Promotion Optimization Institute, LLC

2019 Vendor Panorama for Retail Execution and Monitoring in Consumer Goods

Introduction

POI is once again pleased to offer this analysis of the global Retail Execution marketplace. It comes at an absolutely critical time because our 2019 POI Survey and research on the State of TPx and Retail Execution indicate that:

(Source & for the full report: POI State of the Industry Report February 2019) lnkd.in/gfFi2Fm

Overall satisfaction with the ability to execute at store level increased 21.1% from the prior year. The "somewhat agree" respondents were fairly flat year-over-year, but the largest gain is seen in the "agree" category. The group leapt from 15.2% agreeing in 2018 to 38.4% in 2019.

91.2% of respondents (1.2% increase vs. 2018) say they have challenges moving capabilities from transactional to analytical.

Many Retail Execution solutions being used today do not enable field-based users to make required decisions at the store level. Only 28.5% (up 12%) agree/strongly agree that they have the tools they need to make appropriate decisions.

While the number grew in 2019 and turned around a negative two-year trend, this is a critical gap for retail execution teams.
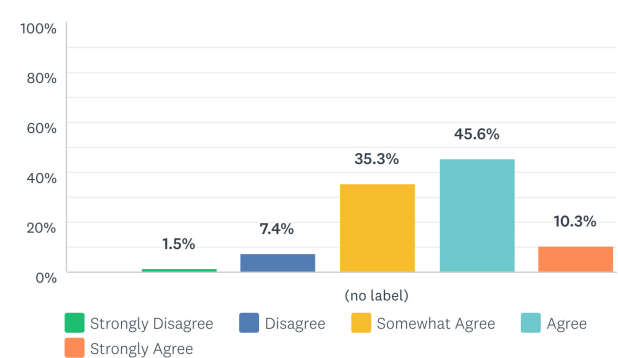
Some of this is due to a lack of off-line capabilities. Only 39.7% of respondents (up 4.7% from 2018) say that their off-line needs are being met, which leaves 60.2% of execution teams struggling. This too is an important functionality gap to close.

Among office-based users, only 32.9% agree/strongly agree (up 10.9%) that their analytical needs are being met. Retail analytics is foundational to providing insights around the execution reality in the field. HQ personnel need analytical insights to compete with pricing, go to market strategies, shopper marketing intel, etc. A lack of analytics also impedes retail team leaders from generating region insights and managing field-based personnel.

**Satisfied with the Ability to Execute at
Store Level:**
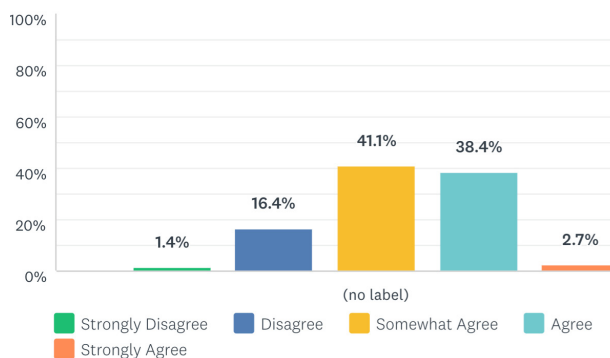
**Have Challenges Moving from Transactional
to Analytical:**

RetX Survey Question	Change vs. YAGO	POI Perspective
Which routes to market does your company or division/geography utilize?	11.68% decrease in direct store delivery (DSD). 5.27% decrease in selling through distributors. 1.94% decrease in delivering to a warehouse with you or broker managing in-store execution. -1.82 decrease in selling directly from the truck (can sales).	With the exception of DSD, the change year-over-year is minimal. As companies look for cost savings, many organizations are evaluating the cost/benefit of DSD. With omni-channel pressure this is an added concern for brick and mortar retailers who need to maintain in-stock and service offerings to delight the customer.
Challenges having quality execution and visibility when working through third-parties like brokers.	In 2018 respondents noted a 7pt. decline in the challenges associated with 3rd party brokers, and there was no multi-year trend. In 2019 the challenges have lessened by another 6.5%.	Since brokers have proprietary systems that they offer as part of their service, there is a data integration issue required to get a holistic view of the market. **85.5% still have this problem.** And, in many cases, they use multiple brokers across various markets, channels, or product categories.
Advanced Retail Execution capabilities:		
Image recognition	In 2018 there was a 9%. improvement with no multi-year trend. In 2019 there is a dip of 5.1%. There is a 4.7% lift in those planning this enhancement on their roadmap.	Cost and speed said to be key issue, which accounts for the 69.4% don't have this capability.
Gamification	In 2018 respondents noted 14pts. better and a continued trend. In 2019 there is a dramatic -13% decline.	75% (14.1% increase) still don't have the capability and don't have it as a planned enhancement. We still see it as a benefit to getting users involved and motivated.
Retail activity optimization (what stores to visit, what sequence, and what to do when there)	In 2018 there was a 4pt. decline. We see only a 1.7% decline in 2019. 68% don't have the capabilities and don't have it as a planned enhancement. Planned enhancement levels have dropped substantially by 16.3%.	As a tighter definition for what this actually entails has become more prevalent, some organizations have recognized that they don't actually have the capabilities. **POI sees retail activity optimization as functionality that can have immediate ROI and drives efficiency and effectiveness in the field, increasing productivity.**
Social selling capabilities	In 2018 there was a 10% decline and reversal of the positive trend. 2019 experienced an 8.3% increase. Not quite to 2017 levels, but much improved over 2018.	Social selling is relatively easy to add to an existing solution. Nevertheless, 70.8% don't have it or plans to enhance to gain the functionality.
Guided selling	2019 breaks a multi-year positive trend. 23.9% have guided selling, a decrease of 6.6%.	68% (+5.2%) don't have or plan to enhance.
Augmented reality	In 2018 there was no change and in 2019 the change was slight. 12.7% have augmented reality, 76% do not have this capability and don't plan to enhance; 11.3% note this as a planned enhancement.	While augmented reality feels futuristic, ordering household goods, clothes, and food felt futuristic a few short years ago. POI will keep the pulse on this technology and CPG engagement.
Crowd sourcing	In 2019 21.1% of respondents utilize crowd sourcing. 5.6% decline; no multi-year trend.	71.8% don't have it or plans to enhance.

Retail Execution Recommendations

Prioritize functionality above delivery method. In the realm of retail execution, the lines between SaaS, managed services, hosted private cloud, and public cloud are blurry and highly dependent on where the deployment(s) will take place. On-premise is still as popular as cloud for retail execution capabilities. Don't be led to believe that you have to take less functionality or flexibility because there is a perception that RetX capabilities are all moving to the cloud. This is simply not the case.

Continue to prioritize capabilities that will help users be more effective, i.e. to "sell more." Otherwise, why spend the money? These capabilities include retail activity optimization (RAO), image recognition, guided selling, social selling, gamification, voice recognition, and in-flight analytics.

Take Bring Your Own Device (BYOD) in Retail Execution seriously, not just as user preference, but also as a standard if you intend to be active in emerging markets.

Test, script, and test some more to ensure that prospective solutions can meet your off-line requirements for in-flight analytics and complex pricing/promoting. The only way to know is to test pilot the functionality yourself.

Recognize that a single solution is not likely going to meet your global needs. There is just too much disparity in price, suitability to local requirements, and availability of support. It is typical to have 3-5 solutions for truly global companies.

Our 2019 survey showed that about 68% of respondents do not have "sell more" capabilities, so they give a significant competitive advantage to those who attain them. Begin investigating how you can enhance prioritized selling.

Ask for best practices from your vendor or implementation partner. The POI 2019 Survey found that only 21.9% (8.9% increase) felt strongly that they received best practices in combination with their solution. You often have to ask for them. You should find out the background(s) of those who are expected to deliver best practices. Many vendors have a separate team that can support this effort. It is important to document upfront the sort of best practices you are looking for and incorporate this need into the scope of work.

Understand specifically what capabilities each Retail Execution solution offers relative to off-line and complex pricing. There isn't a need to jointly develop or custom build the vendors solution. There are numerous solutions in market today that have these capabilities and have so for years.

Consider how advanced retail execution capabilities like image recognition, gamification, retail activity optimization, embedded social capabilities, and guided selling can be added to your sales tool-kit to provide line of sight to in-store opportunities and execution at the store level.

Vendor Assessments

Figures 1 through 6 are company and product assessments for the vendors covered in this research. Note that the ratings do not comprise a normal distribution (i.e. as many Above Average as Below Average ratings) because there are many solutions in the marketplace that are not included in this report for various reasons. Hence, ratings are absolute versus the market, and not relative versus other vendors featured in this report. The source for all figures is POI's primary analysis conducted in 2016.

We recommend that this "Harvey Ball" analysis be utilized in concert with the narrative analysis of each vendor, as the latter only looks at certain criteria. The two in concert will provide a better, more thorough sense for the best fit for your Retail Execution requirements.
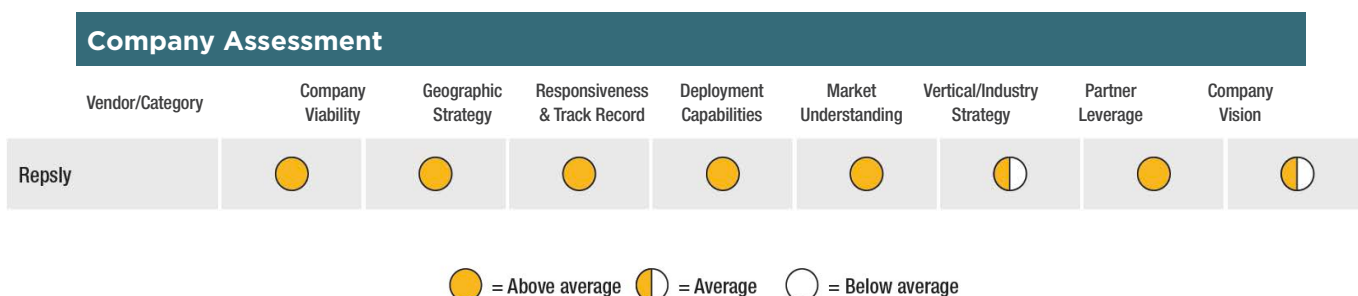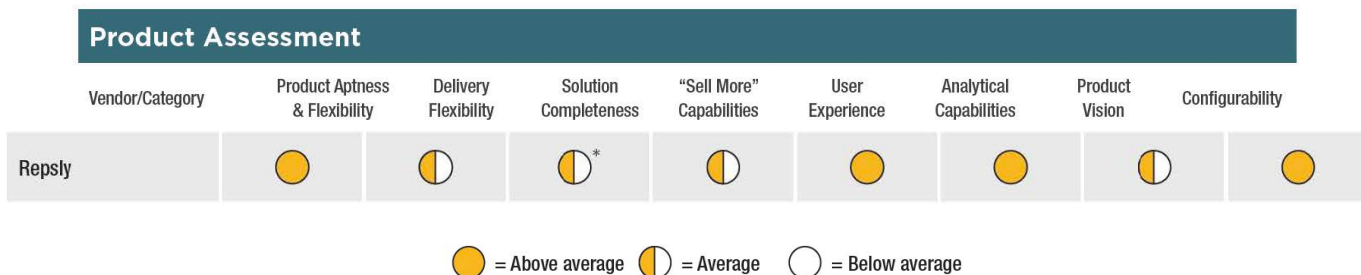
Figure 1: Company Assessment

Company Assessment								
Vendor/Category	Company Viability	Geographic Strategy	Responsiveness & Track Record	Deployment Capabilities	Market Understanding	Vertical/Industry Strategy	Partner Leverage	Company Vision
Repsly	●	●	●	●	●	◐	●	◑

● = Above average   ◐ = Average   ○ = Below average

Figure 2: Product Assessment

Product Assessment								
Vendor/Category	Product Aptness & Flexibility	Delivery Flexibility	Solution Completeness	"Sell More" Capabilities	User Experience	Analytical Capabilities	Product Vision	Configurability
Repsly	●	◐	◐*	◐	●	●	◐	●

● = Above average   ◐ = Average   ○ = Below average

Analysis of Representative Vendors

Repsly repsly.com

(This is Repsly's first representation in the POI RetX Vendor Panorama)

Profile: Repsly is a privately held global provider with head offices in both Zagreb, Croatia (Europe) and Boston, MA, USA. There is an additional office providing support and services in Johannesburg, South Africa. They have a Retail Merchandising offering that is currently deployed across 80 countries.

Geographic presence: North America (53%), Africa (15%), Asia Pacific (14%), Europe (10%), Latin America (7%), Middle East (1%).

Total consumer goods users: Repsly has 1100 clients in more than 80 countries, but does not disclose user counts.

Tiers represented: All. In addition to brands, Repsly also has 3rd party merchandisers/brokers and distributors as customers.

Solution offerings: Retail Merchandising (including 3rd party merchandiser). Some limited Distributor Management, DSD, and Van Sales capabilities.

Major product sub-segments not covered: None.

Analytics: Repsly has native reporting built into both the web and mobile applications for a fixed set of over 20 standard reports. Additionally, customized Advanced Reporting dashboards and analytics is available through embedded BI provided by the GoodData platform. The look and feel of the Repsly analytics is excellent, both on the mobile device and for the headquarters based user. The graphics are simple and visually pleasing as well as very functional with drill down capabilities. The standardized reports are built to answer key questions clients will have in their day to day business: Coverage data, Sales Rep Effectiveness, Promotion Execution, Shelf Execution, Real-time Performance Tracking, Campaign Effectiveness, and much more. The manager suite provides live visibility to all activities across the territory.

The system has a very nice filtering capability and also a "waffle" icon that when clicked can transform a report into a tabular form of the data. Reports are also easily shared by just clicking on the "share" icon.

In the last 12 months Repsly has enhanced data, analytics, and reporting:

- **Advanced Reporting.** Business intelligence (BI) capabilities for customized dashboarding, retail execution and sales analysis, visualization including geo-mapped KPIs, and ad-hoc reporting. Promotion event dashboards and TPM KPIs are a common scenario for Repsly's Advanced Reporting.

- **POS Data Integration.** Automatic integration of POS data for customers of IRI/SPINS data through a partnership with Destini. Additional POS dataset integration for data downloaded directly from retailer portals. POS data can be used to analyze promotion performance and revenue management.

- **Multi-level Sales Territory Orgs.** Customers can configure a hierarchical model of their sales organization for reporting, rollups, and data visibility.

Repsly's platform has a simplified self-service configuration and allows customers to configure their account using built-in control settings where changes are instantly rolled out to the field's mobile devices. Customers can setup, configure, load, and deploy their account without assistance from the Repsly team.

We rate Repsly analytics as Above Average.

Configuration/Customization: The product is highly configurable out-of-the-box to achieve different business workflows, and functionality can be extended through the REST API. Customers can request product enhancements though the Repsly Customer Success team or through a reseller partner. All requests are tracked in a centralized idea database which allows for reporting and analysis of demand areas. Depending on the nature of the request it can generally take anywhere from 3-12 months to process requests aligned with the product strategy.

Technology architecture/delivery options: Cloud-based —Single-instance multi-tenant SaaS.

Service partners: Repsly utilizes their partner network of 21 resellers who deploy the solution globally.

Technology partners: Amazon Web Services, Google, Apple, Microsoft, Elastic, MongoDB, and Good Data.

User experience: The UX is available in 10 languages, supporting Repsly's global footprint. The mobile app has an Instagram look and feel. It is visually pleasing and has a very nice workflow and sequencing. The management suite is one of the best we have reviewed. Managers have a standard dashboard that is a Facebook-like feed where they can see where their reps are, what the teams are working on, and provide immediate direction, support, share best practices, and gain feedback through instant messaging in the app. Alerts can also be added to note key opportunities for the sales reps to execute. This "social feed" of field activity allows both field users and head office users to communicate in real-time with activities as the data is captured in the field. Location-based tracking is built-in to Repsly and managers can track their reps in the field using GPS on the map view.

We would like to see gamification utilized in the system to build competition and drive "sell more" behavior. With the best in class social and communication threads that Repsly has, this is a natural next step. Repsly customers have used image recognition analytics services partners to provide insights into photos taken by their representatives in retail locations. Yet the image recognition tasks are not seamlessly integrated into the steps of the call in real time. Their customers have also managed planogram compliance both visually by comparing shelves in stores to standard planograms, and also by using image recognition through services partners analysis. Repsly's "Retail Audit" and "Forms" features allow customers to visually

check compliance with standardized pricing and note non-compliance for reporting and analytics purposes. Image recognition of shelf pricing information may be possible through a partnership with a machine learning service provider. The sales manager or sales rep/merchandiser manually plans routes in Repsly. Historical data can be flowed into the system to provide a benchmark for orders. Image recognition for planograms, pricing validation and oos reduction, dynamic optimized routing, optimized ordering are on Repsly's future roadmap and will help them keep up with the latest market demand.

"How" a system is deployed is critical to user adoption and success. We are including Repsly's deployment processes, as we see them as best practices for implementation success.

- **Repsly Knowledgebase.** All customers have access to a comprehensive online knowledgebase including how-to-guides, tips and tricks, videos, and release notes about the product.

- **Repsly U.** "Repsly University" is a regular series of 30-minute live webinars where all customers are invited to hear about new capabilities or tips and tricks are open to all customers to attend.

- **In Product.** Help topics and visual cues are built into the product to prompt users on how best to use capabilities in the product and show examples.

- **Monthly Newsletter.** A monthly newsletter is sent to all customers updating them on various topics including how to drive value from their Repsly solution along with key product information.

- **Targeted Adoption Playbooks**. These playbooks are sets of best practices for Repsly customers to use during deployments to get their programs online quickly and rolled out their entire team.

Note, in addition, for key accounts, the program also includes a Quarterly Business Review process to ensure alignment with program goals and address any barriers.

We rate Repsly UX as Above Average. The look and feel is quite excellent and the system has many favorable attributes. Yet, the system has key functionality to close that is becoming market standard. Repsly's future roadmap does have plans to close these opportunities. It will be important for Repsly to close these gaps to remain competitive in the market.

Vendor trend: This is the first year for Repsly in the POI RetX Vendor Panorama; trend report will begin next year.

Strengths: Repsly has 1,100 clients in more than 80 countries. It received input and enhancements from strategic customers, which has resulted in a great user experience. The mobile and HQ/ Manger Desktop UX and analytics are impressive.

Challenges: In order to stay up with market needs Repsly will need to deliver the 2019 roadmap or risk falling behind competitive retail merchandising offerings. We don't see any other challenges.

Adjacent offerings: POS data management, POS data cleansing, Shelf management/ visualization, Location-based tracking, TPM/TPO, CRM, ERP, Product master data management, Crowd-sourced field labor retail services.

Key differentiators: The social look and feel of the HQ and mobile UX. Social capabilities to keep managers and sales teams in communication "just in time" through the mobile app.

Outlook & prognosis: We believe that Repsly will continue to be a significant player in Retail Merchandising. As it gains exposure it will gain additional global presence due to its excellent analytics and UX. Repsly will need to deliver their 2019 roadmap, or it will fall behind the current peer leaders.

Evaluate Repsly if: You need an excellent Retail Merchandising system for a single geography or global footprint.

Avoid Repsly if: You want a simple, inexpensive offering.

Distinctions: POI Best-in-Class awards for Desktop UX.

About the Promotion Optimization Institute

POI brings together manufacturers, retailers, solution providers, analysts, academics, and other industry leaders with the specific objective of collaboratively improving the promotion and distribution of consumer goods. Members of POI share cross-functional best practices in both structured and informal settings. Additionally, members benefit through our industry alliances, the Certified Collaborative Marketer (CCM)™ program, and industry-leading summits around the globe. POI aims to instill a financial and metrics-based discipline not typically found with other trade groups. The goal of our innovative approach is collaborative promotion optimization. The focus is on the customer/shopper through sales, marketing, and merchandising strategies. Executive advisory boards keep us apprised of industry needs and help us provide desired outcomes for members, sponsors, and academia.

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