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The ROI of Shoppability in Category Resets

A Case Study by VideoMining

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Are You Missing the Big Picture?

In today's hyper-competitive retail environment, CPGs and retailers face mounting pressure to optimize every inch of available shelf space. Evolving shopper behaviors, shrinking attention spans, and the rise of e-commerce have made it more challenging than ever to capture attention, drive purchase decisions, and ultimately, win over the consumer. Traditional category management strategies, often reliant on historical sales data and the biases of self-reported behavior in consumer research, are no longer enough to guarantee success.

By leveraging advanced AI technologies and machine learnings, we capture and interpret real-life shopper movements, interactions, and decisions. With VideoMining, shopper behavior science unveils the "why" behind the buy and connects the dots along the path to purchase.

This invaluable intelligence enables brands to make smarter, more informed category management decisions that resonate with shopper needs and drive tangible results on category performance.

The benefits of embracing shopper behavior science are substantial. By aligning category management strategies with the reality of in-store shopper behavior, you'll unlock a wealth of opportunities to enhance category performance. Imagine optimizing product placement based on observed shopper flows, refining planograms to minimize search time and maximize visibility, or developing in-store campaigns that captivate attention at critical decision points along the path to purchase. Smarter category strategies start with understanding the shopper, and shopper behavior science provides the key to unlocking those hidden insights.

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The Untapped Metric: Shoppability

Shoppability is no longer an elusive concept, with behavioral science-backed insights from VideoMining. We've cracked the code on how to build shoppable experiences, and how this key metric dramatically impacts category and total store performance.

What is Shoppability?

In the realm of category management, "shoppability" transcends mere product availability. It encompasses the ease with which shoppers can locate desired items, navigate the category effortlessly, and ultimately, enjoy a positive and frictionless browsing experience. A highly shoppable category is intuitive, engaging, and caters to the natural flow of shopper behavior.

How do you quantify Shoppability?

SHOPPER NAVIGATION PATTERNS

What are the common paths a shopper takes through the aisle? As the shopper makes a u-turn or repeats a certain movement pattern up and down the aisle, we can identify the anchors used to define their decision making hierarchy and identify points of friction when shoppers can't find what they're looking for.

BEHAVIORAL PATTERNS AND ACTIVITY TRACKING

We leverage advanced AI heat mapping to identify how long shoppers spend doing specific activities. For example, quantifying how long shoppers spend in a specific aisle, or how long they spend reading product labels at the shelf. Dwell times can indicate engagement or confusion, which is why behavioral science must be applied to accurately diagnose the behavior and assign value to the activity.

CLOSURE RATES

Conversions are the ultimate goal, but there are many micro-moments along the way that help move shoppers along towards a purchase decision. We leverage closure rates to ask questions that quantify the value of activity. For instance, what percent of shoppers who actively shop and search a category make a purchase? What is the value of that purchase in terms of $ sales and units? A low closure rate indicates there are barriers to conversion and shoppers are walking away after trying, and failing, to find what they are looking for.

FACT: Shoppability has a direct impact on total store and category performance

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CASE STUDY

Transforming Category Resets with Behavioral Science

Proving the ROI of Shoppability

Background

A national U.S. grocery chain approached VideoMining with hopes of maximizing the effectiveness of their category reset process. While resets are intended to improve category performance, the retailer suspected a portion of their resets were not delivering the desired results. They sought a data-driven approach to measure the true impact of resets and identify areas for improvement based on shopper behavior.

Project Goals

Quantify the impact of category resets on shopper behavior and sales performance

- Transition from anecdotal evidence to data-driven insights on reset effectiveness.
- Understand how resets affect key metrics through data.
- Set benchmarks for measuring success and assessing future resets.

Identify underperforming category resets and pinpoint areas of improvement

- Identify underperforming resets regarding shoppability or sales.
- Analyze elements (layout, assortment, shelf flow, aisle wayfinding) affecting poor performance.

Develop a data-driven framework for optimizing future category resets

- Transition from a reactive to a proactive approach to category management.
- Equip category managers and merchants with actionable insights to guide reset planning and execution.

Improve overall category shoppability and drive a positive ROI on reset investments

- Make it easier for shoppers to find what they need and navigate categories seamlessly.
- Maximize the return on investment for costly and time-consuming reset initiatives.

The Challenge

Lack of visibility into the shopper journey within the aisle

- Limited understanding of shopper navigation and decision-making.
- Challenges in pinpointing pain points or friction in the shopping experience.

Reliance on traditional sales data alone, which didn't reveal the "why" behind performance

- Sales data indicates poor category performance but doesn't explain why.
- Difficulty in determining how specific reset elements affect shopper decisions and overall store performance.

Inability to objectively measure the impact of resets on the shopping experience

- Subjective shoppability assessments lack data for objective decisions.
- Challenging to benchmark and track behavioral changes over time or during store resets.

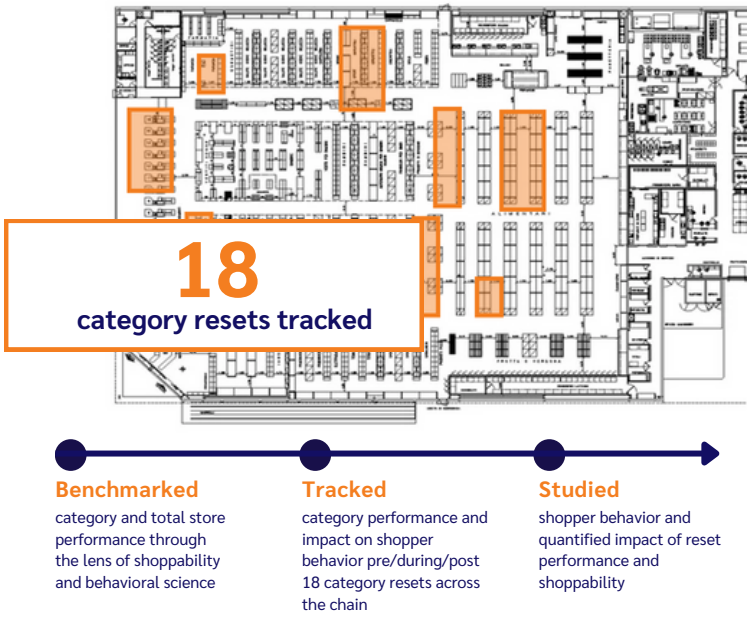
Struggled to pinpoint elements of a reset affecting shoppability and category performance

- Was it category segmentation, signage, or shelf flow?
- Without detailed insights, identifying low performance root causes was challenging.
- Shoppability remained an abstract concept, lacking a concrete method to quantify ROI for improved shopper experiences.

The Solution

VideoMining performed in-store research with patented AI sensors, tracking and decoding every element of human behavior as shoppers encountered each micro-moment of the store experience.

This patented technology laid the foundation for shopper research that was rooted in verifiable facts, providing scientifically-proven behavioral insights that could measure, assess and shape shopping behaviors.



Project Impact

VideoMining didn't just provide the Client with raw numbers; we delivered the concrete evidence needed to establish real, behavior-based benchmarks for future category reset success. Our analysis went beyond traditional metrics, proving the inherent value of shoppability in driving category sales and providing a granular understanding of each reset's performance.

I **Established Behavioral Scorecard to Quantify Total Impact of Category Resets**

II **Proved Inherent Value of Shoppability with Category-Specific Benchmarks**

III **Diagnosed Poor Shoppability and Under-Performing Category Resets**

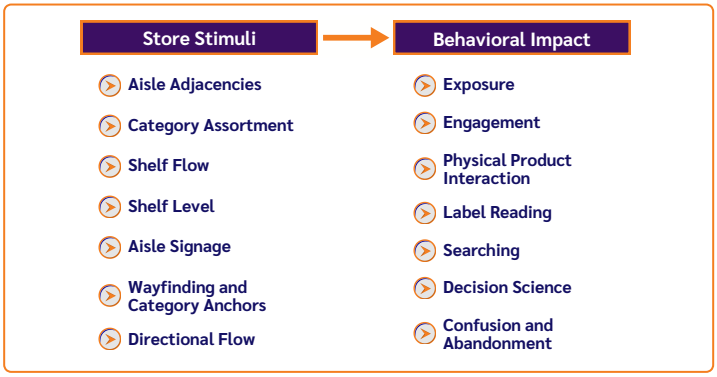
Key Findings

Quantified Total Impact of Category Resets

New behavioral metrics established to benchmark category and total store performance.

- Standardized framework for evaluating future resets based on key behavioral indicators.
- Clear, data-driven way to compare effectiveness of different resets and track progress over time.

Our AI analytic tools assess the impact of store stimuli on shopper behavior, eliminating guesswork in root cause analysis and enabling prescriptive recommendations to improve shoppability.



39%

OF CATEGORY RESETS

were deemed **ineffective** and negatively impacted

- Sales Velocity
- Conversions
- Shoppability Score

prior to integrating behavioral science into the reset process

Established ROI of Shoppability

New behavioral metrics benchmark category and total store performance through lens of SHOPPABILITY.

- Established a positive correlation between shoppability and performance across all categories studied.
- Provided reason-to-believe framework to support institutional change in support of managing for shoppability.

Diagnosed Root Cause of Low Shoppability for Each Category

- Pinpointed the exact micro-moments of the shopping experience that caused shopper friction and led to lost category sales.
- Leveraged patented computer vision and AI behavioral science tools to categorize precise types of at-shelf behaviors
- Provided video reels of each major point of friction, with similar behavioral patterns found across thousands of trips.

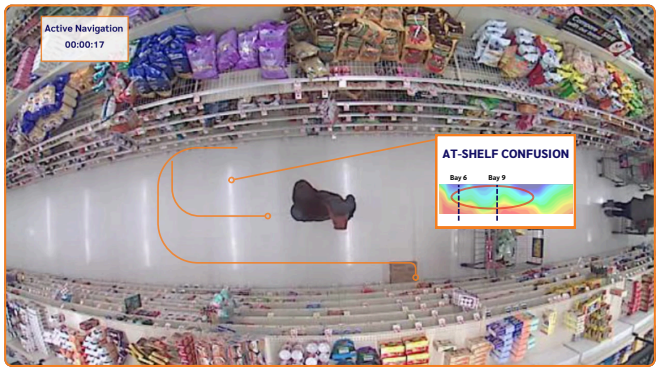
Provided Tactical Guidance to Improve Shoppability

- Provided concrete recommendation for optimizing product placement, segmentation, shelf flow, and aisle signage to improve shoppability and boost category sales.
- Piloted test and learns with Behavior Labs™ to measure impact of reset changes across small panel of stores prior to investing in national roll-outs
- Reduced operational expenses of reset while improving total store performance
- Sales for each category rose 10-22%

Process Implemented for Chain-Wide Transformation

$150 MILLION
ANNUAL REVENUE

achieved through improved conversion rates ***after*** behavioral science principles were applied to category resets through VideoMining's patented methodology



VideoMining pinpointed causes of friction and confusion at shelves, highlighting misaligned decision hierarchies. Our prescriptive recommendations improved overall category performance across the board

18%
CATEGORY $ SALES
**for masked Center Store Category B*

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VideoMining is the leading market research company pioneering Behavioral Shopper Insights.

We fuse patented AI technology and behavioral science to transform retail blind spots into blueprints for actionable growth.

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