

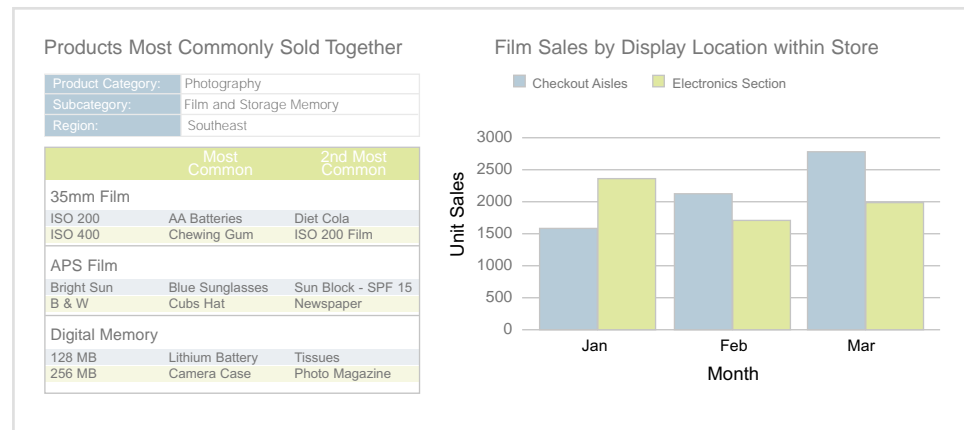
Merchandising Analysis

Merchandising analysis allows a company to improve the planning, placement and presentation of products for identified target markets, with the goal of optimizing the product mix to drive traffic and profitability. Sales, product and store managers monitor the impact of merchandising attributes like product placement, packaging and shelf-space area on metrics such as product sales and profitability. Additionally, understanding what, when and where specific segments that customers buy enables more effective store design, better product mix and better placement of products relative to each other. Business intelligence also provides statistical tools to identify product affinities (which products sell well together) and predictive models that can be used to forecast sales quantities.

Key Performance Indicators

- Traffic Rate
- % of Shelf Space Allotted
- Top 10 SKUs by Location within Store
- Price Variance b/n Store Placements
- Bottom 3 Product Sizes
- Cost per Package Type
- % of Product Purchased at Discount
- Product Affinity Rate

Sample Report: Merchandising Optimization



This combination report illustrates the product category affinity along with the sales trends for numerous display locations in a store. By performing "Market Basket Analysis," product sales, brand and store managers can determine optimal product placement across a retail environment. Next steps are to investigate trends across regions, analyze sales of products where film is complementary and drill to SKUs stocked at each location to determine which type of film is selling best.

COMMON BUSINESS QUESTIONS

- How do I increase sales with the current product mix?
- How do I manage the increasing number of products (#'s of SKUs)?
- What are the sales trends and results with different product/service placements?
- What are the market trends by geography for identical products?
- What is the sales impact of packaging variations?
- How do I optimize my shelf space given the store configuration?
- How do I increase sales of my most profitable products?
- Which products need to be localized to suit international markets?
- How can I alter the store layout to increase traffic through the electronics department?