# Category Management

Focus on what is right for your Customers

Winning in retail is hard; Customers are better informed with multiple options on who and where to buy from, pressure from traditional rivals and discounters is increasing, buyers are increasingly 'drowning' in data, and businesses are trying to be the best at everything. All of these drive downward pressure on margin and lead to increasingly confusing shopping experiences for your Customers.

The dunnhumby Category Leadership approach is a proven framework for making clear, informed and actionable decisions leading to sustainable like-for-like sales improvements. Focusing on the Customers who matter the most, deciding which categories to invest in more or less, pulling the critical marketing levers by category, and reflecting on how your Customers shop are key steps in easing margin pressure and delivering an online or in-store experience that delights shoppers and keeps them coming back.

For retailers – buying, category, space planning and merchandising teams
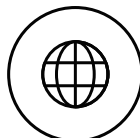**For brand owners – category manager, national account manager and marketing**
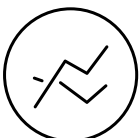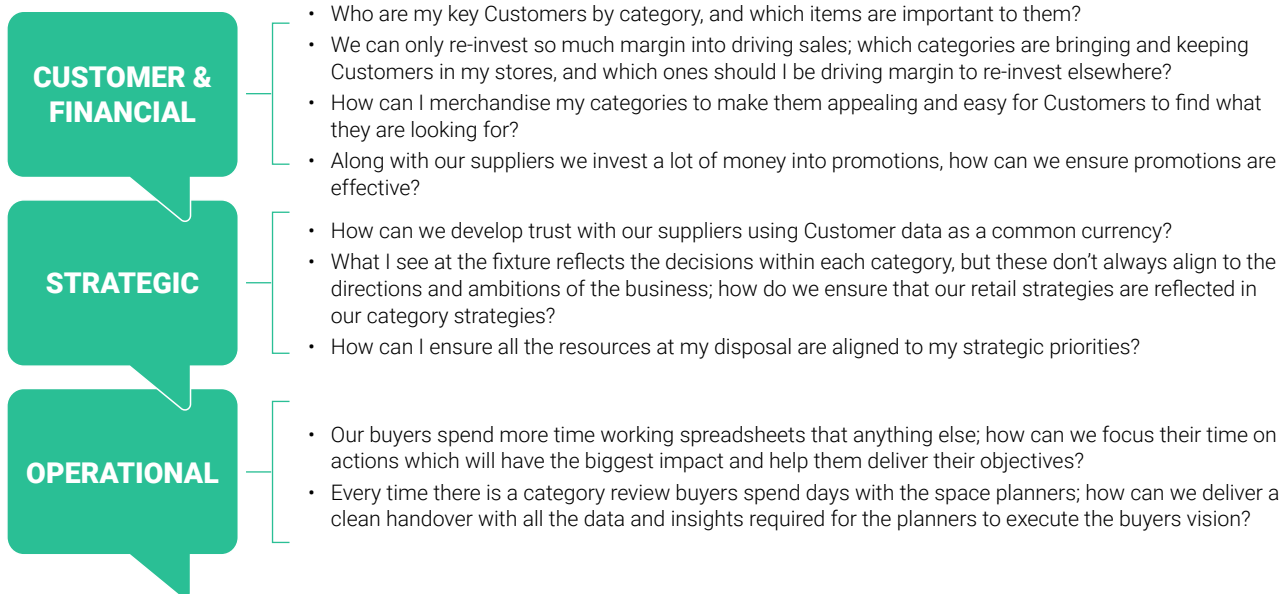
+2-5% like-for-like sales uplift

x10 return on investment

20+ global markets

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Key questions & challenges answered

Poor margins are not due to your Customers, yet too often the impact of retail decisions penalises Customers for liking what they buy. Buyers can spend more of their time in spreadsheets than negotiating or building category growth plans with suppliers. Retailer strategies too infrequently make the transition from boardroom to shelf. dunnhumby's Category Leadership approach is designed to change these situations.

CUSTOMER & FINANCIAL

- Who are my key Customers by category, and which items are important to them?
- We can only re-invest so much margin into driving sales; which categories are bringing and keeping Customers in my stores, and which ones should I be driving margin to re-invest elsewhere?
- How can I merchandise my categories to make them appealing and easy for Customers to find what they are looking for?
- Along with our suppliers we invest a lot of money into promotions, how can we ensure promotions are effective?

STRATEGIC

- How can we develop trust with our suppliers using Customer data as a common currency?
- What I see at the fixture reflects the decisions within each category, but these don't always align to the directions and ambitions of the business; how do we ensure that our retail strategies are reflected in our category strategies?
- How can I ensure all the resources at my disposal are aligned to my strategic priorities?

OPERATIONAL

- Our buyers spend more time working spreadsheets that anything else; how can we focus their time on actions which will have the biggest impact and help them deliver their objectives?
- Every time there is a category review buyers spend days with the space planners; how can we deliver a clean handover with all the data and insights required for the planners to execute the buyers vision?

What we offer to solve these challenges

An end-to-end toolkit supported by dunnhumby Consultancy that helps you build and execute powerful category plans across the broadest range of marketing levers, including assortment, price, promotions, innovation, and own-label.

Our approach supports each stage in the category management process. Together we will select the strategic and executional activities that best meet your needs.

1. **Establish the strategic roles** of each category and understand which are the most important and why

2. **Prioritise investments** across categories and decide which categories to invest more or less in, and by how much

3. Prioritise the **usage and effectiveness** of each of the **marketing levers** by category

4. Create **category strategies** and plans to drive growth

5. **Execute in-store and online assortment** and merchandising reviews, powered by market-leading dunnhumby products Shop On Lab and Shelf Review

Our tools are proven to become embedded in retailers' processes:

We ensure we understand our clients' category management processes to identify opportunities to embed insight	We map insight reports, tools and KPIs to existing processes to highlight specific intervention points for embedding Customer-centric decision making	We support clients to update existing processes to transition to Customer-centric ways of working	Client training is designed to upskill users on tool functionality and application of insights in business processes

Return on investment you can expect

Customer First retailers use our Category Management solutions to:

➤ **Improve Customer experience** through improved assortment decision making on-shelf and online, delivering more relevant and engaging promotions and a better shopping experience with increased availability in-store

➤ Increase operating margin and like-for-like sales, typically delivering between **+2 and +5% like-for-like sales uplift**

➤ **Drive an uplift in category performance**; rationalise your assortment and grow your category sales

➤ **Improve planning** across assortment merchandising, price and promotions

➤ **Support effective collaboration between retailers and suppliers** and progress towards a joined up Customer strategy

How it works

dunnhumby's unique mix of consulting and products leverage best-in-class Customer Data Science to create end-to-end thinking placing the Customer First.

Process assessment Review category management capabilities	What is my roadmap for capability development?	✓ CATEGORY CAPABILITY HEALTH CHECK	**Category Management Capability Health Check**
Strategic Cross-category	Which categories are important and why?	CATEGORY ROLES	**Category Roles Category Levers Category Investment Macro Adjacencies**
	Which categories should I look to invest more or less in, and by how much?	CATEGORY INVESTMENT	
	Which marketing levers should I focus on by category and how do I flex them?	CATEGORY LEVERS AND PRIORITIES	
Strategic to tactical Category-level	Where is my category today and what are the opportunities?	CATEGORY ASSESSMENT CATEGORY OBJECTIVES CATEGORY STRATEGY	**Core Minimum Assortment Shelf Review Shop on Lab Availability**
Executional Category workplan	What do I execute at a product and fixture level?	CATEGORY PLAN	

How effective is it?

Just ask these dunnhumby clients:

metro

Priorisation, focus and allocation of resource has consistently driven **+2-10% category growth** versus the market

MONOPRIX

Category Optimisation across 25 priority categories drove **+2% category growth** ahead of the market

SHOPRITE

Improved merchandising has delivered **+2% category sales growth** and optimised assortments has driven **+3% growth**

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THE WORLD'S FIRST
CUSTOMER DATA SCIENCE PLATFORM

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dunnhumby is the global leader in Customer Data Science, empowering businesses everywhere to compete and thrive in the modern data-driven economy. We always put the Customer First. Our mission: to enable businesses to grow and reimagine themselves by becoming advocates and champions for their Customers.

With deep heritage and expertise in retail — one of the world's most competitive markets, with a deluge of multi-dimensional data — dunnhumby today enables businesses all over the world, across industries, to be Customer First.

The dunnhumby Customer Science Platform is our unique mix of technology, software and consulting enabling businesses to increase revenue and profits by delivering exceptional experiences for their Customers – in-store, offline and online. dunnhumby employs over 2,000 experts in offices throughout Europe, Asia, Africa, and the Americas working for transformative, iconic brands such as Tesco, Coca-Cola, Meijer, Procter & Gamble, Raley's, L'Oreal and Monoprix.

Connect with us to start the conversation
dunnhumby.com