



Category Management Knowledge Group

CatMan with Limited Data

Your guide to maximizing the data you have to make better fact-based decisions.

Here's how to get started with category management with limited data sources.

If you're in a limited data environment and are looking for ways to do category management, this e-book is for you!

We've developed it to help you (as an Analyst, Manager or Leader, or just a CatMan learning enthusiast).

This short eBook will help move your organization to a more strategic and fact-based category management approach, even within the data limitations you may have now or in the future.

1. Limited Data Checklist

Learn how to use category management with limited data, and a whole new world will open for you!

2. How To Do Category Management on Limited Data

Look at your data limitations as hurdles that you may have to practice jumping over for awhile, but they shouldn't prevent you from doing category management.

3. 3 Most Common Data Gaps

The opportunity when you're in a limited data environment is to become more creative in the data that you DO have access to. Check out these great options below if you have limited access to market, Shopper or tactical data.

4. Get Started & Save

Want to learn more about how training can help you achieve your goals in a limited data environment? Perform well in your role? Get that next promotion? Land that next job?



Limited Data Checklist

Learn how to use category management with limited data, and a whole new world will open for you!

Step 1: Articulate & Assess

- Articulate data gaps in your business and identify what outputs and measures you can access across consumer, market and the tactics.
- Understand the tiers of category management, and assess which tier your organization is in.

Step 2: Realize, Identify & Plan

- Realize that you're not the only one with limited data. In fact, most people experience some type of data gap in their roles.
- Where you have data gaps, identify ways around them, or understand the limitations you may have in terms of the outputs of your analysis.
- Develop a plan to start using the data you do have access to for more strategic, fact-based insights!

Step 3: Learn & Build

- Choose CMKG as your trainer, coach and mentor as you learn new skills and knowledge on how to do category management with limited data.
- Build the specific know-how for you and your role with courses or a complete training program.

How To Do Category Management on Limited Data

Look at your data limitations as hurdles that you may have to practice jumping over for awhile, but they shouldn't prevent you from doing category management.

One of the most important requirements in category management is data. In a “perfect world” you would have access to:

- Retail POS Data
- Syndicated Market Data
- Consumer Panel Data
- Transactional & Loyalty Card Data
- Tactical Data

But in reality, many of us find shortcomings in our data — whether it's driven by the region or industry you're in, your budget or specific category data gaps.

The opportunity? Bridge those data gaps as much as possible, and continue to evolve your approach to move to more fact-based and strategic approaches using the category management foundations.



What are the Most Common Examples for Limited Data Scenarios?

1. **Your region or industry has limited data.** Depending on your region or industry, you may have access to less reliable data sources, some data sources may not be available at all, there may be little or no data sharing

between Retailers and Manufacturers for POS data, or you only have a limited view of POS data based on what the Retailer shares with you.

2. **You have a limited budget** (...who doesn't?). Data is expensive, data budgets are being squeezed and data is getting more complex and more expensive. There are also more data choices available (particularly focused on Shopper), and unfortunately it's usually a matter of figuring out what we can cut that will hurt us the least.
3. **You have specific category data gaps.** Coverage may be low or non-existent in some categories and channels. Also, there are perishable, general merchandise and other categories that may not be available through traditional data sources, or where the data is limited.

Sound familiar? The good news is that limited data doesn't mean you can't do category management – it just means that you have to get more creative and rely more on ad-hoc research, audit data and even supplier shipment data.

"Not all category management is created equal."

Based on the fact that MOST organizations have limited data in one way or another, all approaches to category management aren't the same. Therefore, not all category management can be created equal (makes sense, right?). A great way to think about this is through a tiered approach.

THE TIERS OF CATEGORY MANAGEMENT:

- In **Tier 1**, there is limited data, lower levels of collaboration between Retailers and Manufacturers, inexperience and limited skills with Category Management.
- **Tier 2** builds on Tier 1, with more access to data, and increased collaboration.
- **Tier 3** is the most advanced category management, with a robust data set, extensive resources, and high levels of collaboration between the Retailer and the Vendor.

Different Retailers, different Manufacturers, and different categories may appear in different parts of the continuum based on a combination of these requirements. The outputs from being in a Tier 1 environment due to limited data will be fact-based and strategic, but not to the same level of sophistication as companies who have access to a full suite of data.

In net, you **CAN** do category management on limited data (most likely in Tier 1, based on the above continuum). It's a matter of understanding your limitations based on the data gaps that you have (we talk about this in the next chapter of this e-book), and establishing realistic expectations for the outputs associated with a more basic approach.

RESOURCES:

1. Download our complimentary [Category Management Continuum](#) document, which visually explains how there are different tiers of category management, and the requirements behind each of these tiers.
2. Learn more about Category Management through our complimentary, accredited course on [Category Management Overview](#) (via a webinar recording).

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3 Most Common Data Gaps

The opportunity when you're in a limited data environment is to become more creative in the data that you DO have access to. Check out these great options below if you have limited access to market, Shopper or tactical data.

Gap #1: No Market Data

The absence of market data creates gaps in understanding for both Retailers (how am I performing vs competitive Retailers in the market?) and Manufacturers (how am I performing vs competitive brands? are my brands helping to grow total category?).

Manufacturer Shipment Data:

If Retailers have no view of “Market”, Manufacturers can pull their shipment data (that should be segmented at an item level to consider Consumer needs), sum it to Retailer & channel & market levels and produce some market data. From here, Retailers can develop their benchmarks. This is most effective if they are getting this information from several of their larger Manufacturers in a category, so they can compare their “market” share and performance from a few perspectives. If Retailers collaborate with several key Manufacturers in each category, they would be able to determine opportunities within their categories based on these insights.

Consumer/Household Panel Data:

If you have access to panel data, it typically includes some volumetric measures in it (including \$ sales, all commodity volume, share of market). These numbers are derived from consumers scanning products at home or completing a diary, so they aren't as reliable as POS syndicated but are a good second option.

Gap #2: No Tactical Data

The tactics (product assortment, placement, pricing and promotion) drive action in the category. Tactical data can give insights into what's driving overall business results. In a limited data environment, Retailers or Manufacturers may not have access to the tactics within their data set. In this scenario, there is a need to rely more on in-store observation data and manual tracking to get this data.

Check out our example below on ways to determine product availability for a specific retailer (with details below the image):

- Retail POS Data: Tracking product availability can be done through Retail POS data, which may indicate that a product is, or is not, listed at a store. But until a manual store audit is done, things like missing shelf tags may not be realized.
- Manual store audits: Through in-store observations typically done through the Vendor's retail sales or merchandising team or a 3rd party company.
- Planogram data: Items included in a planogram can be confirmed as "available" if they are in a planogram. Realize that the planograms may not be executed in the store so there's a level of assumption.



Gap #3: No Consumer or Shopper Data

One of the objectives in catman is to identify and understand the target Consumer / Shopper. Kind of difficult to do if you don't have any data.

- **Consumer data:** derived from consumer panel data to get a perspective of the consumer and their purchase behavior across Retailers / Banners / Geographies and Categories / Subcategories / Brands.
- **Shopper data:** derived from Retailer POS data and loyalty card data.

If you don't have access to Consumer or Shopper data, think about using location intelligence. This really cool alternative can increase understanding of the consumer by using mapping software, adding in local census data, and then adding in any type of store level data.

Location intelligence requires two different types of relatively easy to access data, including:

- **Performance Data:** Includes shipment, warehouse, direct store delivery (DSD), Nielsen/IRI and retail sales data — any data sources that you have access to at a zip code or postal code level (for example, by store).
- **Insights Data:** Includes census data, store locations, spectra, etc. — based on your specific business issue. Some of this information is quite easy to access, particularly if you have any type of census data available in your market.

Then you can complete your spatial analysis, which helps you identify your target consumer, what they buy and where they buy, your competition, retail store clustering opportunities, category segmentation, etc.



In net, category management is definitely possible with limited data. It just takes a little more creativity and resourcefulness, persistence, perseverance and a strong Retailer-Vendor relationship that fosters data sharing.

A first step to getting started could be to identify the data that you do have access to and confirming what outputs and measures you can access across consumer, market and the tactics. Remember that if you do what you've always done, you'll get what you've always gotten.

Looking for more perspective?

Check out our accredited course on “***Category Management on Limited Data***”, which gives different examples and reports for completing analysis in different limited data scenarios.

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Get Started & Save

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