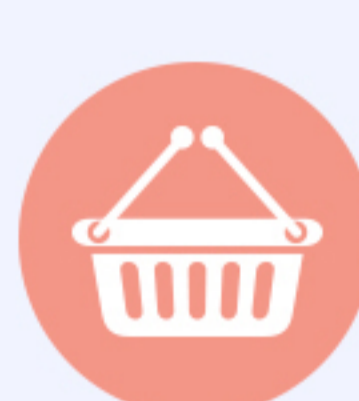


# MERCHANDISING ANALYTICS

OLD MIX BUT THE NEW RETAIL COCKTAIL



## BEGINNING FROM BASICS



### MERCHANDISING

The act of promoting sale of goods, especially through their presentation which includes managing assortment, pricing, promotions, sourcing, replenishment etc.



### ANALYTICS

Interpretation of data patterns and insight derivation for effective decision-making

A new-age platform leveraging analytics and modern Business Intelligence (BI) for importing scientific reasoning to the art of merchandising – the aspect which earlier relied on human gut-feel and restricted market knowledge.

## MIXING THE TWO

## CHALLENGES ADDRESSED

Primarily, Merchandising Analytics focuses on the random assortment management and non-optimised shelf-space regulation – a task which opens the can of several underlying challenges.

- 1 Non-standardised and unreliable data due to geographical and process-led variations
- 2 Erroneous reporting and process tracking with no integrated reporting platform
- 3 Longer TATs providing issue resolution owing to lack of central data repository
- 4 Lack of data-driven business insights leading to skewed planning
- 5 Guess-timation based stock management allowing revenue leakage
- 6 Increase in conflicting interests with market expansion
- 7 Increasing limitations in the retail display space

## BENEFITS BRIGADE

UNIFIED VIEW – CUSTOMISED ANALYSIS – LOCALISED STRATEGY

### Macro-View

- Better knowledge of your existing and prospective buyer
- Enhanced segment and category visibility
- Scientific stock assessment and planning
- Prevention of holding and spoilage costs
- Improved visual merchandising compliance scores
- Deep performance analysis
- Insights for increasing aisle traffic
- Predictive modelling allowing variation simulation
- In-depth basket insights for every SKU with affinity analytics

### Micro-View

- Decreased visual clutter
- Identification of max footfall spots
- Timely trend-spotting and staple differentiation
- Real-time and hyper-localised assortment management
- Competition mapping for inventory depths/stock-gaps
- Scientific models for profitable dynamic pricing

## LATEST TRENDS



Leveraging predictive and enhanced assortment management



Hi-tech omnichannel data integration solutions



Microscopic level dissection of variance parameters of performance evaluation



Micro-segmentation for improved planning and execution



Supplier collaboration for exploring joint-trade opportunities



Increased leverage of co-merchandising and other incremental opportunities

## HOW BIG IS IT?

By 2025, in-store sales will still make up **75%** to **85%** of retail sales, reinstating the criticality of merchandising matters. <sup>(2)</sup>

Retail analytics market is expected to grow to **US\$ 8.64 billion** by 2022 (was US\$ 3.52 billion in 2017), at a CAGR of **19.7%**. <sup>(3)</sup>

Retail industry is expected to be worth approx. **US\$28 trillion** by 2020. <sup>(1)</sup>

In India, the size of retail analytics market revenue stood at **US\$137 million** in 2017 – thus signalling huge opportunity potential. <sup>(4)</sup>

As per an industry survey, **76%** of retailers assert that analytics churned insights are critical to their organisational performance. <sup>(5)</sup>

### Sources:

1. <https://www.statista.com/statistics/443522/global-retail-sales/>
2. <https://www.mckinsey.com/industries/retail/our-insights/whos-shopping-where-the-power-of-geospatial-analytics-in-omnichannel-retail>
3. <https://www.marketsandmarkets.com/PressReleases/retail-analytics.asp>
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