

The rise of Category Management (CM) in streamlining product success

By [Bernhardt van der Merwe](#)

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Category Management (CM) transforms how retail products are selected and displayed in a manner that effectively meets consumer needs.

Mastering CM is described as critical to retailer growth as it addresses the three most important trends of the millennium:

- The ever increasing power of retailers who focus on growing categories instead of brands.
- The digital empowerment of shoppers who need satisfaction at the category level.
- 'Big data's' propensity to yield its most valuable insights at the category level.

CM requires a close partnership between supplier and retailer – this lays the foundation for joint success. It not only makes product category decisions more straightforward but also improves the shopping experience.

Let's take a look at how CM is successfully implemented and detail the necessary preparations, evaluate current practices, envision desired outcomes, and discuss practical steps for building an effective system.

Goals and objectives

The goal of CM in retail is to match product offerings and merchandising principles with evolving consumer preferences thereby driving growth and competitive edge. This involves defining a strategic vision for each category that meets broader retail objectives and ensures customer satisfaction.

A deep understanding of market trends and consumer behaviour is crucial, and this can be augmented by data analytics to predict future needs.



Bernhardt van der Merwe, head of Category Management at DataOrbis. Image supplied



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Collaborating with suppliers enhances this vision and fosters joint commitment to supply chain efficiency and market growth. It is important to understand that objectives should be strategic, measurable, and flexible, focusing on immediate improvements and long-term growth.

A dynamic, responsive CM system allows retailers to quickly adapt in a rapidly changing retail landscape. Anticipation of consumer demand trends and being prepared to meet those requirements is essential if retailers are to seize emerging market opportunities.

Implementing Category Management

Let's unpack how you go about implementing CM.

Successful CM deployment starts with a thorough assessment that aims to evaluate your organisation's readiness for change. This involves understanding current workflow efficiencies, retailer-supplier collaboration potential, and staff skills while setting a clear baseline for improvement.

In tandem, it is necessary to assess current category performance against industry standards and consumer expectations – this will provide a clear picture of where you stand.



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This dual assessment guides strategic planning, focusing on areas ripe for growth and efficiency. Suppliers can contribute valuable insights into consumer trends and product performance, enhancing these evaluations.

With this solid base of knowledge, retailers can create a focused CM plan that's well-aligned with organisational capabilities and market realities.

Effective CM deployment hinges on three key pillars, namely: processes, structure, and systems.

- Processes involve workflows, including assortment planning, pricing, promotions, planograms and supply chain efficiency. Integrating suppliers into these processes helps with aligning strategies and smooth information flow.
- Structure relates to the organisational setup and distribution of roles, crucial for clear responsibilities and accountability in managing categories. A collaborative structure encourages joint decisions and strategy formulation with suppliers.
- Systems form the technological backbone, enabling data analysis and communication. Advanced systems facilitate data integration, providing access to timely, relevant information.

These pillars are interdependent. Effective processes require the right structure, and both are supported by agile, data-driven systems. Their design should be strategic, integrating suppliers, adaptable to market change and resilient against external pressures. A comprehensive framework ensures a responsive CM strategy.



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Rolling out CM strategies for effective change

The next big challenge involves managing the complex and often rocky road to change. Change management is crucial to the successful implementation of CM. The starting point must be a succinct communication explaining the rationale behind change initiatives plus the benefits.

This approach ensures everyone understands the potential impact of the change programme. Training is vital to acquiring staff buy-in to change plans and helping them to adapt to new methodologies and tools.

Leadership should lead by example and support the transition, while also encouraging feedback from those affected to address concerns and gather ideas. Managing expectations is important for maintaining morale during challenging times.

This approach cultivates a culture that not only embraces continuous improvement but actively seeks it. As retailers roll out new CM strategies, it's essential to adapt supplier relationships accordingly. Maintaining open communication, cooperation, and supplier involvement in the change, where practical, will lead to success.

Turning your CM strategy into a reality

Now it's time to take your plan and make it a reality. Turning a CM strategy into reality requires a clear roadmap that outlines each step from launch to full execution while tracking progress through identified milestones. Early detection of quick wins is essential to building confidence and exposing the plan's value.

Allocation of the right resources – time, budget, and personnel, is crucial to the avoidance of implementation bottlenecks.

Continuous monitoring enables timely adjustments, keeping the deployment on course. Clear success metrics should be established from the outset. These should define what success looks like at each stage. Scalability is also key, ensuring the system can evolve with the business.

Involving suppliers in this phase is critical. They contribute to the design and testing of pilot programmes; they offer feedback and provide insights that help refine category initiatives.

Meeting consumers' needs

In a nutshell, CM deployment is a strategic process that reshapes how retailers meet consumer needs. It requires a systematic approach from initial assessment to final implementation. As retail evolves, so must CM strategies. The journey, while challenging, promises improved efficiencies, customer satisfaction, and financial gains.



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Continuous improvement is key, with retailers needing to constantly refine their market strategies if they are to remain competitive and in touch with consumer preferences.

Finally, the partnership between suppliers and retailers isn't just a one-time effort, it's a continuous process of adaptation and growth, critical for the long-term CM success.

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