



Back in the early 90's a process was developed to help retailers and suppliers manage the category management process (The eight step process), many retailers and manufacturers refined the process for speedier strategy/opportunity fulfilment, smoother execution, and more robust results. The process can be broken into 3 stages and by understanding these stages you can then customize these to suit your own needs.



Stage one the assessment stage, what do I know or need to know?

In this stage we ask ourselves what do we know about the category, what do we know about the consumer and what do we know about the brands or retailers in this segment, it will also help us decide what type of strategy we need and what objectives need to be set to meet our goal. The goal could be a growth target, a market share target or an awareness target. In this step you should elements of the following steps;

1. Define category

Possibly the most important step as it will define your understanding of the retailer, their customers and who buys your brand. This step will look at the consumer decision tree to see how customers shop the category. You will find out if they shop by brand, sub-brand, packaging, quality, flavour etc. Upon completion you will define a category or a product grouping based on the results.

2. Category role

The role identifies the importance of the category. For example a retailer may want the category to bring new consumers into the store, be a traffic generator, meet their routine needs or be a destination for seasonal or occasional purchases. So retailers may assign different roles to categories depending on the customers they want to attract. The four types of roles are destination, routine, seasonal and convenience.

3. Category assessment

Possibly the most time consuming part of the process this stage looks at all the data available including any market or consumer research and may even require new research based on its outcome. You will look at Sales by category, sub-category, brand, SKU, promotions, market growth/decline as well as any consumer trends or changes in consumer buying habits.



Stage two the strategy stage, what have I learned?

The strategy stage is where we build a detailed plan of action and define what measurement criteria to set, this is the most important stage as it defines what needs to be done to achieve the category objectives or goals. This is a part where shortcuts are not recommended but you can speed up the timeframe.

4. Category scorecard

The scorecard is an important step in the process as it connects the analysis part of the process (category definition and segmentation, role development, and assessment) to the strategy part of the process (strategy development, assortment, pricing, in-store presentation and promotion) In this part you summarise what you have learnt and create the goals or objectives for the category.

5. Category strategies

The category strategy will define what is needed to achieve the categories role. Examples of category strategies are; traffic builder, transaction builder, profit generator, share protector, excitement generator or image enhancer. To achieve these strategies a combination of assortment, price, promotion and merchandising tactics will be used

6. Category tactics

Tactics include specific actions to be taken to achieve chosen category strategies. They will look at what marketing activities, types of promotions, changes to assortment, communication strategy and planogram or fixture changes.

(This is the stage where new planogram and range assortments are planned)



Stage three the Implementation Stage, what actions am I going to take

"When a plan comes together" The implementation stage can be the success or failure of a category strategy, you must have a clear plan of who is responsible for what and when it needs to be done by. If a Cat Man process is likely to fail it most likely will fail in this part of the process due to misunderstanding or incomplete implementation. This is why its so important to allocate proper resources and to review progress so you can learn what further actions are needed to ensure continued success!

7. Implement plan

This is the action step that brings your strategies and tactics to life and the part where responsibilities are assigned to implement the changes. It is also the part where many processes fail due to the failure to get buy in or the failure to agree the changes. The degree to which you accurately implement the plan will dictate its success.

8. Review and assess performance

Analyse, measure and review the results. This should be ongoing and used to help you refocus and make changes if necessary.

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