nielsen

Optimize product selection through understanding consumer response to assortment size

with Nielsen Assortman for Manufacturers

Across 105 categories, more sales were lost from delisted items than gained from new items. How can you improve your assortment decisions?

Answers to Assortment Issues

- Be viewed as an assortment expert and partner by retail by offering insights across the aisle and within the category.
- Grow sales by targeting the items to push and delist.
- Build a story to aid your new product launch by identifying the right items to delist.
- Streamline your product portfolio by targeting the right segments, brands and items.
- Defend your segment, brand or items from the competition, including Private Label.

By partnering with us, you can evaluate the assortment health of categories within your aisle, using our proprietary model with Nielsen Assortman. You will identify what categories, segments and brands can be grown or streamlined to increase assortment performance.

After identifying the areas to focus on, use Nielsen Assortman Optimizer software to recommend the right number of items and simulate the dollar sales change within the category and aisle.

Why It Works

By utilizing Nielsen's rich assets, the Nielsen Assortman model leverages disaggregate data across all chains in a channel to effectively evaluate assortment in a market and for a banner. Nielsen Assortman also controls for consumer demographics* and store size (among others) to remove any "noise" in the analysis.

Our proprietary approach allows us to measure both consumer switching and merchandising effects. Now, you can analyze across categories to defend your space in the highly competitive retail environment. You can pinpoint the right item to delist when you have a new item to launch although it may not be within your brand or segment. You can optimize your category and portfolio performance.

Key Benefits:

- Diagnose the assortment health of your category or aisle
- Determine the optimal number of items to carry
- Identify the recommended assortment at the account level
- Simulate the dollar volume or profit change by adding or delisting items
- Use current plan-o-grams for accurate simulations
- Compare the recommended assortment to the actual assortment through Nielsen Product Planner*
- Use results in any plan-o-gram software, such as Nielsen Spaceman

(*where available)

Nielsen Assortman for Manufacturers

Case Study: Finding Shelf Space for a New Item

Situation

Pizza manufacturer, Elma's Pizza, would like to introduce a new item in Shopper's Place retailer. Shopper's Place also wants to shrink the size of the frozen section. Before launching, they need to understand how all the categories in the frozen aisle are performing so they can make room for the item. They also need to understand how their recommendations will affect the categories, segments and brands in Shopper's Place before they make a change to the shelf set.

Solution

Using the strategic bubble charts (Figure 1), Elma's Pizza sees that vegetables, entrees and baking are weak performers—shown by slow sales rates and a negative impact to the frozen aisle. They also learned that pizza performs well overall in the aisle. By using Nielsen Assortman Optimizer software, they know how many items to delist from vegetables, entrees and baking and where they can make room in pizza (Figure 2). By drilling further, they identify the specific SKUs to delist to make room for the new product.

Using Nielsen Assortman Optimizer software again, they simulate the shift in dollar volume of dropping the poor performing SKUs (Figure 3). Elma's Pizza exports the new item list and loads it into their plano-gram software.

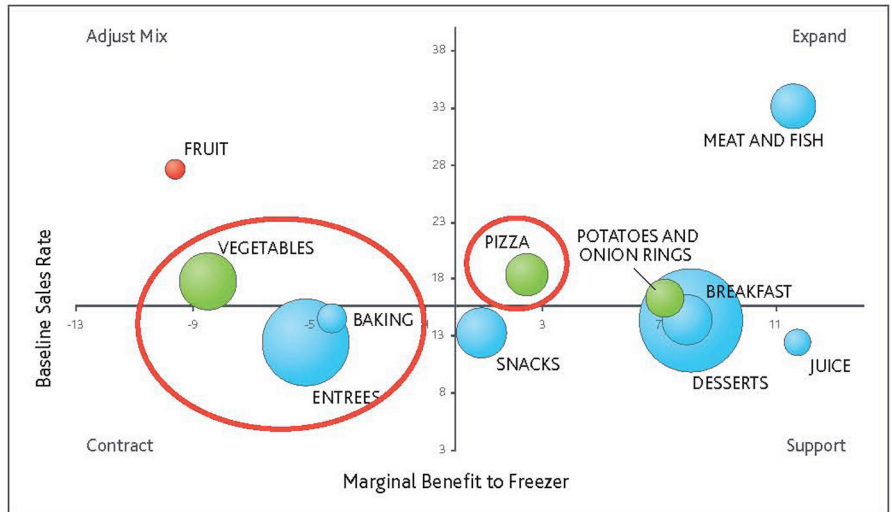This analysis is based on a real case study in the frozen aisle.

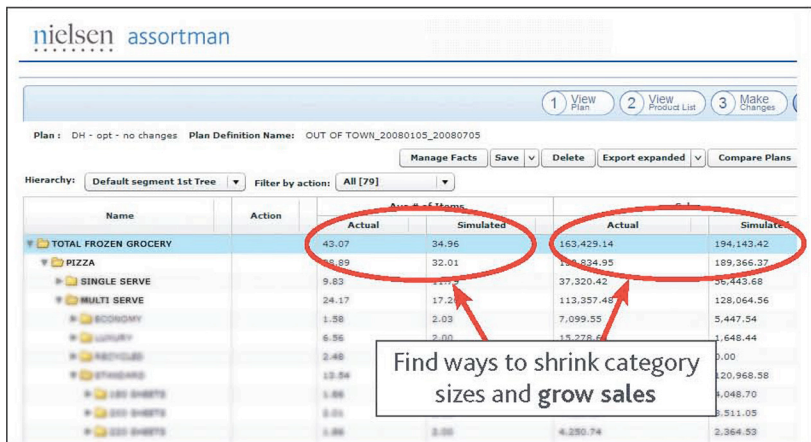
Figure 1

Figure 2

Figure 3

For more information, contact your Nielsen representative or email assortment@nielsen.com.

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