers are – and knowing why. It's a distinction that can mean the difference between sales success and failure.

Many consumer goods companies rely on access to sales data from third party providers like Nielsen and Aztec. While it's easy to find out how much you and your competitors sold, and even break it down by store chain, region, product category, and sku, are you able to interpret the results?

Sales figures alone don't explain what's happening to your products and brand at the store level. Data isn't useful unless it can be turned into meaningful information – insights that let you know what's happening - and why.

To get these insights you need to analyse multiple sources of data to establish correlation and to draw conclusions that explain the sales results – and what you can do to change or improve them. If sales declined, was it because the stores ran out of stock, a competitor spent big on a promotion, or was there simply unseasonal weather? Are there any controllable factors that might allow you to change the situation – or any opportunities to drive growth?

### ***Uncovering trends for informed decision-making***

Sales data coupled with in-store insights collected by the field force enhance analysis and decision-making, giving you the right information at the right time to make the right decisions.

With these two 'I's' – information and insight – you can 'see' what's happening, assess factors impacting sales and promotion performance, and track and analyse based on specific in-store conditions, retail execution, competitor activity and other influences.

### ***The high cost of not knowing***

Not knowing what's really happening can be very costly. You might know how much of your marketing budget is spent and where it is being used, but how do you know what's working, what's not – and why?

Lack of coordination between corporate agreements and store-level execution can have some unfortunate consequences, like poor promotion compliance, poor adoption of corporate initiatives, limited sharing of best-in-class store strategies and limited manager or central support for real-time execution challenges.

The numbers alone don't tell you whether individual stores are complying with terms agreed upon at the head office. They don't tell you the new Point of Sale banners you invested in at great cost were at the back of the store where customers will never see them. They don't tell you your shelf facings were empty the day after your new advertising campaign or special price offer launched.

With consumer goods companies spending significantly on Point of Sale materials and promotions every year, those details are important. Inconsistent implementation and non-compliance makes accurate forecasting almost impossible – and a lack of in-store feedback makes identifying the problem just as difficult.

Unfortunately, irregularities in implementation and lack of compliance are a reality. The trade association Point of Purchase Advertising International (POPAI) estimates average Point of Purchase implementation in-store at around 50%, with only half of the promotional material delivered to stores ending up in the sales area.<sup>1</sup> And, in their 2009 report *What's the deal with out-of-stocks?*, IHL Group analysts Lee Holman and Greg Buzek claimed the true out-of-stock rate experienced by consumers is 17.8%.<sup>2</sup>

In addition to creating dissatisfied consumers, ineffective implementation and lack of compliance can also be costly. In a 2008 Progressive Grocer article, Dr Brian Harris and James Tenser estimated US\$25 billion was ineffectively spent annually by consumer products manufacturers in the USA because half of all authorised retail and promotional displays either weren't erected or went up late. They estimated the bottom-line cost of sub-optimal merchandising performance to be about 1% of gross product sales across the food, drug and mass channels.<sup>3</sup>

While sales figures will tell you a promotion didn't work at a particular outlet, if you can't tie it to information from the field about compliance, out-of-stocks and other in-store conditions, you won't know why it failed – and you won't be able to fix the problem.

### **Tips:**

1. Capture and reporting of infield conditions is important, but you must ensure your infield tools help the field force succeed by providing guidance and highlighting opportunities.
2. Ensure your analytics and reporting tools have the ability to consolidate data from multiple sources, or you won't get the insights to really drive your business forward.

Consolidating various sources of information gives you the ability to understand what's happening in-store, facilitate change, respond with better planning, and deliver clearer and more detailed communications to the field force, improving their ability to engage at the store level and drive greater compliance.

### **Better communication between office and field**

You can improve communication with your field force and gather the data so important for insights with StayinFront Consumer Goods.

Deployed to merchandisers, sales representatives and managers on laptop, tablet and mobile devices, StayinFront Consumer Goods integrates internal and external data sources, tracking accounts and store level interactions across multiple channels and providing rich analytics for a complete view of the business, so you can truly know what's happening.

---

<sup>1</sup> 'Retail Compliance – The Facts', by Jim Bilton, Wessenden Marketing, Dec. 2004. [www.wessenden.com](http://www.wessenden.com)

<sup>2</sup> IHL analysts Lee Holman and Greg Buzek report, *What's the Deal With Out-of-Stocks, 2009* – reported on Supply Chain Digest web site, Supply Chain News in the article 'Just how big is the out-of-stock problem in retail?' [www.scdigest.com](http://www.scdigest.com)

<sup>3</sup> Progressive Grocer web site article 'RETAIL EXECUTION: The buck starts here', by Dr. Brian Harris and James Tenser, May 1, 2008. [www.progressivegrocer.com](http://www.progressivegrocer.com)

**stayinfront.com**

sales@stayinfront.com

**StayinFront, Inc.**

**CORPORATE HEADQUARTERS**

107 Little Falls Road  
Fairfield, NJ 07004-2105  
Phone 973.461.4800  
Fax 973.461.4801  
Toll Free 800.422.4520

**GLOBAL OFFICES**

StayinFront House  
12 Corporation Street  
High Wycombe  
Buckinghamshire HP13 6TQ  
**United Kingdom**  
Phone +44.(0)1494.430.130  
Fax +44.(0)1494.532.740

101 Waterloo Road  
Macquarie Park, NSW 2113  
**Australia**  
Phone +61.2.9900.1100  
Fax +61.2.9900.1199

Level 6 Building 2  
4 Riverside Quay  
Southbank, VIC 3006  
**Australia**  
Phone +61.3.8646.4400  
Fax +61.3.8646.4499

101, IT Tower 2, InfoCity  
Gandhinagar - 382009  
Gujarat

**India**  
Phone +91.79.4010.9999  
Fax +91.79.4010.9900

48 Serpentine Ave., 1st Floor  
Suite 106/107, Ballsbridge  
Dublin 4  
**Ireland**  
Phone +353.1.660.8553

9 Blake Street  
Ponsonby, Auckland

**New Zealand**  
Phone +64.9.361.0888  
Toll Free 0800.0800.355  
Fax +64.9.361.0889

237 Alexandra Road  
#03-02

The Alexcier  
**Singapore** 159929  
Phone +65.6275.8225  
Fax +65.6275.8226