Facings Optimization
## *Driving Sales by Capturing True Demand*

SITUATION

Many Consumer Packaged Goods (CPG) manufacturers lack visibility into how their categories actually look on the retail shelf regardless of whether or not they write the planogram (POG) for the retailer. Even when they do write the POG, current POG data inputs are often limited to sales velocity based upon point of sale data and shelf capacity based upon case pack-out requirements. What's missing is a view of "true demand" from the shelf; in other words, what products were missing at the point of purchase leading to shopper substitution.

FACINGS OPTIMIZATION

Pensa's Facings Optimization solution is like a pricing elasticity model for your shelf to help you understand the point of diminishing returns for incremental facings. Pensa's highly-accurate shelf intelligence data provides category management and sales teams a fact-based ability to sell more space with real shelf data that shows the number of facings required by SKU to optimize on-shelf availability (OSA) and increase sales and profits.

HOW IT WORKS

First, real shelf conditions are analyzed at scale
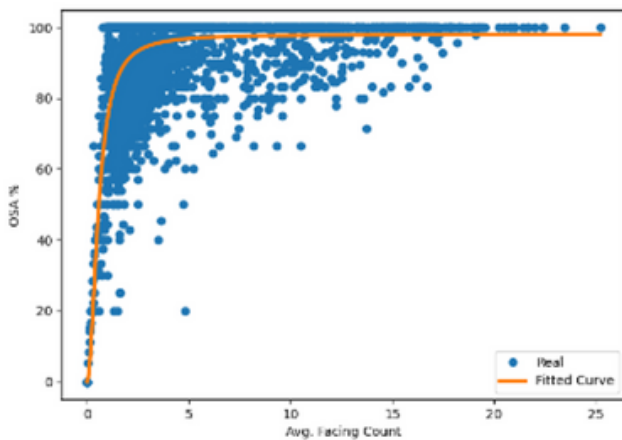
Then, the value of a facing is quantified

Facings	Top 20 Items		All Other Items	
	OSA %	Pt Change	OSA %	Pt Change
0	0	-	0	-
1	74%	74%	86%	86%
❶ 2	91%	17%	96% ❷	10%
❷ 3	95%	4%	96.6%	1%
4	96.1%	1.1%	98.3%	1.7%
5	96.8%	0.7%	100%	1.7%
10	97.7%	0.9%	-	-
20	98.0%	0.3%	-	-

❶ 2 facings yield +17% in OSA and ~8% in expected sales

❷ For 95% OSA, 3 Top 20 and 2 Other facings recommended

FACINGS OPTIMIZATION BENEFITS

- Maximize category sales through better informed POG creation
- Educate sales teams and buyers by integrating into category selling playbooks
- Identify space for innovation
- Drive sell story for aisle renovation where categories don't have space to fulfill demand

- Pinpoint where high velocity items need more facings to stay in stock
- Drive fair share of shelf to fulfill actual demand and increase sales
- Ensure shelf is designed to fulfill promoted volume from display merchandising
- Optimize promotional dollar allocation for top brands