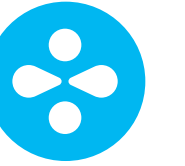


# Customer-Driven Category Management

Delivering a Smooth Shopping Journey  
in Turbulent Times



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# The Complex Customer

Shoppers are showing ever-changing demands. They want faster shopping, faster service, and faster delivery. New trends are appearing more quickly than ever. Staying ahead of the consumer is becoming increasingly complex and selling online is now non-negotiable. Retailers are looking to be responsive, efficient and data-driven to meet this challenge.

Category Management is a critical part of the end to end supply chain. Defining the right customer offer is imperative. New technologies are enabling these processes to be nimbler, granular

and forward-looking. Blue Yonder has helped many leading global retailers employ proven methodologies that optimize category assortment and space decisions to help the customer shop.

This quick guide sets out to explain how category management is a critical discipline connecting suppliers, retailers and customers to provide the perfect consumer offer for a new shopping experience.

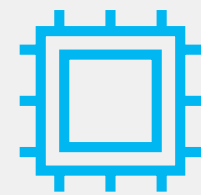
## Customer- Driven Category Management



**Shoppers**  
Developing offers targeting shopper behaviour to drive loyalty



**Stores/Online**  
Store manager aware of strategy. Make it easier for stores



**Operations**  
Store operations in resetting planograms according to the calendar



**Commercial**  
Driving business performance optimise shelf productivity



**Suppliers**  
Joint business planning Collaborating for category growth



**Marketing**  
Tests new concepts Promotional planograms



**Buying**  
Assortment definition, supplier negotiations and brand performance



**Supply Chain**  
Integration to forecasting, replenishment and warehouse layout

# Connected Category Management

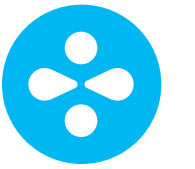
In these changing times, it is more important than ever that Category Management processes are connected. Analytical insights can drive optimized and localized decisions which benefit customers, retailers and manufacturers. Time-consuming, manual processes are unable to respond to the complexity of the marketplace.

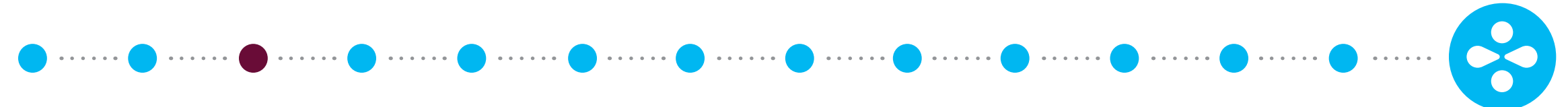
Blue Yonder's Category Management capabilities enable grocery retailers to use proactive, analytics-driven insights that collaboratively grow category

sales and margins for both suppliers and retailers across a connected supply chain.

Our SaaS enabled solutions provide common data models to support faster-to-value implementations and efficient localized range and space processes.

New insight tools enable analytics across the whole supply chain to understand the consumer, product and store.





# Set your Strategy

Whether it's new technological or consumer trends or shifting consumer behavior, it is critical that retailers stay ahead of changing tastes, environments and trends. Strategic planning tools help you set the right strategy and keep that strategy on track by providing early insight into constantly shifting consumer preferences. By creating near-term and long-term strategic plans through one process, your planners can evaluate these changing trends and continually understand the impact on margin and inventory to take the right action, whether that be the assortment, pricing or supply.

By linking these strategic insights into Category Management, retailers can ensure that their assortment aligns with their growth plans, understanding the needs for each different type of product and responding quickly to new insights.

With intergated business planning you could benefit from:

up to

**5%**

improved margin

up to

**40%**

reduced inventory



# Understand your Customer

Retailers can unlock opportunities by monitoring trends and predictive insights to gain an in-depth understanding of customer decisions. Customer preferences differ from store to store so intelligent clustering is needed to understand these behaviors and drive optimal ranging decisions that target shopper demand. It is no longer sufficient to simply group stores based on the format or region. By understanding the type of shopper and their buying needs, clusters can be created to take account of these different requirements whether driven by price, product type or demographics.

Blue Yonder Category Management uses machine-learning algorithms to understand this shopper behaviour and evaluate the optimum clusters for each category to ensure effective and accurate planning.

Blue Yonder's efficient and intelligent ranging and optimized planogram solutions enable you to manage local ranges uniquely for every store, reducing markdown, minimizing out-of-stocks, driving sales and increasing customer satisfaction.



# Help the Customer Navigate the Store

Customers are faced with many decisions as they shop and the retailer needs to consider the flow of the store, how traffic moves around the aisles, which products should be near to each other or adjacent.

For the best shopping experience, the store must be laid out to ensure easy navigation, the ideal adjacent products and the right floor space for each category to meet the needs of the local shopper. With Blue Yonder, retailers can review historic and predicted demand for each category and evaluate the optimum space for each section. Heat maps can be created to evaluate category performance and retailers can automate the update of floor plans taking account of the different characteristics of each store.

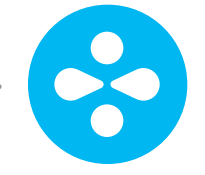
Blue Yonder Category Management ensures an efficient floor planning process to plan and optimise macro space in every store. With, powerful and intuitive analytics to enable new

insights, configurable workspaces and automated publishing for efficiency, retailers can ensure a seamless, effective floor planning process.

Blue Yonder's leading-edge floor planning capabilities are designed with the shopper in mind. With three-dimensional walk-throughs of new, redesigned and reset stores, you can ensure that category adjacency rules support corporate initiatives.

Our modular and integrated solution enables you to adopt additional range and space capability in a phased approach aligned to your business priorities.

[Learn More](#) 





# Ensure the Right Products are Available for the Customer

Changing behaviour and trends, often differing by each store, means that planning the right assortment is becoming more complex. Retailers can no longer use the past as an indicator of the future. The growth of online is changing the needs of each store.

Customer-centric and space-aware assortment planning is a must. By understanding the customer decision tree and shopper needs states, retailers can identify how customers shop the category and ensure the right mix of products. By ingesting customer loyalty data, assortment decisions can be based not only on each item's profitability but its importance to loyal shoppers, uniqueness and substitutability. By understanding shelf space, retailers can ensure that the assortment fits on the shelf, removing inefficiencies in the assortment to space process. By understanding the different channel needs of a store, assortments can meet the demands of the omnichannel world. Data

science and shopper data will play an increasingly prominent role in ensuring that the ideal assortment is available in each store.

Blue Yonder Category Management leverages shopper data to produce customer-centric assortments, understanding consumer, store and product behaviour such as substitution and transferable demand. Its scalable connected processes ensure store-level assortment to meet the regional and local product and customer needs.

Learn More





# Help the Customer Find the Product

There is both an art and a science to effectively planning the store. Creating the right planogram ensures items are displayed most effectively and consistently and enable store associates to work efficiently.

Blue Yonder's automated Planogram Generator has intuitive and powerful space management capabilities to optimise the shelf offer in each store. Planograms seamlessly integrate to floor plans and assortment connecting strategic intent to execution at the shelf. Robust lifecycle management process ensures that as planograms change status, floor plans are updated with the right planogram version.

In today's world, retailers are looking to understand the different needs of each store and Blue Yonder's Planogram Generator provides a scalable, automated process to deliver this. Using open and transparent rules and optimisation, it automates planogram creation with scoring of output to ensure an efficient process whilst delivering at a granular level.

By using award-winning Blue Yonder machine learning capabilities, retailers can ensure inventory levels match demand. Probabilistic forecasts can be used in the store-specific planogram process to optimise shelf inventories to safety stock targets and enable more efficient store operations. With unrestricted merchandising capabilities to support any in-store environment, Blue Yonder Category Management enables efficient and optimised multi-planogram projects supported by powerful analytics.

Range plans, planograms and floor plans are natively integrated through one common database to drive efficiency. We know how to achieve this integration in the most cost effective and efficient way.

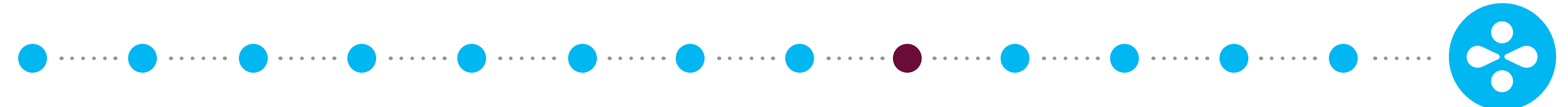


# Ensure the Right Level of Inventory in the Store

Getting the right balance between driving sales and minimising costs is becoming increasingly more important. Too much inventory leads to markdown and locked capital. Too little results in lost sales, excess inventory, and unhappy customers.

By using Blue Yonder machine-learning demand forecasting, accurate probabilistic demand forecasts can be created for every item, store and day. Ingesting internal and external data such as sales, weather and events, the patented models understand the true drivers of demand to create an accurate forecast that can quickly respond to market changes.

The probabilistic demand forecast enables a new way to manage inventory. Intelligently understand the right level of inventory throughout the network, ensuring optimal orders from supplier to DC to store. This enables a highly efficient, optimized method of inventory management to meet your business objectives.



# Make it Easy for Store Associates

Through store solutions, your planogram can be clearly communicated to your store teams to ensure compliance and ease of implementation.

Planograms can be shared to store associate's devices with integration to tasking to ensure planogram resets are scheduled as part of the overall store daily tasks. Store associates can enter feedback on planogram compliance to ensure a closed-loop process. Reports on planogram compliance ensure continuous improvement of execution of planograms at the store.

Not only does this boost store productivity and improve planogram compliance, it also offers a sustainable alternative to repeated printing.

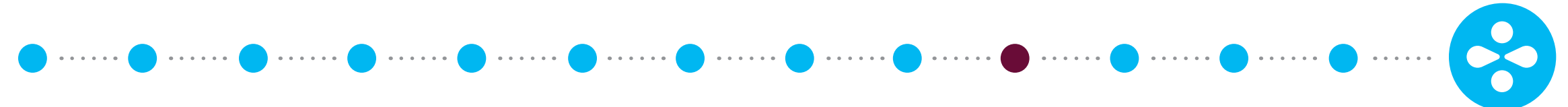
According to **recent research by dunnhumby and Forrester Consulting:**

**85%** of grocery retailers globally lack the resources, technology, people and processes to use insights to monetise their data and drive customer experience

**96%** experience challenges trying to use data to develop customer strategies to drive growth

**61%** of those who are successful, see an improvement in the customer experience





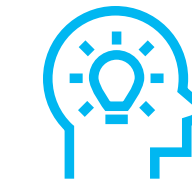
# Unlock Opportunities with Customer Centricity

The Blue Yonder solution ingests customer data from loyalty card analytics. We can ingest customer loyalty data to enhance the analytics and ensure that assortment decisions understand the customer.

As an example of a customer pursuing Customer Centricity, a North American retailer implemented our Assortment Optimisation capability and Planogram Generator tool to automate the generation of planograms.

The retailer is learning much more about their customers and their shopping behaviours. Category Managers can quickly and easily identify underserved need states and over assorted needs. By using customer decision trees that are mined from their shopper data to organise or block merchandise on the shelf, they are also able to better align inventory to demand to reduce out of stocks and reduce inventory. They are also able to enhance their strategies to grow their private label brands.

Blue Yonder's Category Management solution can be integrated in a phased approach to unlock value at the pace suited to your company. Solutions can be deployed in a standalone manner to unlock value fast.



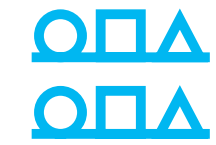
**In-depth understanding of customer decisions**



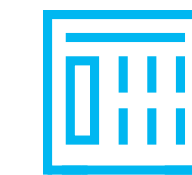
**Reduce out of stocks through better inventory plans**



**Identifying underserved need states**



**Brand insights for blocking at shelf**



**Reallocating space**



**Rationalising redundant lines**



**Promoting niche items with loyal customer base**



**Localisation opportunities**



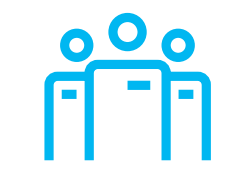
**Cross-shopping insights shaping adjacency at shelf**



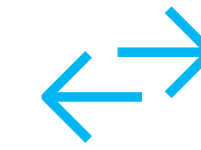
**Own brand opportunity voids**

# Combining Customer Centricity and Space Aware Assortment Planning

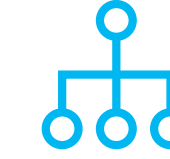
Loyalty data customer centricity



Shopper segments



Substitutability



CDT and needs states



Shopper metrics



Ranking based on shopper data

## Shopper-centric and actionable assortments

- Handle multiple assortment strategies
- Open and transparent assortment recommendations

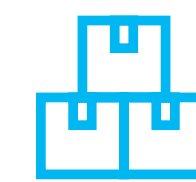
- Apply real-life constraints to science
- Space-aware assortments
- Cluster, planogram or store-specific assortments
- Visualise demand transfer

- Review by key shopper segments
- Quantify results
- Visualise impact on distribution
- Support supplier negotiations

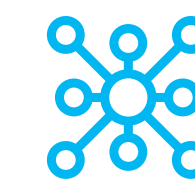
Blue Yonder space and constraint aware execution



Planogram space



Inventory rules



Define range structure



Apply distribution constraints



Exclude high waste items



Regional products and store overrides



# Luminate Platform – Blue Yonder’s Core Strategy

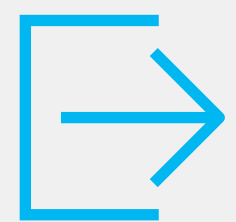
## Blue Yonder Applications

- Luminate Planning
- Luminate Logistics
- Luminate Commerce

## Ecosystem Applications

- Developed by Partners
- Developed by Customers

## Blue Yonder Luminate Platform



Integration and APIs



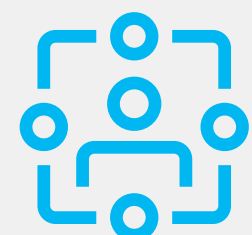
User Experience



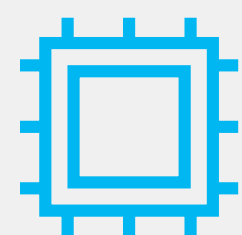
Control Tower



Data Management



Workflow and Orchestration



AI / ML



Analytics and Insight

# Blue Yonder SaaS Category Management

Blue Yonder has unparalleled capability to deliver category management via the Blue Yonder SaaS Luminate Platform providing connected processes and insights across the supply chain.

You can gain lower total cost of ownership with continual innovation and faster-to-value implementations.

Blue Yonder Category Management Platform will deliver the right localized assortment and space

There are many factors involved with making a decision to move an on-premise solution to cloud. Security, access, and cost are all important areas to evaluate before going down this path. A longtime category management customer of Blue Yonder, Campbell Soup made the decision to migrate

processes to meet the needs of today’s shopper.

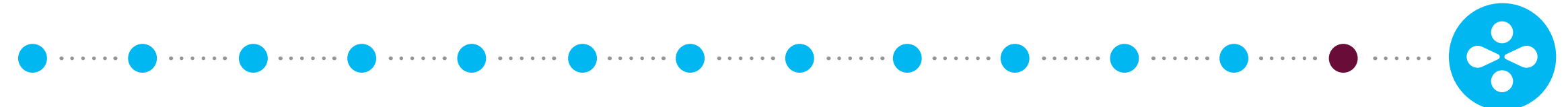
Blue Yonder has unparalleled investment in innovation to bring next generation solutions to the market and you can have a say by being part of Blue Yonder’s Special Interest Groups.

[Learn More](#)

their solution to SaaS, leveraging Blue Yonder’s solution built on Microsoft Azure.

[View Webinar](#)





## Proud to Serve

Blue Yonder provides market leading category management solutions that are delivering value at leading retailers.



# Blue Yonder Delivers Real Results

Automatically generating planograms based on user-defined information, planogram automation enables you to focus less on time-consuming planogram production and focus more on category analysis and market trends, increasing your efficiency by up to 50%.

[Learn More](#)

Up to  
**5%**  
Sales Increase

Up to  
**50%**  
Efficiency Improvement

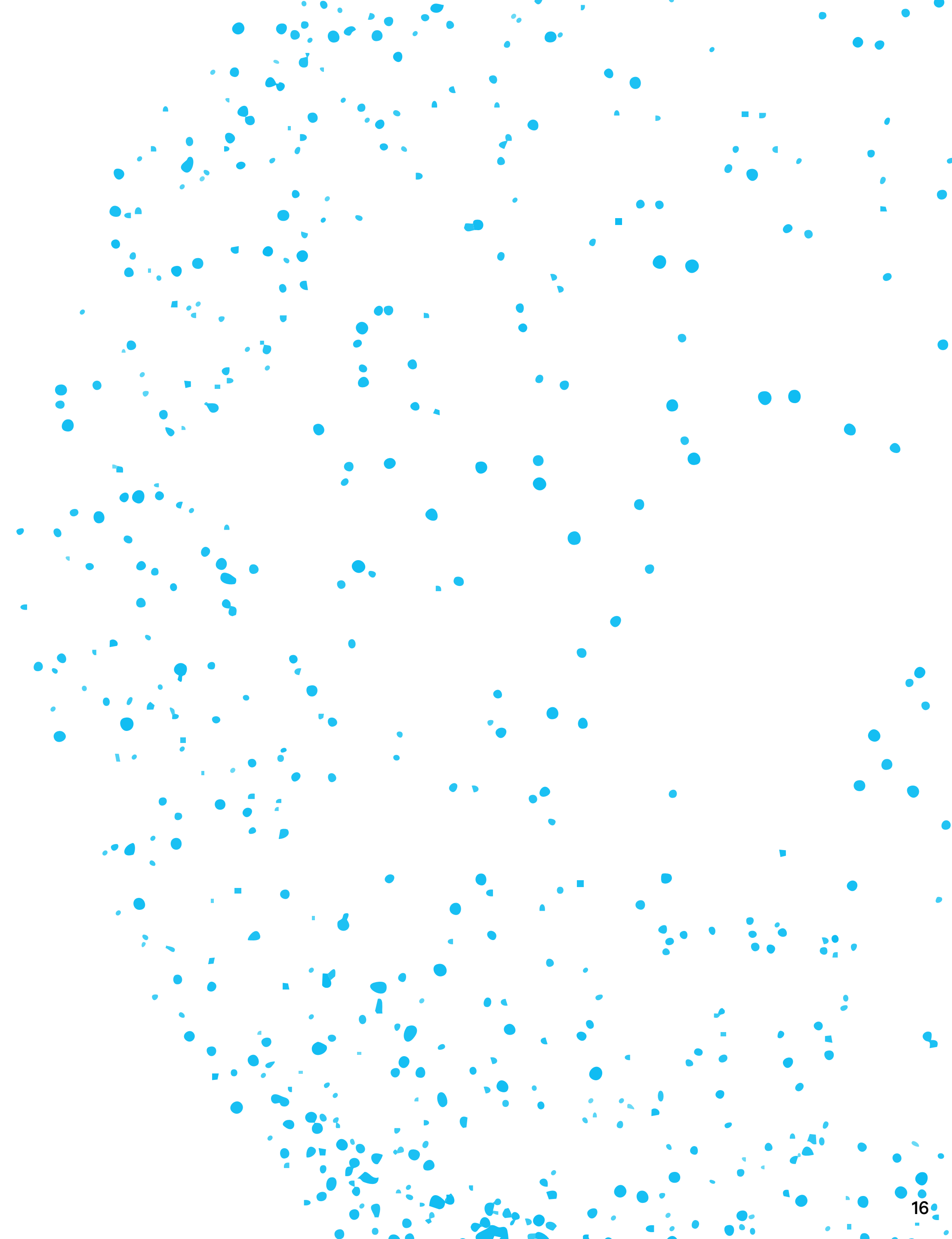
Up to  
**15%**  
Inventory Reduction

Up to  
**25%**  
Out of Stock Reduction

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Learn More





[blueyonder.com](https://blueyonder.com)