

6 reasons tech and durable brands need a 360° view of their retail partners' business

By Thembi Baloyi, issued by GfK – An NIQ Company

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To stay ahead of the game as a consumer technology or durables brand or distributor, you need to excel at managing your retail relationships. That demands that you gain a 360° view of your retail partners' business - not just how your products sell in their stores, but also how competitors perform. With access to precise data for individual retailers, you can collaborate with them as an informed partner.



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This allows you to engage effectively in joint category management, co-create strategies, gain efficiencies and agree on growth opportunities. This, in turn, helps you to uncover opportunities to increase sales, achieve your fair share of attention and support, and gain competitive advantage.

Here is a six-step guide showing how it could work in practice.

1. Evaluate the size and potential of your retail partner to get your products listed

You want to enter a new category or launch a new product. You know how much you sell at the retailer, but to negotiate the best deal, or to secure a listing, you need the complete picture. You want to understand how much they sell in the entire category and evaluate your retail partner's ability to help you reach your target market now, and in the future. Hard facts allow you to judge potential and ensure you build relationships with the retailers that are winning in your target category.

2. Explore your competitive performance at your retail

partner to gain market share

You need to increase sales and gain market share. To meet your targets, you must get the right products listed and outperform your competition. So, you want to understand how your competitors perform at a retailer. For instance, if your goal is to be the leader for your product at a specific price point, you need to know who else sells at the retailer at this price, how their products perform, how they are distributed, their share of sales and how those have developed over time.

Also, you want to make sure you get your fair share (or more) of shelf space, distribution and advertising activity. For instance, your competitive analysis might show that you have the biggest in-house share of TV sales in a certain segment. If this is not reflected in the support and attention you get from the retailer, you have the intelligence you need to address this.

3. Identify growth potential for your key segments to sell the right models at the retailer

Your retail partner may be strong in a specific category, but if you are to make a well-informed decision on whether to intensify or reduce your relationship with them you also need to evaluate their performance on sub-segment level. Are they focusing on certain features only? Which segments are growing, and which are declining? Is the retailer developing in line with the market or channel? Are they strong in the “winning” market segments?

4. Discover growth opportunities at price class level to achieve optimal pricing

Imagine you launch a TV model to target a specific price point. To maximise your chances of success you need to evaluate the market size of the price class at a retailer to decide whether to partner with them. Then to ensure you are optimally positioned on price class level at your chosen retail partner, you need to know how powerful your competitors are in this price class to refine your negotiation power. You might also want to evaluate the retailer’s performance in other price classes and understand your competitive set.

5. Search for growth on model level to help the retailer get the best from your portfolio

To optimise sales, you need to know how well your - and your competitors’ top-sellers are represented at the retailer. Are some of your top performers at market and channel level underrepresented or not available at the retailer? If the retailer is favouring a specific competitor, which models are they focusing on? How well are these models selling at the retailer compared to the overall channel and market?

6. Analyse performance across the retailer’s shop network to optimise distribution

To hone your distribution strategy, you need insights for the retailer’s entire network. You need to know how well you and your competitors’ products perform across their stores. Are your best-selling models easily available everywhere? Are less successful competitive products better represented? Are you getting your fair share of distribution?

Data is the key

Brands and distributors today can benefit from data solutions that use retailer data to give them consistent sales channel breakdowns and undisputable performance insights into category, segment, brands, and items. Equipped with insight into how they and their competitors perform at a retailer, they are well prepared to negotiate with partners and create winning retail strategies.

ABOUT THE AUTHOR

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