# GS1 College

Programme 1: Introduction to GS1 standards and the basics of Category Management

Sept 23rd, 2021

# GS1 College in a nutshell

Our objective:

Level up Belgian SME's knowledge and get them ready for the future thanks to 4 unique programmes

**Programme 1**
Introduction to GS1 standards & the basics of catman

**Programme 2**
Category management & in-store brand presence

**Programme 3**
E-commerce & digital readiness

**Programme 4**
E-shopper marketing and way forward

# Today's speakers

**Jan Somers**
CEO
GS1 Belgium &
Luxembourg

**Sarah Lard**
Sector Manager DIY,
garden & pet
GS1 Belgium &
Luxembourg

**Dr Brian Harris**
Author 'Category
Management
yesterday, today and
tomorrow'

**Luc Demeulenaere**
Author 'Category
Management
yesterday, today and
tomorrow'

The Global Language of Business

# Introduction to the world of GS1

September 23rd, 2021

Jan Somers, Sarah Lard, GS1 Belgium & Luxembourg

# Imagine a world without barcodes...

# ... and recognize the power of a single beep



6 billion barcodes scanned daily

100 million products carry GS1 barcodes

> 2 million companies use GS1 standards

WE BELIEVE IN THE POWER OF STANDARDS TO TRANSFORM THE WAY WE WORK AND LIVE.

# GS1 = The Global Language of Business

## GS1 is a global standard organisation

Neutral and not-for-profit

User-driven and governed

Global and local – **115** Local Member Organisations

Inclusive and collaborative

GS1 standards are present in the whole value chain

# Selling a product starts with a GS1 barcode number

**Each product is identified uniquely and unambiguously with a GTIN and its corresponding barcode.**

**GS1 standards have been used to improve efficiency, safety and visibility of supply chains from source to consumer.**

# Building a bridge between the physical and digital world



GTIN "540000123459" = (barcode/QR code)
**Digital Identification** = **Physical Identification**

**Digital Product** = **Physical Product**

Trusted Product Information

Marketplaces · Portal · Brand Sites · Factory · Product Information Management · Warehouse · Store · Online Store · Store App

GS1 Standards

Accurate Identification

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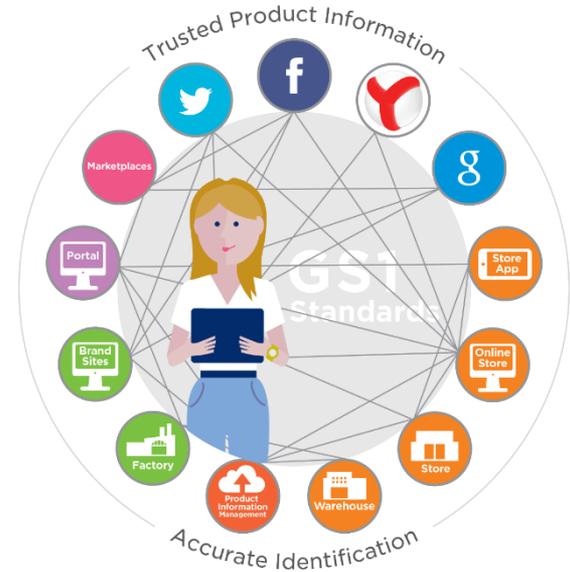
# They offer better consumer experiences and patient safety

**GS1 enables businesses to create a digital version of a product that is a true representation of the physical one.**

*Improving the availability of reliable product information*

*Making it easier to find and buy a product*

*Delivering better shopping experiences and improved patient safety*

# Enabling more efficient and safe business

**Sharing trusted qualitative data everywhere removes friction between business partners and improves performance and safety across the entire supply chain.**



*Increasing the speed and automation of operations*

*Reducing cost and waste*

*Protecting consumers and patients*

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# GS1 standards at a glance

**GS1 standards create a common language** to identify, capture and share product data, which ensures important information is accessible, accurate and easy to understand.

| **Ideate** | **Identify** | **Capture** | **Share** | **Use** |
|---|---|---|---|---|
| Proactively find innovative solutions for the market of tomorrow | Identify products, locations or other assets - globally unique | Capture identity and more in a barcode or RFID tag | Share reliable information with trading partners or consumers | Benefit from our standards, consulting and training to implement process improvements |

# GS1 Identification standards

## Identify
Uniquely identify products, places and assets

### Standards

GTIN

SSCC

GLN

### Tool

Identify

**Webinar 2 – Oct 14th**

GS1 Belgium & Luxembourg

# Capture



## Capture
Capture identity and more in a barcode or RFID tag

## Standards

## Tool

**Identify**

**Webinar 2 – Oct 14th**

# Share



## Share
Share data with trading partners, consumers and patients

**Standards**

**Tool**

**Share**

**Webinar 4 – Nov 18th**

# Use



## Use
Use GS1 standards throughout the value chain

**Marketplaces**  **Retail**  **Healthcare**

Food & Beverages | Garden | Fashion | DIY | Electronics | Pet | Home appliances | Toys | Pharmaceuticals

# Questions?

www.gs1belu.org

events@gs1belu.org

# Using Category Management to Grow Sales and Profits

*ECR Global Publication*

September 2021

Dr. Brian Harris
Luc Demeulenaere

# Objectives of Today's Session

- Briefly describe origins and evolution of Category Management

- Explain key benefits of Category Management

- Define and describe key principles and processes of Category Management

- Overview the 8-step process for Category Management

- Provide practical examples of successful use of Category Management

- Recommend some simple actions to increase sales and profits with Category Management

# CATEGORY MANAGEMENT

## Yesterday, Today & Tomorrow

An ECR Community Review of Current Practices in Category Management 2020.

# ECR Community

ECR Community is the global not-for profit association for all ECR organisations.

1. ECR RUSSIA
2. ECR IRELAND
3. ECR POLSKA
4. ECR AUSTRIA
5. ECR FRANCE / Institute du Commerce
6. ECR CZECH & SLOVAKIA
7. ECR ITALY
8. GS1 SWITZERLAND
9. ECR SPAIN
10. ECR GREECE
11. ECR CYPRUS
12. ECR SWEDEN
13. ECR CROATIA
14. ECR ROMANIA

15. ECR FINLAND
16. ECR KAZAKHSTAN
17. GS1 MEXICO
18. Logyca COLOMBIA
19. ECR GERMANY
20. ECR CHINA
21. ECR GUATEMALA
22. ECR RETAIL LOSS GROUP
23. AIM
24. EuroCommerce

# Category Management Yesterday, Today & Tomorrow
# An ECR Community Review of current practices in Category Management 2020



A 200+ page Review including 14 global case studies + insight from category management experts + ECR National Associations + leaders in technology!

Download free at www.ecr-community.org

Released Nov 2020
Downloaded in 65+ countries

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# CATEGORY MANAGEMENT YESTERDAY, TODAY AND TOMORROW

- Category Management 1987 to 2010 – Bringing the Consumer into Retail Marketing

- Category Management in the Omni-Channel Era - 2010 to 2020 – Bringing the Shopper into Retail Marketing

- The Future – Integrated Consumer and Shopper Marketing



**CATEGORY MANAGEMENT** Yesterday, Today & Tomorrow

An ECR Community Review of Current Practices in Category Management 2020

dunnhumby    HOFFROGGE
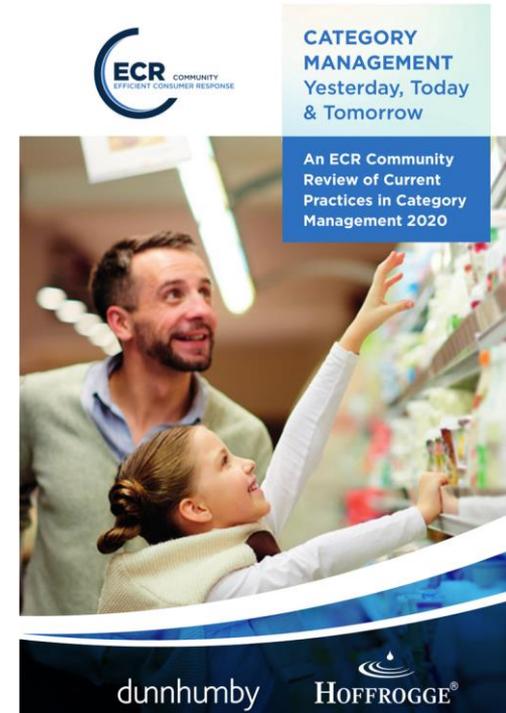
# Category Management – Key Role in Evolution of Retail Marketing
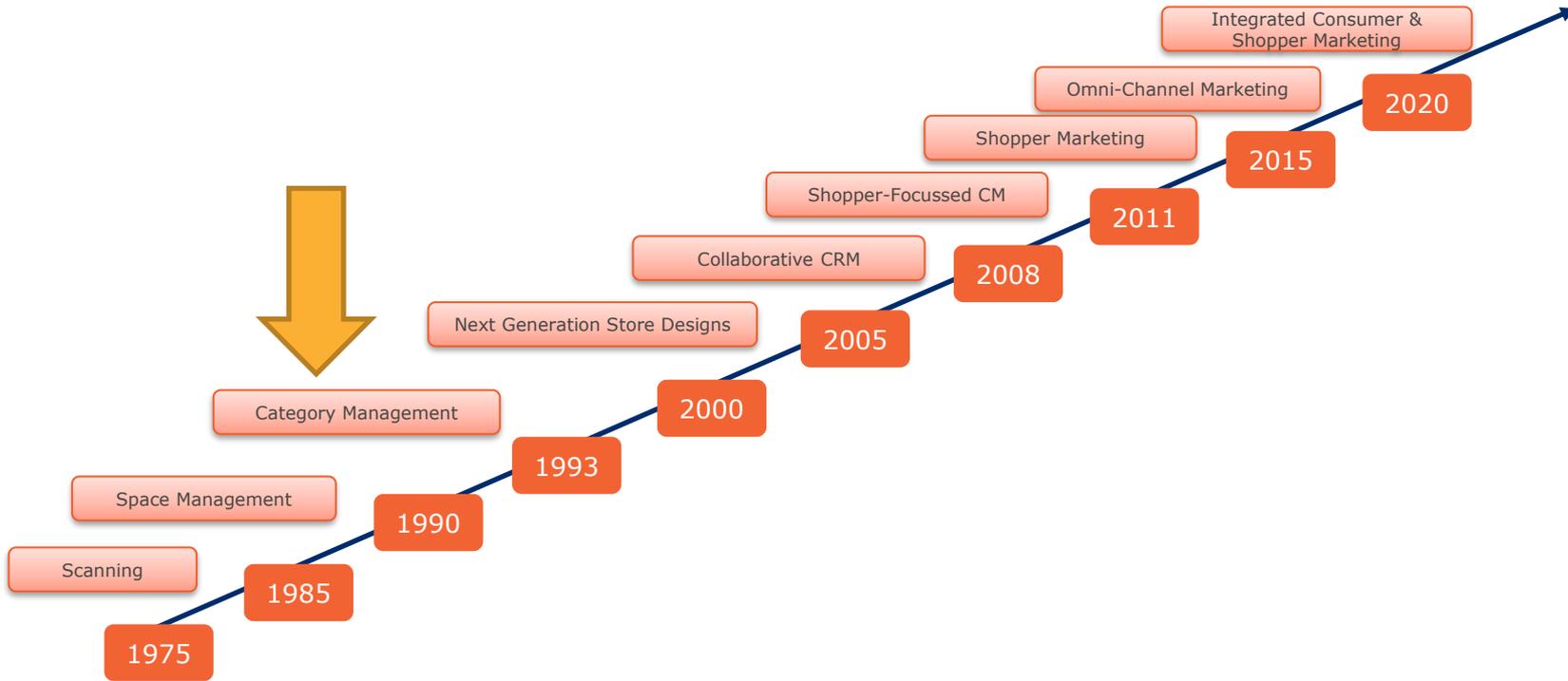


Integrated Consumer & Shopper Marketing

Omni-Channel Marketing

Shopper Marketing

Shopper-Focussed CM

Collaborative CRM

Next Generation Store Designs

Category Management

Space Management

Scanning

1975 · 1985 · 1990 · 1993 · 2000 · 2005 · 2008 · 2011 · 2015 · 2020

# Category Management

Category Management 1987 to 2010

Bringing the Consumer into Retail Marketing

# Origins of Category Management

- Developed in late 1980s by Dr. Brian Harris

- Purpose was to provide retailers with new approaches to upgrade their buying and merchandising and organizational capabilities

- Entry of new competitors (Walmart, discounters, "category killers") provided the "wake up call" for new methods

# The New Retailing Paradigm 1990-2010

Category Killers





Global Discounters





**Category Management was born under this paradigm**

# Category Management Best Practices around the world
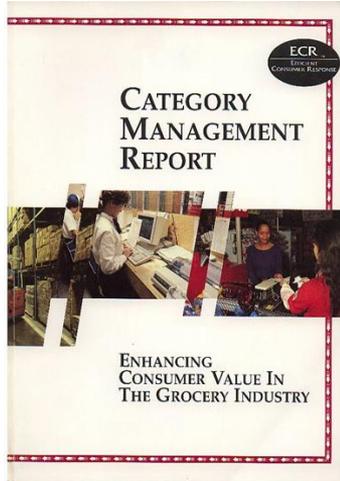


**1995**
**USA / North America**
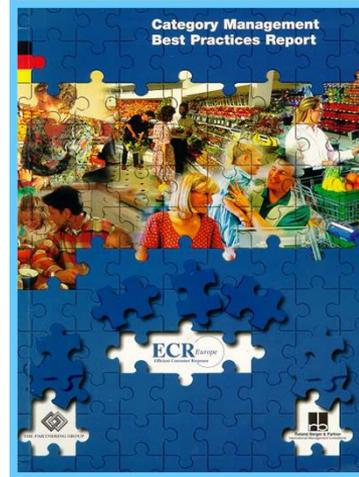


**1997**
**Europe**
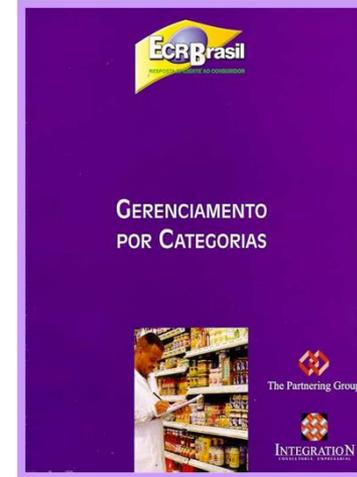


**1998**
**South America**

# What is Category Management?

"A retailer – manufacturer process of managing categories as Strategic Business Units, producing enhanced business results by focussing on delivering Consumer Value."

... ECR Report

Manufacturer → Retailer → Consumer

# Main Focus

- Category management links company-to-category strategies
- Simple logical 8-Step process provided standardized platform for managing categories as strategic business units and collaborative Category Planning
- Consumer-based Category Definitions and Consumer Decision Trees (CDT's) provided new tools for assortment and presentation decisions
- Category Roles created differentiation (Destination categories) and disciplined approach for resource allocation
- Category scorecard KPI's provided basis for accountability
- Category Strategies drove tactical decisions
- "Low hanging fruit' opportunities identified and captured

# Category Management starts with Strategy

Company Mission

Company Financial and Marketing Objectives

Company Strategies

Department and Format Strategies

| Grocery / Dairy / Frozen | Fresh | HBC / Gen Mdse | Specialty Departments |

Category Plans

Category Plans

Category Plans

Consumer

# The 8-step process
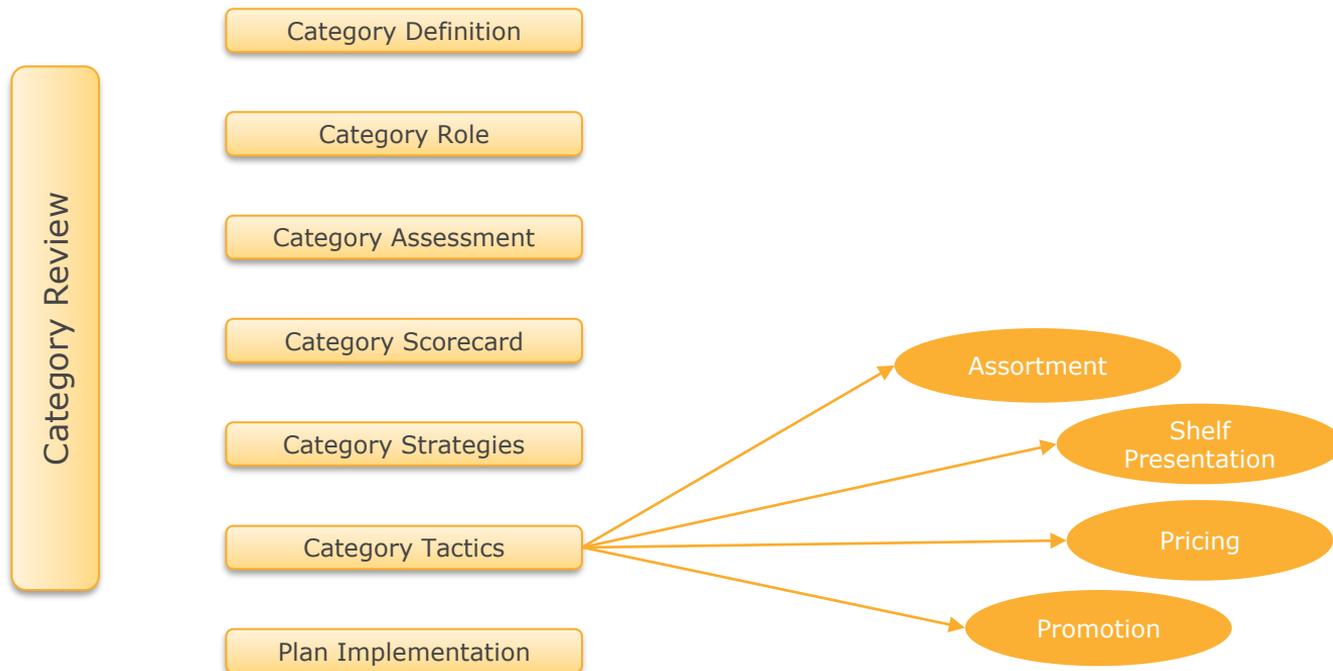


Category Review

- Category Definition
- Category Role
- Category Assessment
- Category Scorecard
- Category Strategies
- Category Tactics
  - Assortment
  - Shelf Presentation
  - Pricing
  - Promotion
- Plan Implementation

# How can Category Management add value to small or mid-size business?

The 3 key areas to apply simple Category Management concepts to grow sales and profits –

1. Redefine categories based on consumer needs and understand how the consumer makes a purchase decision in the category

2. Differentiate by allocating resources based on strategic Category Roles

3. Choose logical category tactics (assortment, shelf presentation, promotion, pricing) based on consumer behavior and category strategies

# Narrow Category Definition
# Feminine Hygiene

# Broad Category Definition Feminine Care

# Broad Category Definition
## Total Pasta Meals

# Total Pasta Meals

# Broad Category Definition
## Fresh Fruits and Vegetables

# Understanding How the Consumer makes a Purchase Decision



Category — Sub-category — Segment — Sub-Segment

# Consumer Decision Tree Example – Pet Care

Category  Sub-category  Segment  Sub-Segment

More Important ← → Less Important

**Pet Care**
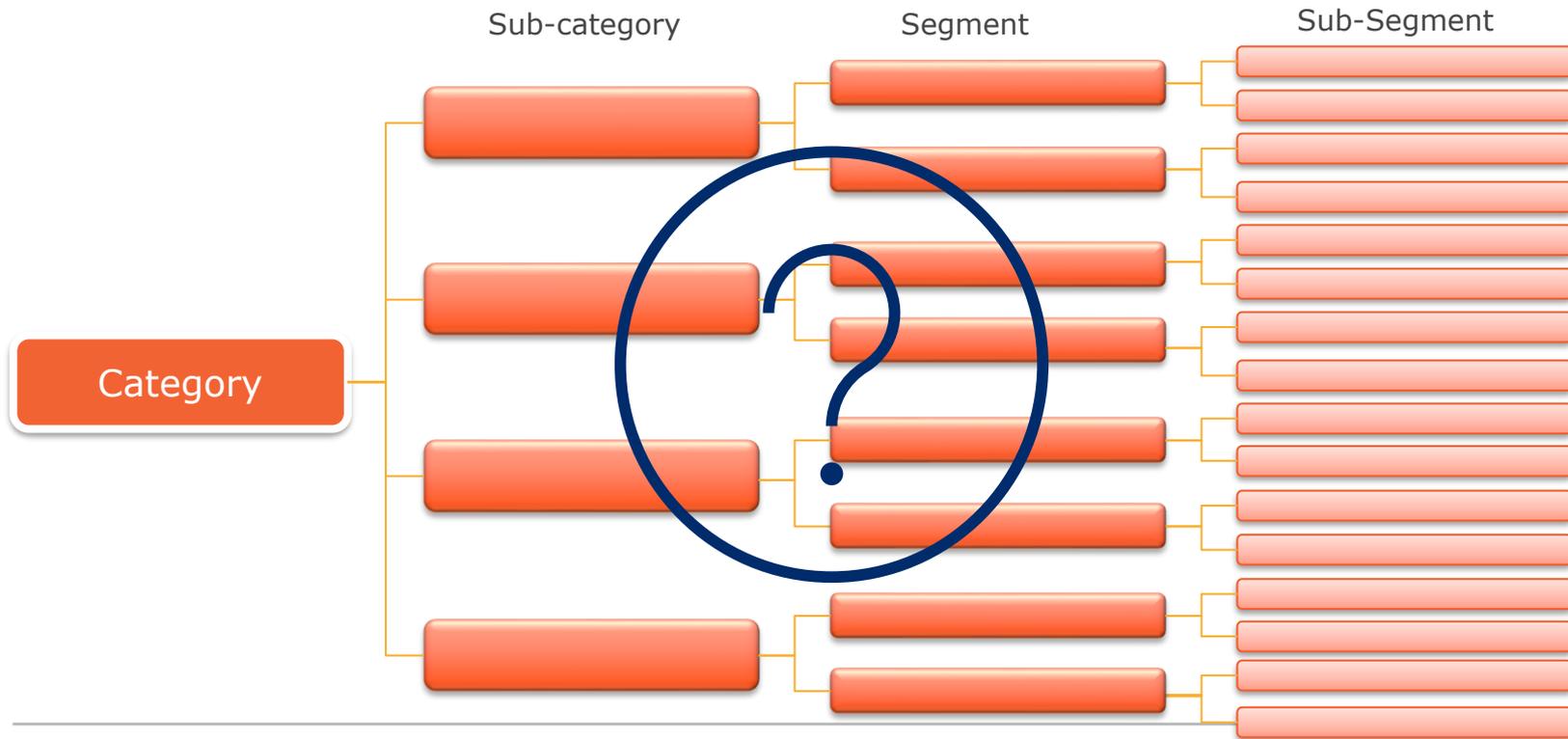
- Cat Care
- Bird Care
- Dog Care
  - Food
    - Wet Dog
    - Dry
    - Moist
  - Health
  - Accessories
  - Treats / Rewards
- Small Animal Care
- Fish / Aquatic Animal Care
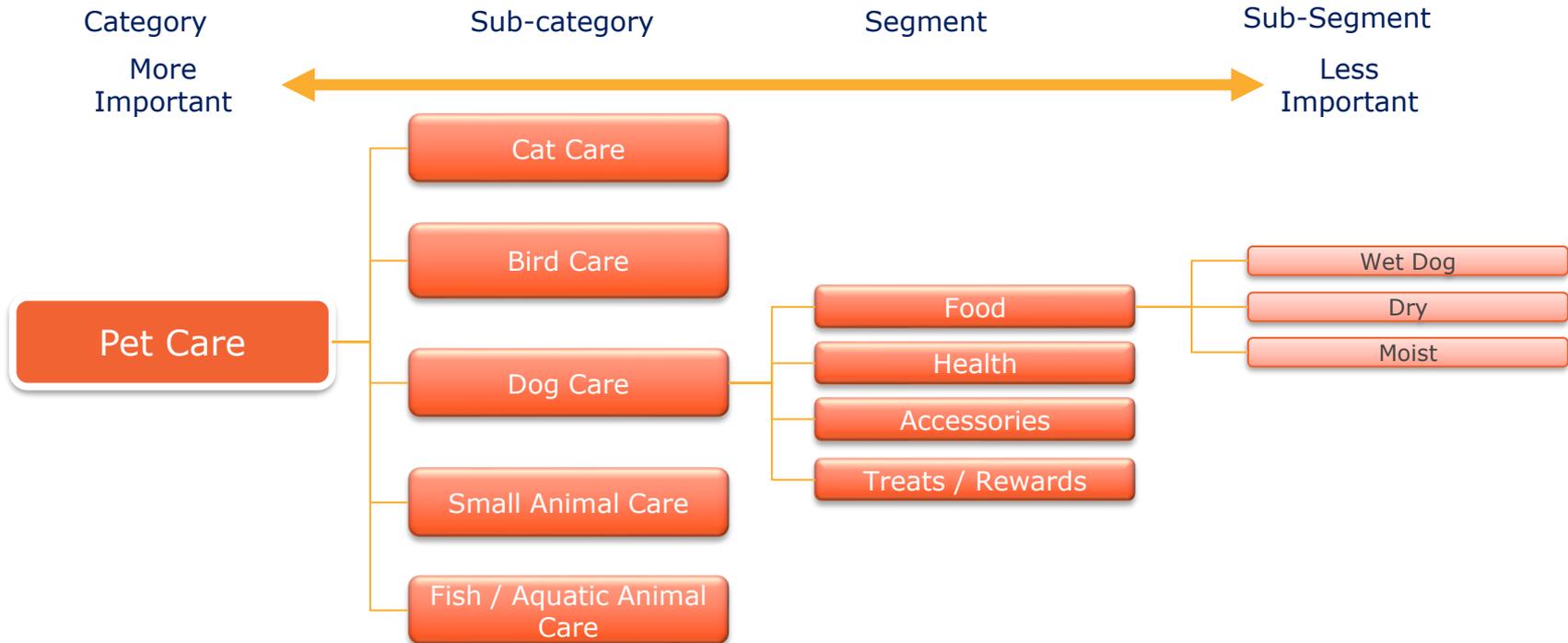
# Consumer Decision Tree
# Example – Pet Care - continued

More
Important

Less
Important

Segment

Sub-Segment

Micro
Segment

Wet Dog

Flavor

Size

Brand

Pet Care

Food

Dry

Health

Moist

Accessories

Treats / Rewards
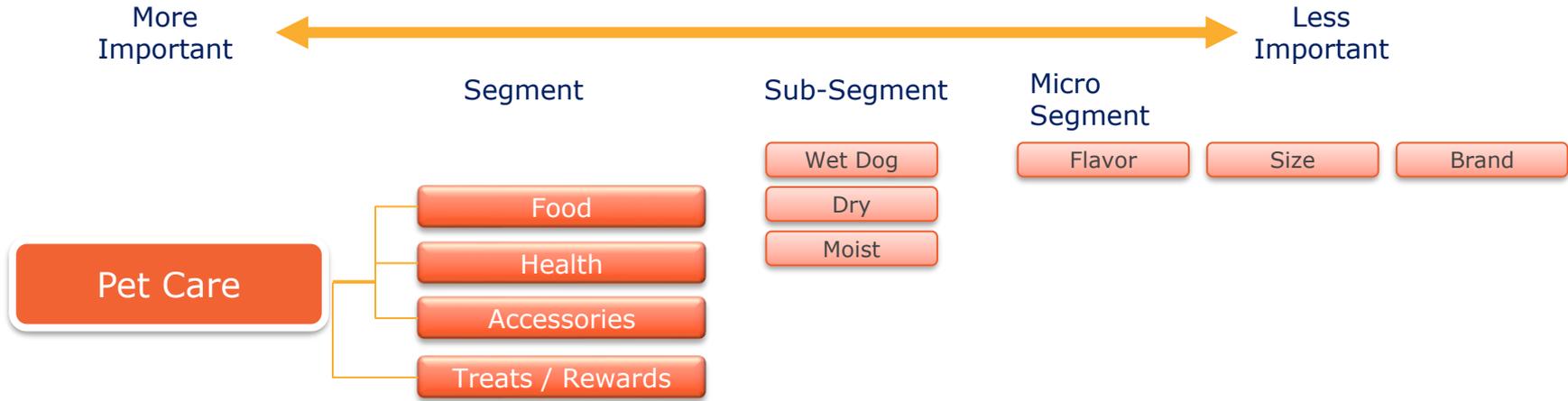
# Why the CDT Is So Important

- **Product Assortment**

  - Determines the right product variety, eliminates duplicate products, and helps evaluate new products

- **Shelf Planograms**

  - Presents category selection to the consumer in an easier to shop format

- **Promotions**

  - Develops balanced consumer–focused promotions in category

# Using the CDT for Managing Assortments



More Important ← → Less Important

**Walking Level**

Dog Care
- Food
- Health
- Accessories
- Treats / Rewards

Wet Dog
Dry — Flavor
Moist

**Switching Level**

# Cooking Oil
# 8 Sizes of 1 brand



Could some of these 8 SKUs be eliminated with little or no loss of sales?

# Using the CDT to Manage Shelf Presentation – Fresh Bread
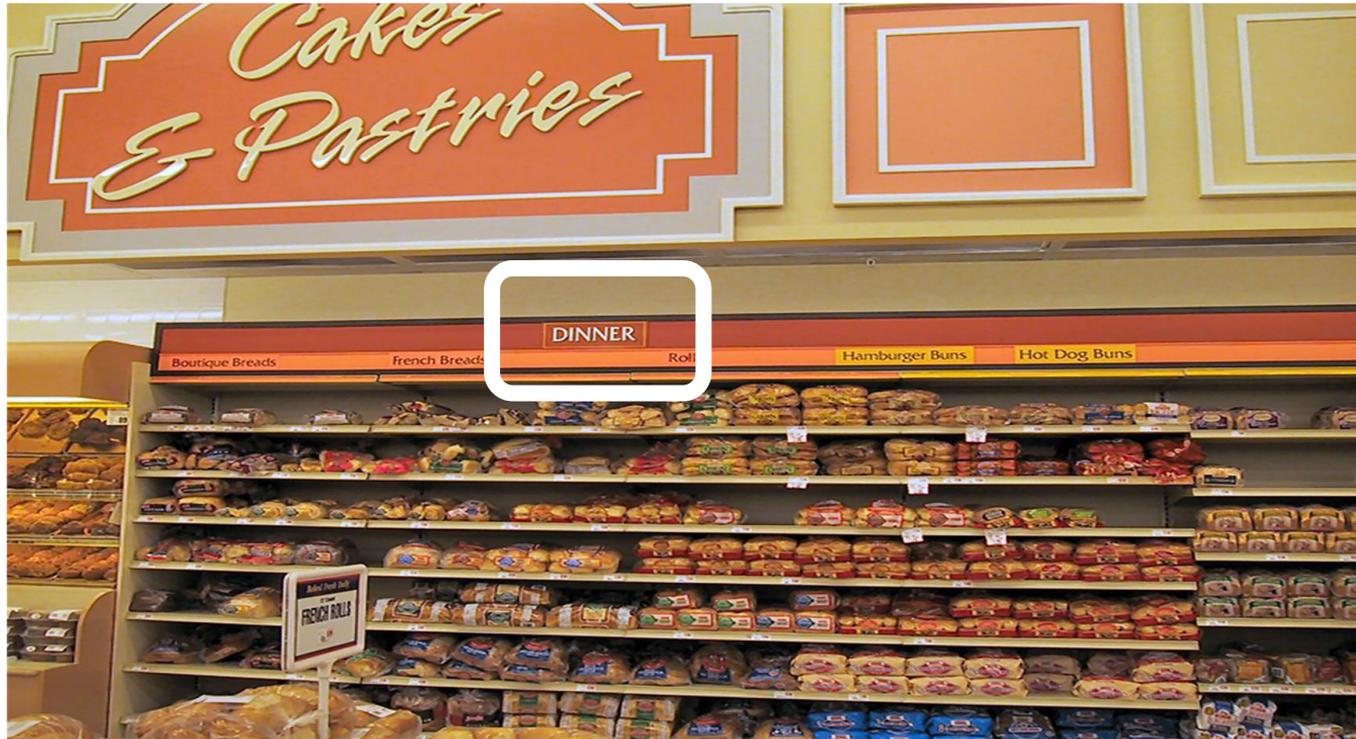
Average sales increase for Fresh Bread was 33%!

# How can Category Management add value to small or mid-size business?

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# Category Roles Example

| Destination | Routine | Seasonal | Convenience |
|---|---|---|---|
| Pasta Meals | Soft Drinks | Back To School [D] | Motor Oil |
| Fresh Baked Breads | Salty Snacks | Garden | Home Fashion |
| Fresh Salads | Laundry | Sun Care | Floral |
| Fresh Beef | Prepared Foods * | Seasonal Candy | Apparel |
| Baby Care | Pet Care * | Ice / Snow | Video |
| Photo | Paper Towels | Flu / Cold | Hardware |
| Wine | Candy | Christmas | Toys |

* Preferred Routine      D = Seasonal Destination
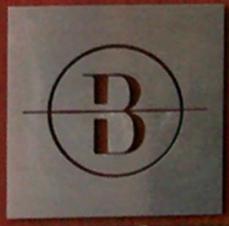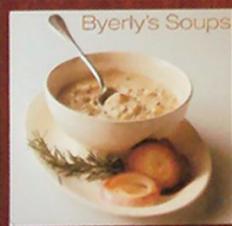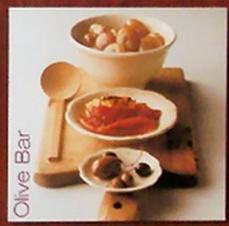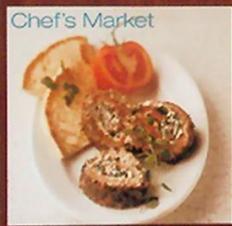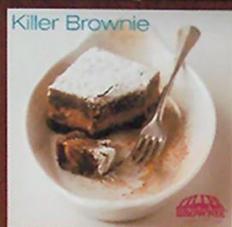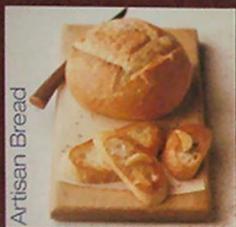
# Allocating Resources based on Category Roles



Average Resources

Convenience

Occasional Seasonal

Routine

Preferred Routine

Destination
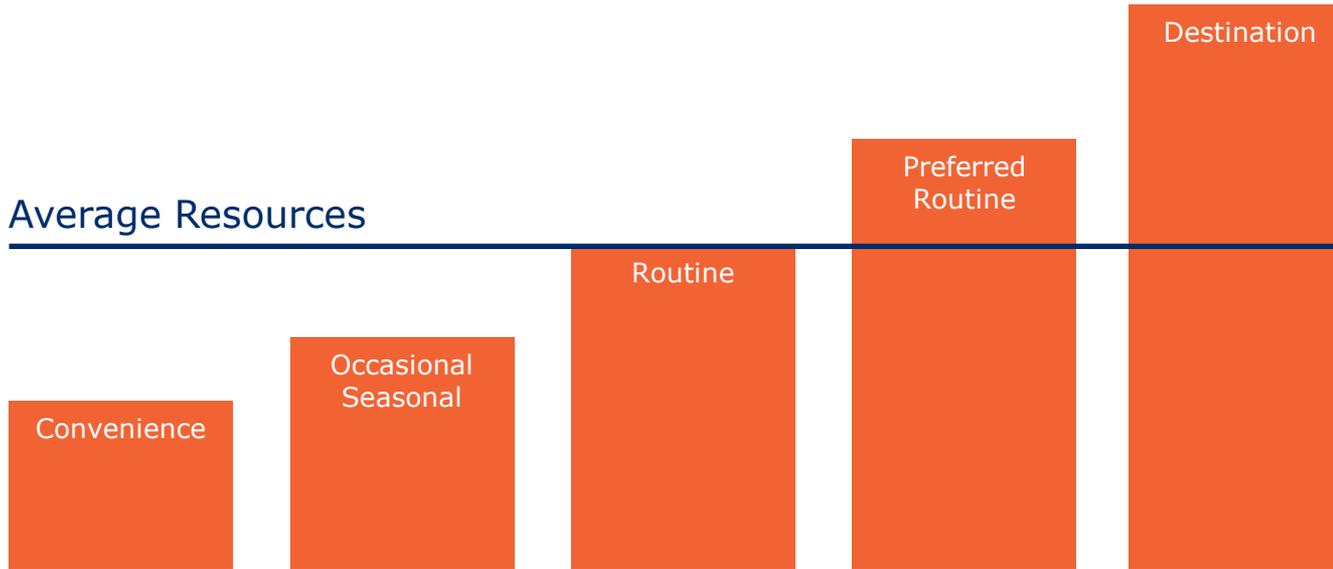
Inventory & Space

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# Category Strategies
# Typical Options

| | |
|---|---|
| **Traffic Building** | Draw customer into the store, category |
| **Turf Protecting** | Stop customer shopping the competitor |
| **Transaction Building** | Entice customer to spend more in the category or related categories |
| **Excitement Creating** | Create a sense of newness, urgency, opportunity in the category |
| **Image Enhancing** | Use category to enhance customer's image of retailer (price, variety, service etc.) |
| **Profit Generating** | Shift customer purchases to more profitable products |
| **Loyalty Building** | Increase customer loyalty to category |
| **End User** | Target a specific segment of category users |

Turf Protection

Turf Protection

Turf Protection

Transaction Builder

Traffic Builder

Transaction Building

Transaction Building

Transaction Building

Profit Generating

Kid's Products

Excitement Creating
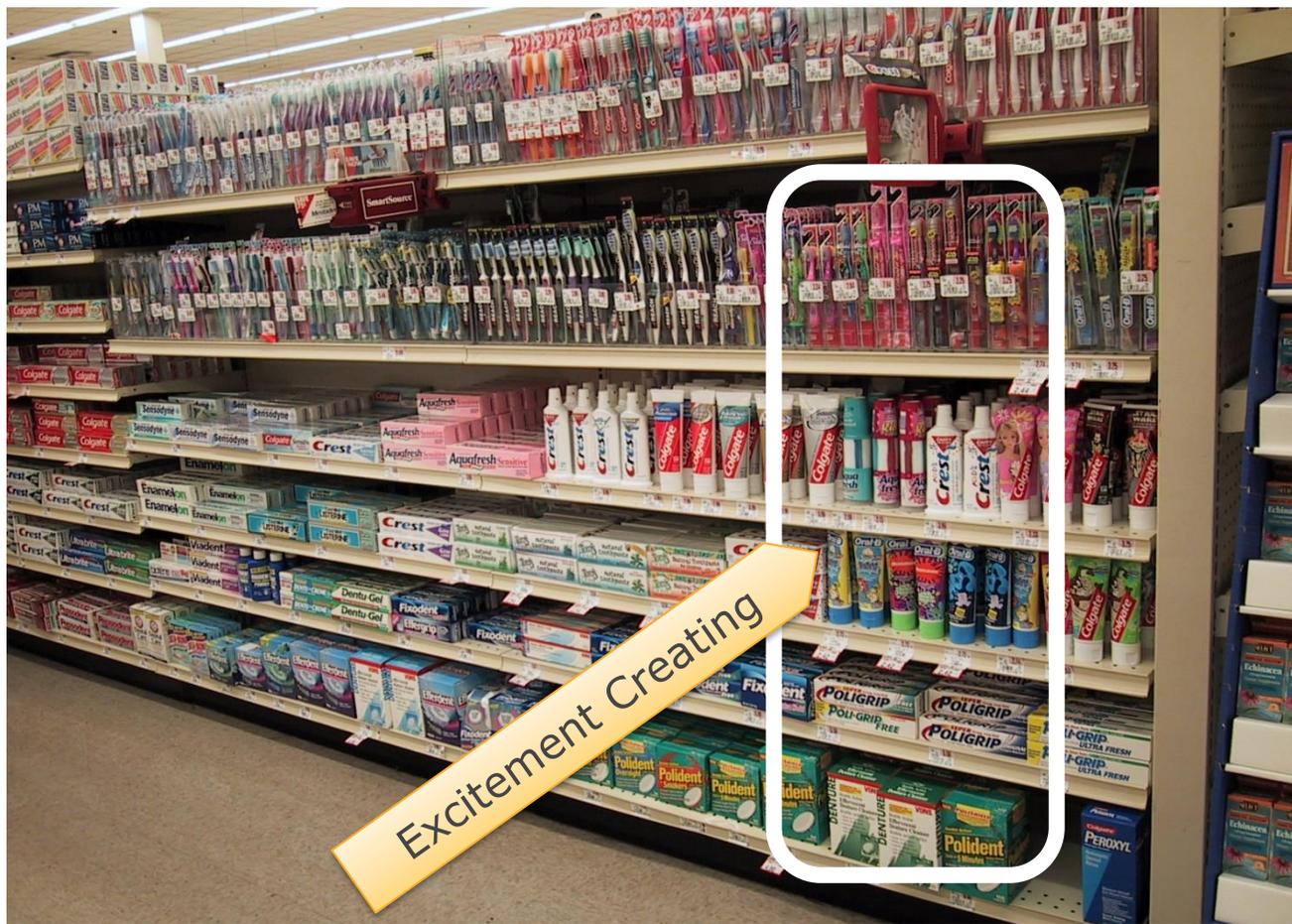
Quality

Image Creating (Quality)

Premium Sized Avocado

We select only large, premium Jumbo Avocados for our guests. Smaller, cheaper Avocados are most common, and therefore most commonly stocked by big box stores, but we can guarantee they are not as plump or meaty as the Avo... ...e offer. The larger the avocado the more meat it contains. C... ...e difference for yourself.

Image Creating (Quality)

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Image Creating (Variety)

Image Creating (Fresh)

# Assortment Tactics
# Variety vs. Duplication

**Shelf Stable Juice Category**
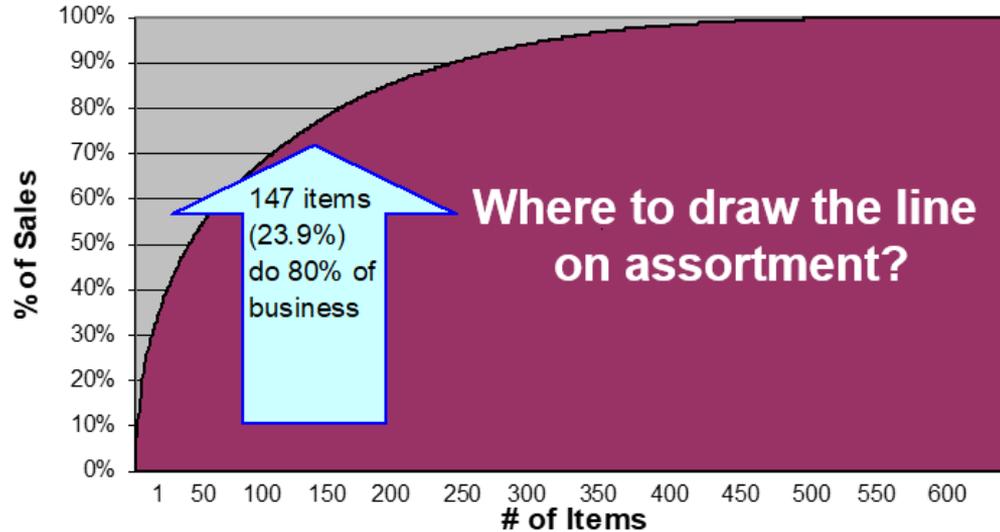


147 items (23.9%) do 80% of business

**Where to draw the line on assortment?**

# Cooking Oil
# 8 Sizes of 1 brand



**Could some of these 8 SKUs be eliminated with little or no loss of sales?**

# Shelf Presentation Tactics

| Step 1 Block CDT segments vertically where feasible | Kids | All Family | Adult | |
|---|---|---|---|---|

| Step 2 Overlay Category Strategies | Image<br>**Profit**<br>Transaction<br>Traffic | | | |
|---|---|---|---|---|

| Step 3 Optimize for operational issues | Image<br>**Profit**<br>Transaction<br>Traffic | | | |
|---|---|---|---|---|

Traffic Flow →

# Shelf Presentation Example
# Oral Care (Before)

| Therapeutic/ Medicated Toothpaste | Mouthwash | Dental Floss |
|---|---|---|
| **Regular Toothpaste** | | **Toothbrushes** |
| | **Special/value Added Toothpaste** | |
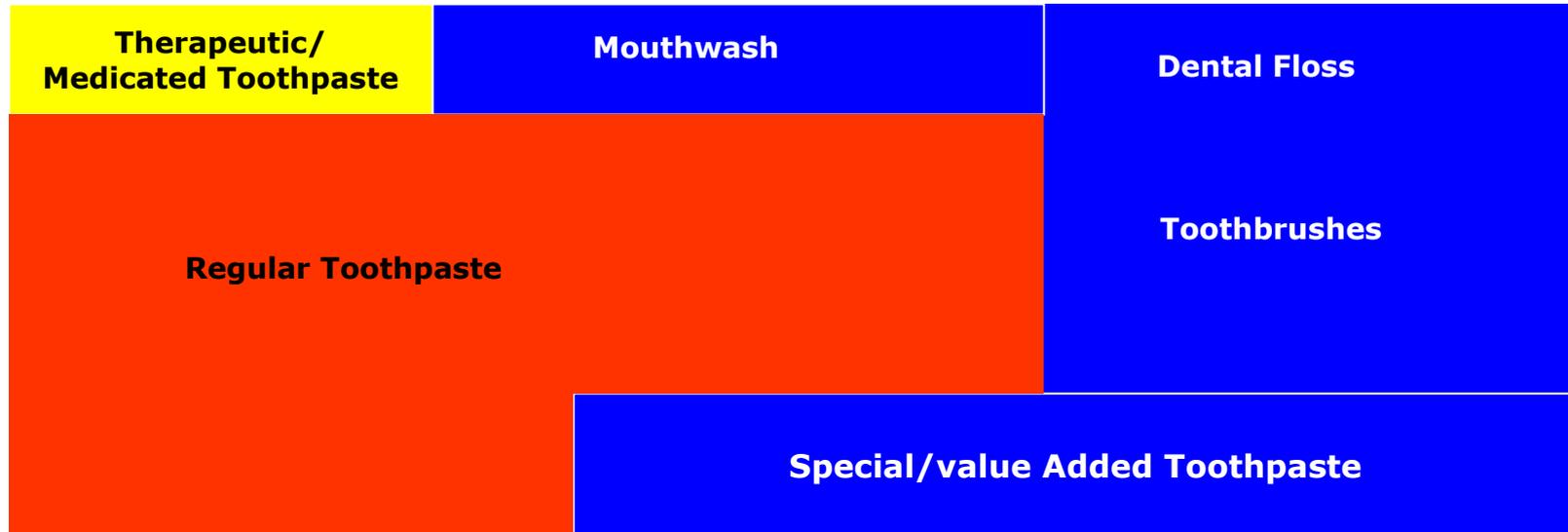
Note: Kid's products in separate section of Other Kid's Products

→ Traffic Flow

■ Transaction  ■ Traffic  ■ Profit

# Shelf Presentation Example
# Oral Care (After)



| | | | | |
|---|---|---|---|---|
| Adult Mouthwash | **Kids** | Adult Mouthwash | Therapeutic/ Medicated T.Paste | Denture |
| Dental Floss | Kid's M. Wash | Dental Floss | | |
| Adult Toothbrushes | Kid's Toothbrush | Adult Toothbrushes | | |
| Special Toothpaste | | Special Toothpaste | | |
| Regular Toothpaste | Kid's Toothpaste | Regular Toothpaste | | |

Traffic Flow

■ Transaction   ■ Traffic   ■ Profit
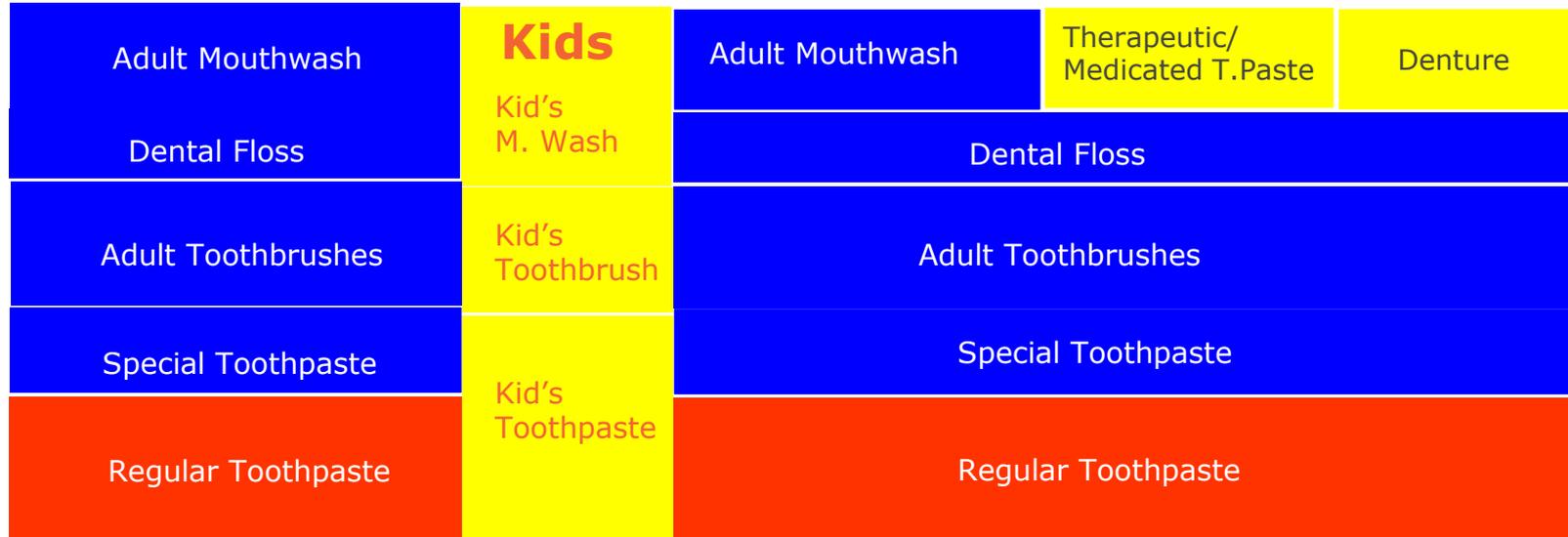
# Fresh Fruit Shelf Presentation
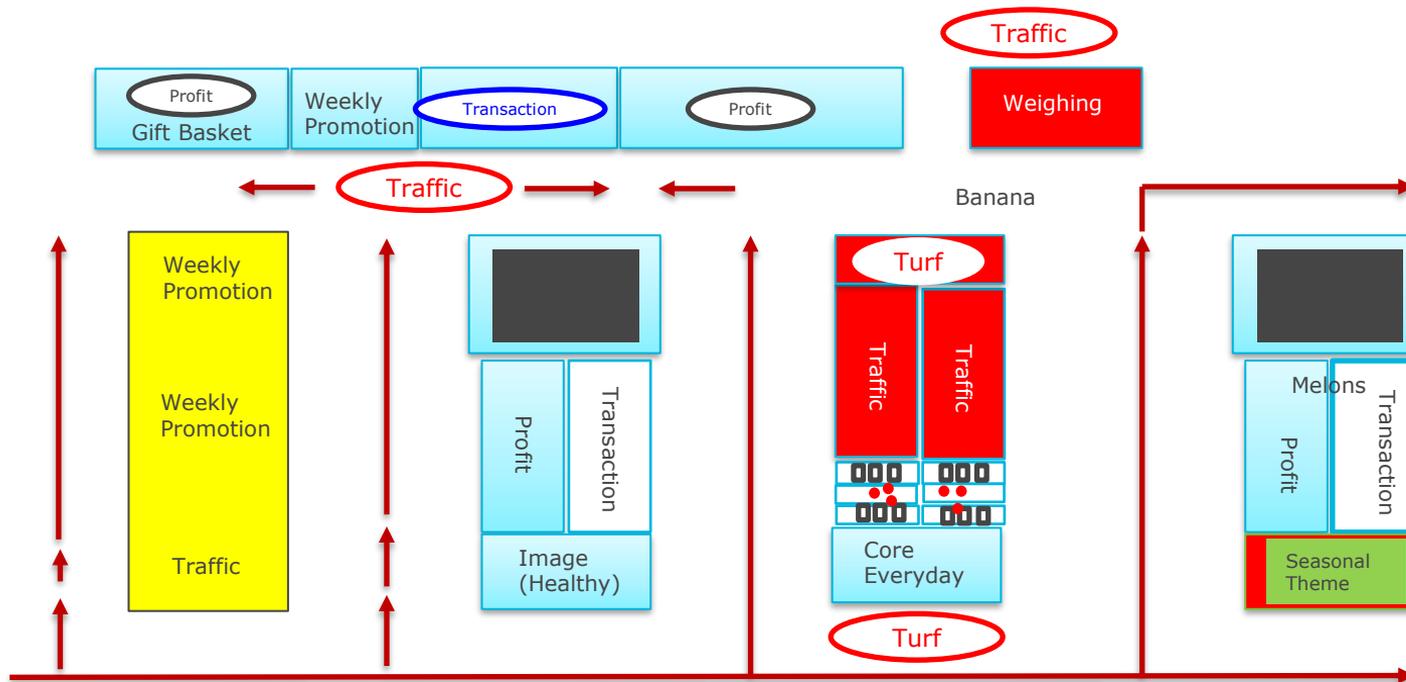
# Fresh Fruit



|  | **2018** |  |  | **2019** |  |
|---|---|---|---|---|---|
| Sales | +8.2% | | Sales | +28% | |
| Profit | +1.2% | | Profit | +25% | |

# How can Category Management add value to small or mid-size business?

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# Category Management

Category Management in the Omni-Channel Era

2010 to 2020

Bringing the Shopper into Retail Marketing

# Evolution of Retail Marketing



- 1975 — Scanning
- 1985 — Space Management
- 1990 — Category Management
- 1993 — Next Generation Store Designs
- 2000 — Collaborative CRM
- 2005 — Shopper-Focussed CM
- 2008 — Shopper Marketing
- 2011 — Omni-Channel Marketing
- 2015 — Integrated Consumer & Shopper Marketing
- 2020

# The New Retailing Paradigm

E-Commerce Click Retailing



Integrated Click-Brick Omni-Channel Retailing



Growth of New Breed of Global Discounters

# Main Focus

New Value Drivers for consumer and shopper

New Generation of Millennials takes over the buying power in the market

Omni-channel perspective – which channel wins the Shopping Mission

# Category Management Focus Areas

1. Redefining categories to reflect new consumption habits, lifestyles and expectations

2. Integrating Category Management into the broader Consumer and Shopper Journey construct

3. Applying Category Management processes in e-Commerce channels

4. Joint brand building collaboration between retailers and manufacturers

5. Using comprehensive multi-source consumer and shopper data sets enabled by AI and related technologies

6. Expanding use of Category Management in other channels (e.g., DIY and Pharmacy) and in new markets

# Consumer & Shopper Journey

Provided framework for consumer and shopper insights and understanding segment behavior which drives Category Management & Shopper Marketing decisions



**WHO**
… are the Consumers and Shoppers?

**WHY**
… do they consume?
… do they plan a trip?

**WHERE**
… do they choose to shop?

**WHAT**
… do they choose to buy?

**HOW**
… do they evaluate their purchase?

1. Consumer/Shopper is consuming
2. Consumer/Shopper is influenced
3. Consumer/Shopper creates a Shopping Mission
4. Shopper makes a Channel and Banner Choice
5. Shopper makes a Purchase
6. Consumer/Shopper evaluates the Purchase Decision
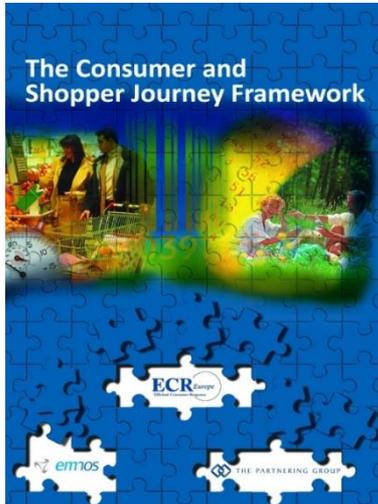
# How to think of this when you are a small or mid-size manufacturer or retailer in any kind of business

Key questions to ask concerning what it is that will make you successfull in the market and wanted by retailers:

- Who will love to consume my solutions or product(s)

  Traditional families or new generation of consumers

  Engaged in ecology, health or just fun or top-quality experience?
  How does my offer support such required differentiation ( packaging, nutrition content, loca produced, with respect to workers,…, local farmer?,..)

  Budget limited, price sensitive or accept a premium price for luxury? Bought during which kind of

  shopping trip: stock up, daily, on the go, promo online,…?? Impulse buy?

- When, How, Where, Why will they consume it; and when and where are they most likely to purchase this ?
  - In which consumption occasions most consumed, with friends or family, alone?
  - Out of home maybe?
  - Purchase on the go?, at work? In small express supermarket, or in traditional supermarket or discounters?

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# Make the right way with your retailer who will cover your growth potential most

- Traditional supermarket?
  - Cfr Dr Brian Harris slides and category mgmt sessions basic and advanced

- On the go?
  - Solution selling, impulse propositions, conform values of target consumer-shoppers
  - Cfr advanced catman sessions in program 2

- Online?
  - New Brand presence rules to be found and preferred by the consumer online:
    - Cfr e-commerce brand presence sessions
    - E-Coupon sessions
    - How to work on e-Commerce retailer contract: cfr e-Commerce sessions Markus Hoffmann Germany and Sarah Miskell UK with on the big e-Commerce collaboration rules in program 3 and 4

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# Category Management

The Future –

Integrated Consumer and Shopper Marketing

# Evolution of Retail Marketing

Integrated Consumer & Shopper Marketing

Omni-Channel Marketing

Shopper Marketing

Shopper-Focussed CM

Collaborative CRM

Next Generation Store Designs

Category Management

Space Management

Scanning

2020

2015

2011

2008

2005

2000

1993

1990

1985

1975
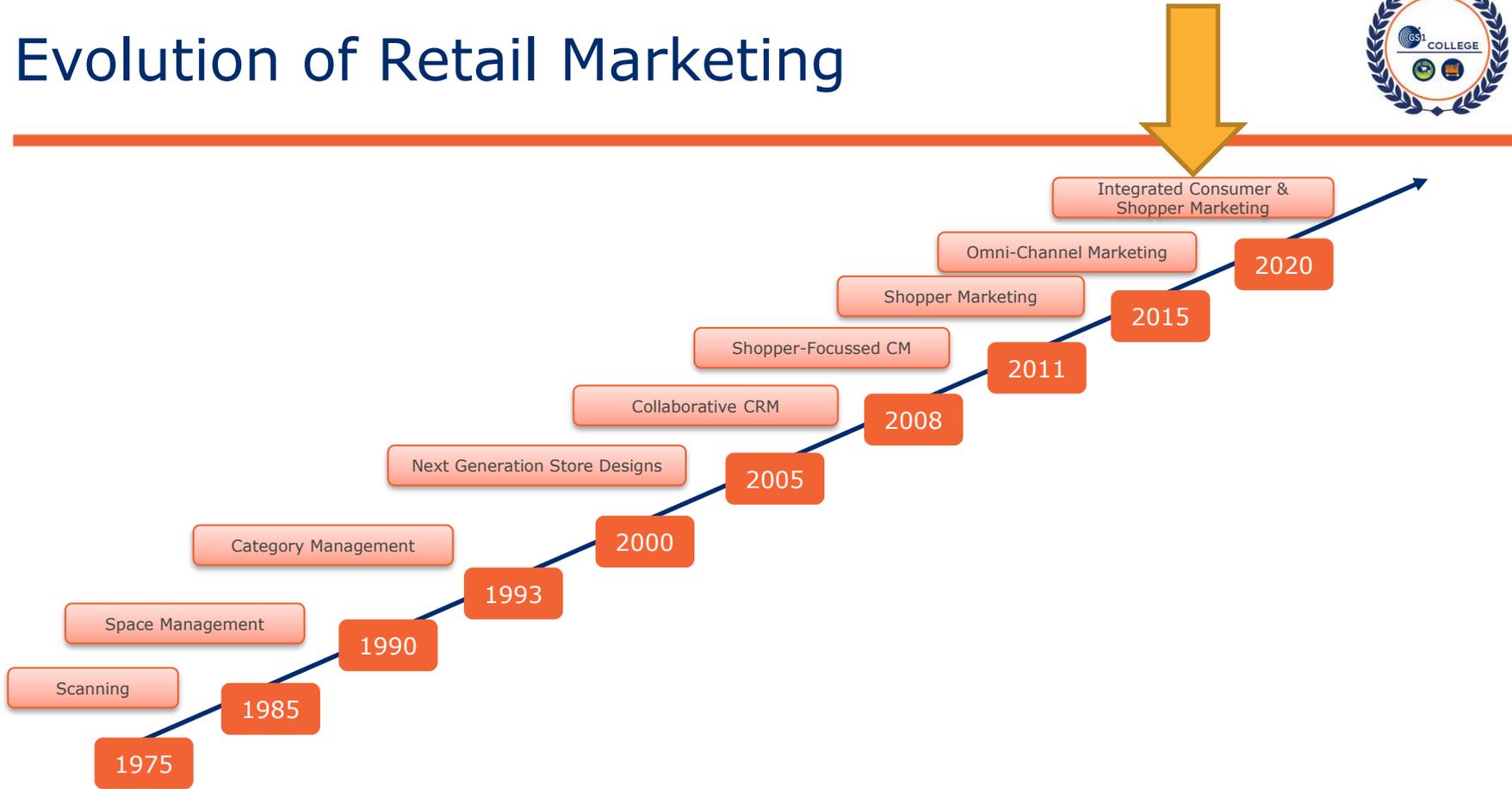
# Integrated Consumer – Shopper Approach

- Takes retailer-manufacturer collaboration to a higher level

- Goal is to increase both manufacturer brand and retailer brand equity

- Enables category innovation and differentiation to be key outputs and drivers of the category growth and development
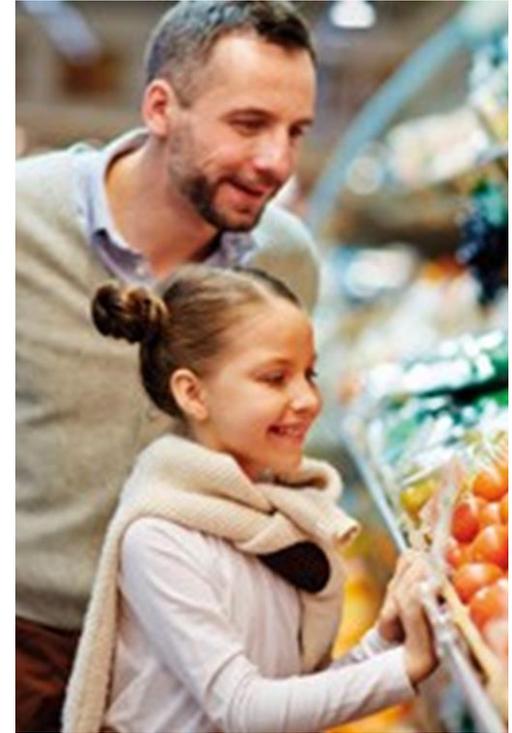
# Consumer & Shopper Journey

Provided framework for consumer and shopper insights and understanding segment behavior which drives Category Management & Shopper Marketing decisions



**HOW**
… do they evaluate their purchase?

6. Consumer/Shopper evaluates the Purchase Decision

1. Consumer/Shopper is consuming

2. Consumer/Shopper is influenced

**WHO**
… are the Consumers and Shoppers? **Holistic profile**

**WHY**
… do they consume?
… do they plan a trip?

**WHAT**
… do they choose to buy?

5. Shopper makes a Purchase

3. Consumer/Shopper creates a Shopping Mission

4. Shopper makes a Channel and Banner Choice

**WHERE**
… do they choose to shop?

**Win the Opti-Channel mission**
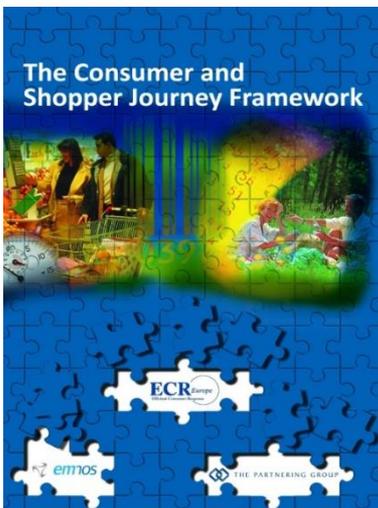
# Main Focus

- More shopper segment and store-by-store application

- Category Management creates differentiation by delivering cross-category solutions and shopping experiences

- Shopping Missions become key in delivering Category Roles

- Growth of e-commerce provides new category strategies and tactics

# Example Shopper & Consumer Segments Lifestyle Total Consumption Universe
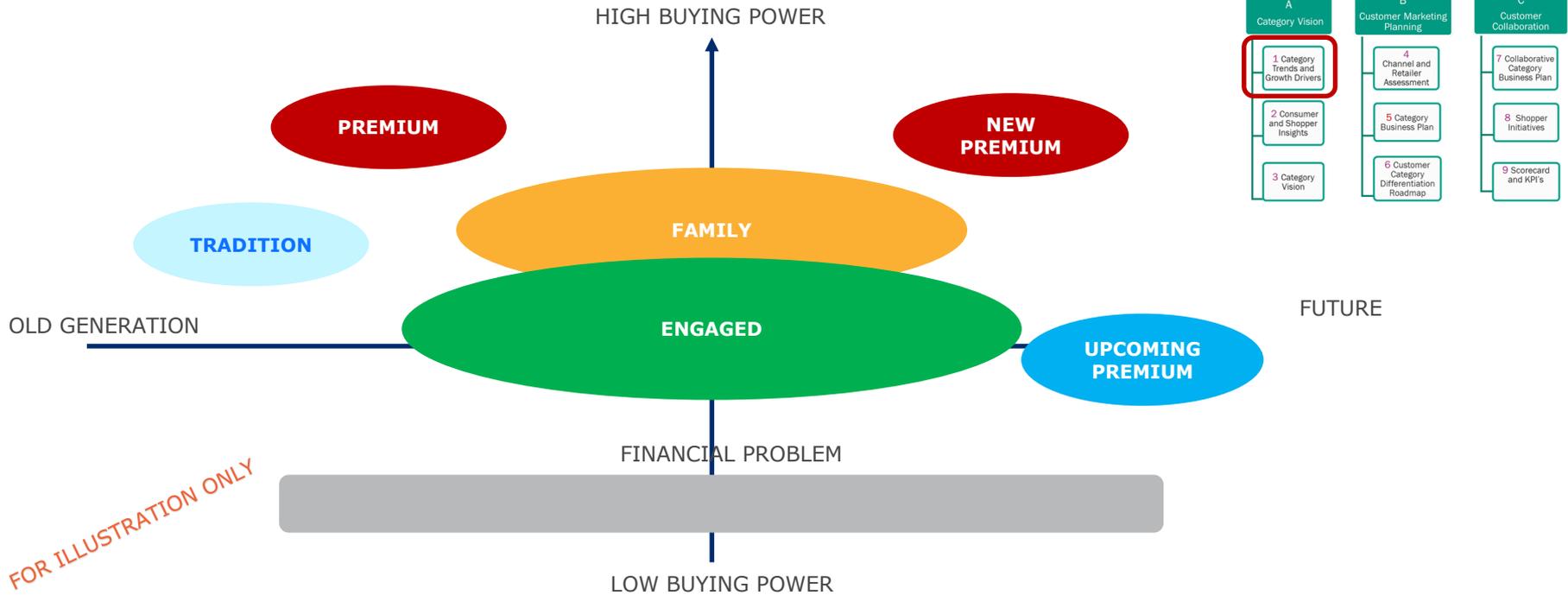
# Example Shopper & Consumer Segments Lifestyle Category X Universe



HIGH BUYING POWER

PREMIUM

Health
Taste
Enjoy with friends
Enjoy new

Category X

NEW PREMIUM

Health
Fitness nutrition
Enjoy new

TRADITION

Reliable quality
Well known

FAMILY

Health
Kid's taste

OLD GENERATION

ENGAGED

FUTURE

Health
Ecological footprint

UPCOMING PREMIUM

Quick & good
Opportunistic & surprise

FINANCIAL PROBLEM

OK for my budget
Taste

LOW BUYING POWER

FOR ILLUSTRATION ONLY

| A Category Vision | B Customer Marketing Planning | C Customer Collaboration |
|---|---|---|
| 1 Category Trends and Growth Drivers | 4 Channel and Retailer Assessment | 7 Collaborative Category Business Plan |
| 2 Consumer and Shopper Insights | 5 Category Business Plan | 8 Shopper Initiatives |
| 3 Category Vision | 6 Customer Category Differentiation Roadmap | 9 Scorecard and KPI's |

GS1
Belgium & Luxembourg

# Integrating Consumer & Shopper Insights builds the CS Journey Insights

# How to bring this into practice for small or mid-size businesses
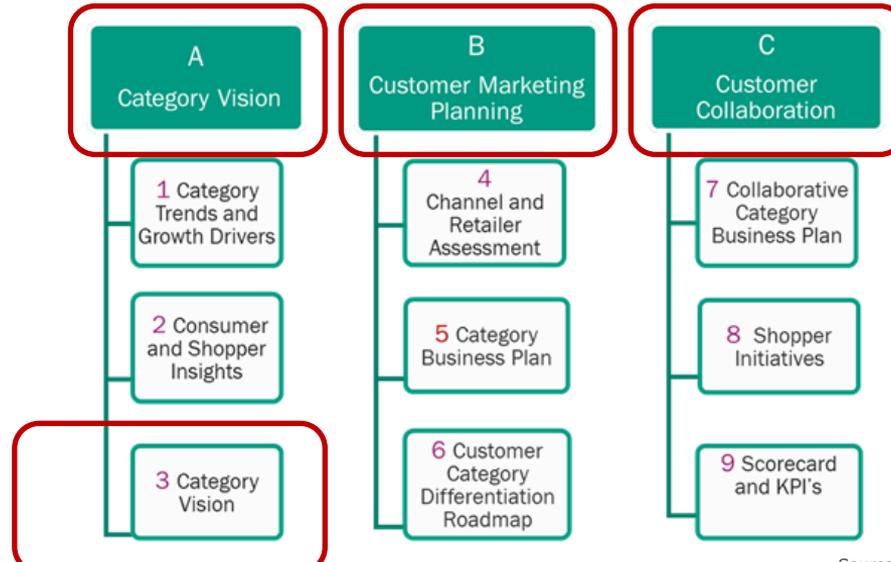


Source: Demeulenaere & Associates

# The key workblocks towards a category vision



## Key stakeholder segments and their value drivers

- Quantified
- Current/future generation
- UP/down – market (spending index)

## Finding the key Growth Platforms

- Stakeholder segments
- Needs, trends, aspirations
- User occasions

## CS – Journey Architecture

- Shopper Marketing to activate the growth platforms (who, where)
- The Shopping Mission / role of the category
- Category Management Strategies & Tactics

## Innovation

- Win in front of new consumer and most value creating stakeholder segments
- Win in front of Shopper
- Game changing consumption solutions

# Program 1 – next 2 webinars

| Webinar 2: introduction to the 8 basic steps of category management | Webinar 3: Digital asset creation based on GS1 standards |
|---|---|
| In this course, we will explain how to start with the identification standards and the basics of category management. | In this course, you will learn how to build your brand and how to integrate innovation into your business plan to secure your future stake in the market. |
| We will explain the different identification standards and give a short demo of My Product Manager, a GS1 Belgilux platform, to easily create and manage your unique identification keys. You will also get an introduction to category management and its added value to business growth. You'll understand why category management provides the ideal platform for retailers and suppliers to jointly develop shopper-centric category strategies and plans. | We will show how creating effective brand imagery begins with consistent, high quality and accurate product images needed for your consumers and different channels. We will explain why using the GS1 filename standards is a need to deliver brand consistency and transparency while enabling e-commerce and in-store brand presence. |
| **Speakers** | **Speakers** |



Sarah Lard    Luc Desmedt    Frank Penne

Frank Penne    Danny Vanden Berghe

# GS1 College offers 4 programs, each consisting of 3 webinars (60- 90 min)

| Program 1 | Program 2 | Program 3 | Program 4 |
|---|---|---|---|
| **Introduction to GS1 Standards and the basics of Category Management** | **Category Management & In-Store Brand Presence** | **E-Commerce & Digital Readiness** | **E-Shopper Marketing and Way Forward** |
| In this first program, you'll have an overview of how you get prepared for the market challenges of today, an introduction to **Category Management** and **GS1 Standards**. | You'll learn how to conduct a basic analysis of the **category performance** and how to detect opportunities to build a strong **category vision** and a consequent business plan with an eye on growth. You'll also hear about how to build **brand presence in-store** for your brand and the importance of **correct master data**. | This program teaches how you can get your share from the **growing e-commerce business**. This program will be filled with input from UK and German experienced trainers. We will also cover **new retail formats** and how to measure your presence in this omni retail channel world. | This program is going deeper into the **practical shopper marketing applications** for the consumer & the shopper, with for example the use of **(e-)coupons or smart apps**. We will explore how to create added value by implementing these tools, which will lead to growth of and loyalty towards your brand/product. We will also cover the technical standards to use and how to implement them. |

# Questions?

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