

# Category Management

“FIND what they are looking for - BUY what we want them to buy”

Limited space on the shelves?  
Large pallet of merchandise to choose from? Different needs of the customers?

**DOES IT SEEM FAMILIAR TO YOU?**

**Four companies are competing for customers in a highly competitive, rapidly changing marketplace.** Participants take on the role of the management team and compete on Products, Range, Price and Communication. Their challenge is to make the right decisions – to meet customer needs, and create required return.

**TEAMS WILL HAVE TO:**

- 1. Identify and develop compelling category growth strategies and plans;**
- 2. Turn strategies and plans into clear and effective category tactics that will drive profitable growth.**

Tough decisions challenge the teams:

- What to purchase?
- Pursue all markets segments... or just a few?
- Depth or width of the product range?
- What is the right quantity to purchase?
- Focus on individual prices or consumer basket as a whole?

Using decision trees, consumer, shopper & market information teams will have to develop a category vision, a range of category strategies and the appropriate tactics.

Teams will have the opportunity to understand how their decisions impact their target shoppers and financial KPI's as well as looking at a range of alternative approaches.



**Participants about the simulation**

“... Excellent exercise. To have immediate feedback on the decisions and actions is a real plus of the business simulation. It takes months to understand the relations between the categories in the business. It is presented in very understandable way in the simulation...”

*Category Manager - Food retail company*

“...Why customers enter the store? Why they buy and how they make decisions? How to make profit from their behavior? All this questions have answers in the simulation. Nice work!”

*Sales Director - European food retailer*

“It all starts with the customer! We all know it by heart. But do we care about it in the everyday business? This simulation forced me to think about customer needs, build strategies and tactics how to make them happy and at the same time how to maximize the profit. As the mote says, we tried to make them find what they look for, but at the same time buy what we wanted them to buy...”

*Purchasing manager - International retailer*

## Target participants

Every manager and employee that has influence on the decisions for sales and distribution, corporate positioning, product portfolio or merchandise purchases:

- Category Manager;
- Customer Insight Manager;
- Customer Development Manager;
- Merchandising Manager;
- Assortment Planner;
- Category Analyst;
- Customer Marketing Manager;
- Category and Impulse Manager;
- Brand Manager;
- Sales Finance Manager;
- Business Development Manager;
- Buyer/Trading Manager.



## Key results

- Understanding of the benefits of adopting a category approach, supported by the tools and techniques to deliver results;
- Understanding of how to apply the main components of category management within the business;
- Focus on the importance of the shopper and how to engage with retailers to turn shopper insight into activation;
- How to unlock opportunities using a range of different data sources;
- Develop compelling and creative category plans and tactics, by channel;
- Practical and in-depth understanding of the Category Management process;
- How to use a range of data sources to develop compelling shopper and category strategies;
- How to select right tactics to deliver and maximize profitability;
- Clarity on the key category growth dynamics;
- How best to practice and apply Category Management to maximize returns.

## Key concepts

### Attracting the right customers

- Customer needs, values and preferences;
- Customer segmentation.

### Category segmentation and decision hierarchies

- Defining category segments;
- Developing & applying category shopper decision hierarchies;
- Understanding category roles and their impact on retailers and suppliers.

### Category visions & strategies

- What is a category vision;
- Arriving at a compelling category vision that 'stands out from the crowd';
- What are category strategies;
- Developing and validating category strategies.

### Category tactics

- Range of category tactics;
- Selecting tactics and developing objectives that will deliver your category strategy;
- Differentiating tactics by store format;
- Understanding the barriers to execution and how to overcome.

## Facts

### Material

- Board-based business simulation;

### Number of participants

- 4 competing teams. 8-20 participants.

### Participants

- Managers and other employees in decision making positions.

### Time required

- 1 - 1.5 days, corresponding to 5 years of operations.