

An Executive Summary

of The Practical and Financial Benefits of
DotActiv's Category Management Software



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Introduction

In 2001, we became the first to market with a data-driven category management software platform built on the idea that each element of the category management process is interdependent. Today retailers and suppliers, both big and small, in more than 98 countries use our software to improve store performance.

Our integrated all-in-one category management software enables retailers and suppliers to unlock the value of their data to create better product layouts, localised assortments and advanced retail analytics. These outputs result in optimised results regarding the following key aspects:

- Sales performance
- Tactical category planning and execution
- In-store shopping experiences
- Inventory and space efficiency improvements
- Product lifecycle management
- Insight driven decision making



Within the pages of this document, you will get to read more about the key category management concepts such as Data Integration, Planograms, Floor Planning, Assortment Planning and Retail Analytics. We will also focus on how DotActiv approaches each of these.

Finally, we unpack the practical benefits of implementing DotActiv's Category Management Software in your business.

Executive Summary

By integrating our category management software and using the platform to create and implement data-driven Planograms, Floor Plans, Assortment Plans and Retail Analytics, you can expect the following results:



Increased revenue of between 15% and 50%: Based on figures from recent case studies, we've found that retailers and suppliers have experienced an increase in revenue of between 15% and 50% year-on-year following the implementation of our software.



Increased margin of between 15% and 30%: While some retailers choose to focus on increasing foot traffic, revenue and implementing turf defending tactics; others focus on increasing margin for specific categories. Here, your strategic focus impacts where you end up within the bracket.

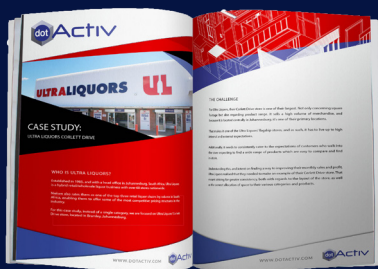


Reduce inventory holding by between 5% and 10%: Again, we have found that retailers with already advanced structures will see results in the lower end of this bracket while less established retailers will see greater results.

Increased stock turn of between 15% and 30%: Stock turn refers to the rate at which you turn over your stock over a specific time period. Depending on how well you implement any planograms built in DotActiv, you can improve your stock turn by between 15% and 30%.

The above is not an exhaustive list of the benefits of DotActiv's category management software. Instead, it's a summary of the average key financial benefits experienced by our customers when implemented according to our best practices.

Select Case Study Results



Hybrid retail/wholesale liquor business, Ultra Liquors, saw an increase of 39% in total sales for its entire Corlett Drive store while its total units sold rose by 31%.

[Read the full case study here.](#)



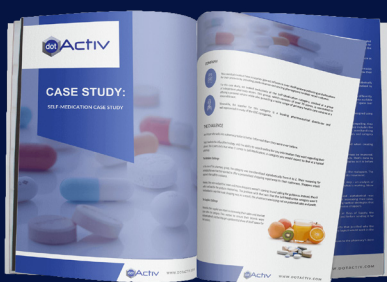
Fresh produce and groceries retailer, Food Lover's Market experienced a 147% increase in average sales for its Oils category as well as a 157% increase in the average units sold for the category.

[Read the full case study here.](#)



For one of our clients - a retail pharmacy chain who chose to remain anonymous - we helped them realise an increase of 31% in total sales for its Bath Care category, which holds a Destination role. Total units sold for the category increased by 20% while total gross profit increased by 65%

[Read the full case study here.](#)



Using our software to build planograms for its client, a leading pharmaceutical distributor managed to increase sales of the Self-Medication category at an independent pharmacy group by 23%. Unit movement also rose by 12%

[Read the full case study here.](#)

10 Testimonials - What Our Customers Say



"No matter who you're dealing with at DotActiv, there is always care and attention in all that they do. In my point of view, the standard that DotActiv provides is on the highest degree, and from my experience, know that others do not have the same desire and passion to deliver."

Mark Calderwood - Chain Executive at CNA



"I would like to thank DotActiv for their ongoing support and for being an excellent partner during the recent range planning project between Diageo and Shoprite/Checkers. I'd highly recommend them as a partner for any future work."

Victoria Parker - Head of Global Off Trade Customer Marketing, Diageo



"The implementation of data-driven planograms using DotActiv software has been a stepping stone for Food Lovers Market's growth within the Groceries division. We also implemented automated ordering, which wouldn't have been possible without DotActiv's help."

Stephen van Vuuren, Head of Groceries Department at Food Lovers Market



"DotActiv has always been professional in their approach while their team is deeply passionate and delivers work of the highest quality. The planograms created using their software has also brought structure and brings Makro's strategy to life."

Mpho Thagisa - Liquor Category Buyer at Makro



"DotActiv has allowed Pick n Pay to deliver more as a team. Their planogram deliverables and support relationships have also always been a top priority, which allows us to have full confidence in them and their abilities."

Rob Schutte - Head of Assortment and Micro Space Planning at Pick n Pay



“The planograms created using DotActiv’s software have added immense value to Amka’s business. We’ve made incredible inroads with the Spar Group. The Group also recently created their national planograms, and for the first time, requested input from us based off the planograms built in DotActiv.”

Wayne Taylor - National Sales Manager, Haircare at Amka



“Karmi and Skye from DotActiv are valuable associates to the Jet team. Their ability to work with minimal supervision and commitment to exceed our expectations reflects directly in their performance. They’ve shown lots of commitment to understand the product so they can create the most optimal planogram possible.”

Frans Clarke, Home Softs Department Planner at Jet



“DotActiv’s Enterprise and Professional solutions are very practical and once we get into all of its functionality, we will be able to do great things with this tool.”

Arjun Sinanna, Category Management Executive at Winner’s Supermarket, Mauritius



“Thank you for everything you have done over the last two days. The special input and hands-on hard work are really appreciated. Thumbs up to the team at DotActiv.”

Ben Lubbe, Retail Operations Manager at SPAR, Pharmacy at SPAR



“Amazing. The DotActiv team know exactly what to do. I didn’t take long at all for you to align to our strategy and visually execute it onto our planograms. You have exceptional energy and your attention to detail is refreshing.”

Michael de Beer, National Category Buyer for Hot Beverages at Pick n Pay

Data Integration and Platform

WHAT IS IT?



DotActiv's software is built on Microsoft SQL which means that its data platform is universally trusted for scalability and the ability to store and retrieve large amounts of data. The information within the integrated database is used to produce powerfully data-driven category management outputs.



Since DotActiv is based on Microsoft's SQL platform, customers from all corners of the world are able to integrate with a vast variety of point of sale and/or enterprise resource planning and/ or data warehouse and/or inventory replenishment systems. The possibilities are endless provided that the required data inputs and outputs are compatible with Microsoft SQL.



The database integration enables a seamless flow of data into and out of the software which reduces the complexity of category management and improves your efficiency.

Customers are able to manage and control the database in its entirety. The database can be hosted on an onsite server or on an offsite hosting providers server such as Amazon Web Services, Google Cloud, Go Daddy, Azure or similar.



BENEFITS OF DOTACTIV'S DATA INTEGRATION

Simplified category management process: If you don't integrate your category management efforts, it becomes difficult to execute accurate changes. For example, adding or removing products from your assortment impacts your inventory and planograms. DotActiv's integrated approach handles these interdependencies for you.

Reduced time and complexity of data processing: Since data imports and exports automatically, users are not required to spend time on the formatting, processing and transferring of data.

Increase the value of your data: Individual datasets are valuable on their own but when they are combined a new dimension of insight becomes possible. For example, if a product has an increase in sales (POS data) while the space allocation (Planogram) and marketing efforts (Social Media Spend) have remained constant, this could indicate an opportunity. Another example is using product shelf capacity information to improve the efficiency of inventory replenishment.

Your data is more accessible - Once in DotActiv, data is centrally accessible (permission based) by multiple users. Users are then able to analyse the data in almost any format and create assortments, planograms, floor plans and dashboards.

Reduced labour costs: Since the transfer of data is automated there is a significant time and cost saving associated.

Reduced errors: Since we automate the transfer of data, we reduce costs associated with data inaccuracies.

Assortment Planning

WHAT IS IT?

The assortment optimisation features within DotActiv enable you to customise a unique set of points based calculations which can be applied at any product grouping level. Once the algorithm runs you are presented with a data-driven suggestion regarding what products to list for the store or cluster. Multiple sources of data are used for the calculation including but not limited to sales data, market data and loyalty data.

The end goal of assortment planning is striking the balance between efficiency and customer satisfaction. You want your customers to desire the products you stock and return to buy more. At the same time you want to stock products which support the financial objectives of the organisation. Further to this you would want to ensure that you have enough physical space on shelf for the selection of products.

DotActiv Assortment optimisation software enables you to tailor your product assortments by neighbourhood, respond to local preferences and offer shoppers the products they want and when they want them.



HOW DOTACTIV APPROACHES ASSORTMENT PLANNING

For DotActiv, assortment planning comes down to a methodology. This methodology acts as the foundation on which everything else is built. It is built on four elements:

1. **Local Demand:** Stores must offer product assortments that are pleasing and attractive to customers by neighbourhood.
2. **Opportunity Gaps:** By using external market and POS data, assortment strategies must aim to replace slow-moving and high transferable products with high-performing products.
3. **Flexibility:** Since all categories, sub-categories and segments are unique, your assortment planning strategies should be fully customisable.
4. **Integration:** Because assortment planning is data sensitive, the software must be fully integrated into your business. If not, there is a high possibility of human error.

Assortment planning is an essential part of the category management process and is at the heart of DotActiv Enterprise.

Since our assortment tool is linked to the rest of our category management platform, assortment planning, planogram generation, floor planning and retail analytics all work together in a seamless way.





BENEFITS OF DOTACTIV'S ASSORTMENT PLANNING

Simplify the assortment planning process: Instead of doing assortments manually, you can automate and refine it on an ongoing basis.

Assortment planning is connected to space planning: You can't expect to know how many products you can range in a category if you don't know how much space is available or how much space each of your products need.

Improves overall sales performance: Improved sales performance is the result of having the right products (selection) at the right place (localisation) and at the right time (seasonality).

Combat rising inventory levels: Focus your efforts on products that either sell high units (traffic building), high margin (profit-generating) or are must-have products (products with low levels of transferable demand).

Identify opportunity gaps: Identify poor performers and replace them with products that benefit your categories.

Improve buying consistency: Data-driven assortment planning helps to improve the consistency and rationale behind your buying decisions.

Planograms (Micro Space Planning)

WHAT IS IT?

A planogram is a drawing or visual representation that indicates how and where you should place products on a shelf. Used to plan, communicate and maintain merchandising strategies, they also describe the number of facings allocated to each of your products.

'Facings' is a common retail term used to describe the number of units of a specific stock keeping unit (product) on your shelf, whether that be facings deep, facings high or front facings. They are also known as X, Y, and Z facings. Depending on your category role and strategy, it is usually the best-selling and most profitable products that receive the largest number of facings.

That is because the goal of a planogram is to increase your sales and profitability. To ensure the best ROI for your store, facing allocations are updated according to category tactics, seasons, special events, new assortments and new data.

HOW DOTACTIV APPROACHES PLANOGRAMS



DotActiv automates the generation of data-driven planograms. To do this, we need the following data:

Sales data: This includes sales at cost, sales at sell, units at cost, and units at sell. Sales history provides you with information on how often a product sells. You can Internal sales data can be complemented by external market data. Sales data also allows you to figure how much shelf space a product deserves.



Product data: This includes product classification, product images, product dimensions and attributes, brand descriptions, and barcodes. Having the correct product classification ensures you place a product in the right spot on the shelf. Product attributes provide an understanding of the consumer decision tree and shopper behaviour.



Fixture information: Information around fixture types (shelves, hanging bars, baskets) and fixture dimensions (floor to shelf height, shelf height, width, and depth) are necessary since no gondola is the same.

Once you integrate all of the above data, DotActiv automates your planograms. Once built, it's a matter of tweaking the planogram according to your specifications and knowledge around the category.



BENEFITS OF DOTACTIV'S PLANOGRAMS

Logical product flow: You can group products in the way your customers shop your store. You can group them by brand, sub-category, segment or sub-segment.

Improved shopper satisfaction: Your customers can find what they're looking for and there will be less out of stocks.

Improved store image: By ensuring product layout consistency across your stores, you improve the look and feel of your stores.

Increased sales and profitability: By giving each product a data-driven space allocation and being able to clearly communicate and execute on category tactics you will increase sales and/ or improve profitability.

Increase foot traffic: By implementing data-driven planograms, your stores will achieve higher levels of foot traffic because you are providing them with product layouts which add value to shopping experiences.

Reduced shelf replenishment costs and out of stocks: By merchandising shelves with consistent days of supply per product you can ensure shelf replenishments occur at regular intervals rather than haphazardly.

Reduce excess inventory holding: By using data which comes from accurate planograms you are able to improve the efficiency and accuracy of inventory replenishments. This is especially helpful when taking product space allocations and the resulting shelf capacity data into account for replenishment and opening orders for new store openings.

Floor Planning (Macro Space Planning)

WHAT IS IT?

Retail floor planning, otherwise known as macro space planning, describes the layout of your store at the category level. It also allows you to determine how much space to allocate to each product category as well as where categories should be located in relation to one another.

A well-laid-out floor plan will reduce shopper congestion during peak trading hours which is a major value add for the shopping experience. It also encourages customers to shop more of the floor and in doing so it increase merchandise exposure and sales.

DOTACTIV'S DATA PLATFORM AND FLOOR PLANNING

Dotactiv's data-driven floor planning provides the answer to achieving both better shopping experiences and increased sales. The floor planning tool works hand-in-hand with planograms (shelf space and sales performance data) to get a macro view of a stores performance. You can create, import, edit and analyse floor plans in DotActiv.



BENEFITS OF DOTACTIV'S FLOOR PLANNING

Logical Floor Plans: Position categories for ideal adjacencies and category flows to enable customers to find what they are looking for when shopping your stores.

Reduced floor congestion during peak hours: By spreading out high-traffic categories across your store, you can reduce floor congestion.

Increased basket sizes: By drawing customers through your store, you expose them to more of your merchandise and allow them to increase the size of their baskets. This is done by strategically positioning high unit movement categories throughout the stores.

Maximise the selling potential of your retail space: It allows you to allocate the correct amount of space to each category.

Retail Analytics (Custom Reporting)

WHAT IS IT?

Retail Analytics refers to the process of providing analytical data on various factors around your retail business. DotActiv's custom reporting software allows you to create data cubes, custom data visualisations and dashboards. This combination allows for efficient access data insights to support improved decision making.

HOW DOTACTIV APPROACHES RETAIL ANALYTICS



DotActiv's approach to retail analytics is one of total flexibility. At the centre of the retail analytics function is a custom report builder, which enables users to report on any data within the platform, and in any way they desire.

DotActiv's Professional and Enterprise editions come with Retail Analytics Software built-in.



Multiple data sources: You can connect to and report on multiple data sources, allowing you to turn your data into actionable insights.

Build your own interactive dashboards and data visualisations: DotActiv Professional and Enterprise comes with a set of best-practice custom reports. You can also build custom data visualisations and dashboards without applying additional pressure on your IT department.

BENEFITS OF DOTACTIV'S RETAIL ANALYTICS

Improved ability to analyse data: Easily create and share custom data visualisations and dashboards.

Reduced requirement from IT for data needs: Since you can set up and create custom data visualisations without specialised technical skills, you can reduce unnecessary labour costs.

Improved business decisions: Retail data allows you to make smarter business decisions regarding the roles, strategies and tactics for each of your product categories.

DotActiv Software Users By Country

DotActiv has over 1500 retail professionals in more than 90 countries using its planogram software. You can find software users in the following countries:

A



Angola



Argentina



Australia



Austria



Azerbaijan

B



Bangladesh



Barbados



Belgium



Bolivia



Bosnia and Herzegovina



Brazil

C



Canada



Chile



China



Colombia



Costa Rica



Croatia



Czech Republic

D



Dominican Republic

E



Ecuador



Egypt



El Salvador



Estonia

F



Finland



France

G



Georgia



Germany



Ghana



Greece



Guatemala

H



Honduras



Hong Kong



Hungary

I



Iceland



India



Indonesia



Iran



Ireland



Israel



Italy

J



Jamaica



Japan



Jordan

K



Kenya



Kuwait

L



Latvia



Lebanon



Lithuania

M



Macau



Macedonia



Malaysia



Malta



Mauritius



Mexico



Mongola



Morocco



Myanmar

N



Namibia



Netherlands



New Zealand



Nigeria



Norway

O



Oman

P



Pakistan



Palestinian Territories



Panama



Papau New Guinea



Paraguay



Peru



Philippines



Poland



Portugal



Puerto Rico

T



Thailand



Trinidad and Tobago



Turkey

Q



Qatar

R



Romania



Russian Federation

S



Saint Lucia



Saudi Arabia



Senegal



Serbia



Singapore



South Africa



South Korea



Spain



Sweden



Switzerland

U



Uganda



Ukraine



United Arab Emirates



United Kingdom



United States

V



Vietnam

Z



Zambia



Zimbabwe