



The Shelf Represents Your Corporate Philosophy for Engaging Consumers

by Mike Spindler

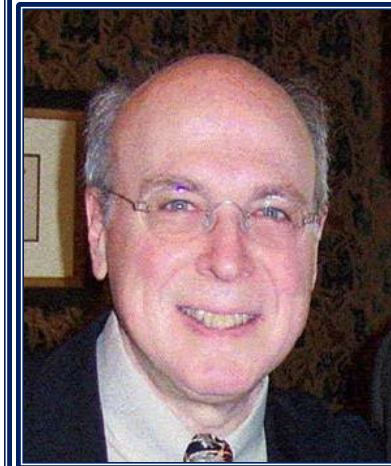
Recently, I called a quiet industry titan, Bob Cohen, and asked if he could spare a bit of time to have lunch and review ShelfSnap. Bob is the inventor of Spaceman, one of the first space management applications which forever changed the way products are set on the grocer's shelf. For those who do not know Bob he is smart, committed, innovative, reflective, and oh, did I mention smart? He is still toiling in technology mostly because he loves a challenge. His first love is the merchandising art and it took him seconds to understand and appreciate ShelfSnap.

Bob discussed a store specific planning program he wrote that utilizes all available data, in a unique rules-based environment to pinpoint assortment, facings and space to yield whatever financial targets the client wished to achieve. At the crux of this system exists data-based refinement capabilities including a compliance feedback loop that ShelfSnap would make economically feasible.

After presenting the new, innovative program to a large retailer accolades followed. Then question came from the audience about how make changes to a store specific result should someone (at the store) decide they wanted to do so. At that point Bob folded up his presentation and went home.

Bob stopped to take a bite of his lunch and I, ever willing to play the fool, asked, "Why did you do that?" Bob's answer, "The program I developed required the retailer to think through their customer philosophy and link that philosophy to product, merchandising and financial plans. Adjustments to that plan must be qualified as within an allowable scope according to that corporate philosophy. Allowing, even encouraging someone to short circuit this process to "pretty up" the shelf means that the retailer was neither committed to the philosophy, nor the plan."

In short, *the plan represented the corporate philosophy, deviations to that plan would affect both the financial performance and the merchandising philosophy of that retailer with the customers of that category in that store.* Suggestions on how to improve the execution of that philosophy would certainly be useful to test and, if proven correct, to adopt across the chain. In short and in the end, Bob knew he was talking to the wrong retailer.



Bob Cohen, industry titan and inventor of Spaceman. Spaceman was the first PC-based Space Management application. It brought science to the shelf.

"ShelfSnap™ is absolutely the missing link that has prevented us from understanding the deviations from the plan which deplete the energy and profit from stores, brands and organizations."

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Bob's ideas are important. We should be asking some questions.

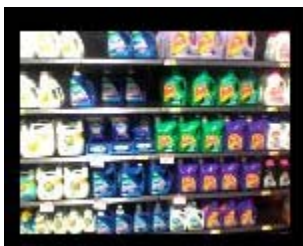
- How do my store sets actually compare to the plan?
- If the assortment and facings on a store-specific planograms deviate from the plan itself . . . what does that deviation cost the organization?
- What does it cost in treasure, and what does it cost from a consumer standpoint?
- And if the deviation is really "a good idea" that should be implemented elsewhere in the chain, what does it cost the company not to know about it?

At ShelfSnap, we can uniquely measure the in-store implementation - accurately, efficiently and effectively and then compare it against the plan. Deviations in assortment, facings, brand blocking, adjacencies, flow and orientation are immediately and irrefutably obvious.

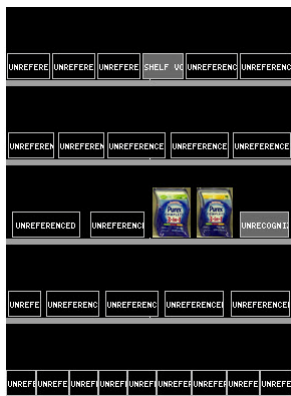
New Products Launched



Store Level Distribution Achieved. Was this the plan?



Store photograph. Walmart Store Eight weeks after advertising was launched.



Snapogram of store level execution in photograph.

Nº	PRODUCT	SSS	LSS (ft)	NF	ND
1	 Purex Complete 3 in 1 Laundry Sheets Spring Oasis Dial (0002420002582)	50.00%	0.50	1	100.0%
		Sh 5 0.0%			
		Sh 4 0.0%			
		Sh 3 100.0%			
		Sh 2 0.0%			
Sh 1 0.0%					
R-Score :					
2	 Purex Complete 3 in 1 Laundry Sheets Tropical Escape Dial (0002420002581)	50.00%	0.50	1	100.0%
		Sh 5 0.0%			
		Sh 4 0.0%			
		Sh 3 100.0%			
		Sh 2 0.0%			
Sh 1 0.0%					
R-Score :					

Distribution details by product for store after 8 weeks.

How much deviation can your store plans afford?

Store Specific Planogram Results

Group: The Category Management and Shopper Insights Executive Group
Subject: New comment (4) on "Store specific shelf plans, and the challenges they face when they hit the store. New data."

Recently, Girish Nair commented on one of our CEO's Posts with a real life, results oriented study. Girish gives some real life examples of the results generated from realigning the shelf to a store's specific consumer's needs.

Excerpts

I was a skeptic on this working for a product category like jewelry which I am currently working with. However, I should say, I am pleasantly surprised by the response we have received.

We completed an extensive planogram study for one of our bigger stores retailing in gold and diamond jewelry in Dubai couple of months back. While it has not been technology dependent to a big scale, we incorporated staff feedback and some customer feedback to ensure better present-ability and stocking not only inside the store but also in the windows.

Dubai, being a market of a huge transient population floating in and out, made this slightly more complicated. But, we are quite happy with the results showing us a month on month growth of almost 14% in such difficult circumstances whereas the first 6 months, we were falling by almost 30%.

We did receive some criticism in some quarters which we evaluated fairly, made changes where it was needed and stood our ground otherwise. The planogram, I believe, worked only because the team at the store understood what we wanted to do and we put in effort to explain it to them as well. I wouldn't say we spent extra effort training the staff, but we did spend a lot of time in the showroom *ensuring its been complied with every day*

so, I am a believer now Girish Nair

THE IMPACT OF DEVIATING FROM THE PLAN

Girish Nair experienced a dramatic shift in sales trend after introducing a store specific planograms in his pilot store. Sales trend went from -30% to +14%. Wow! Let's assume that Girish decides to expand his store specific planograms efforts to the other 7 stores in the chain.

If we apply the AVERAGE ShelfSnap findings on deviations from the plan what impact would that have on his results? The average deviation for missing items and items with fewer facings is over 30% of the total items in the POG. If we negatively impact 30% of the items being deployed in the PLAN that Girish built for each store, what is the probability that his other 7 stores will see the same dramatic sales results? Probably 0%.

Changes to the careful planning by well-meaning store personnel will affect the stores sales. By 30% . . . perhaps not, but what do you think the impact would be?