

June 2023

Improve Store Execution Fast

How Retailers and CPGs are solving their top pain points*

* Exclusive research identifies financial impact of operational improvements



The new way of working

Retail and CPG companies are solving tough store execution challenges with a new approach that is innovative, efficient and impactful.

It's now possible to see what is really happening in stores thanks to AI, computer vision and optical character recognition. This powerful combination increases visibility and provides a new source of actionable insights known as Store Intelligence that quickly and accurately identifies execution issues so appropriate actions can be taken to improve sales, protect margin and optimize labor.

The availability of Store Intelligence comes at an opportune time. Volatile shopper behavior, new operational pressures and labor constraints mean strategic plans are more easily derailed even as traditional approaches are less effective at identifying and executing needed improvements.

A new and improved way forward for retailers and CPGs leverages advanced technologies that provide Store Intelligence to achieve quick wins and long-term performance improvement. This eBook explores the following:

- Three top areas where retailers and CPGs can realize the greatest impact.
- How Store Intelligence works, the type of insights that are available and why they are needed more than ever.
- Case study results involving a retailer with annual revenues of \$1 billion.
- What's possible with a pilot and how to get started measuring key performance improvement metrics.

The modern challenges retailers and CPGs face with store execution require innovative solutions that leverage advanced technologies to provide a new source of competitive advantage.

The Big Three pain points for retailers:

Major performance improvements are possible by prioritizing business challenges in key areas



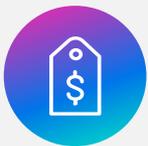
Inventory

- See true on-shelf availability and precisely identify different products with packaging variations
- Detect inventory accuracy issues invisible to the naked eye
- Validate restock needs and order quantity accuracy



Compliance

- Ensure planograms are accurate
- Document endcap and feature execution is consistent strategic priorities
- Verify promotion and pricing accuracy and correct placement of pricing labels



Merchandising

- Ensure new items are properly placed at the correct time
- Generate prioritized worklists to fix execution issues
- Gather data of high value to trading partners

Top opportunities to create value with Store Intelligence involve areas where persistent execution shortcomings have the greatest negative effect on customer experience, sales and margins.

Regardless of the retail environment, the optimal approach is to focus on the big three opportunity areas of inventory, compliance and merchandising. This approach has been shown to drive operational improvements across a variety of use cases for **big bottom-line impact.**

How big?

Understanding the annual financial impact Store Intelligence can create for a \$1B Retailer

To assess the value creation potential of Store Intelligence, a retailer with a gross margin rate of 25% and an annual full-time equivalent employee cost of \$40K sought to improve performance against baseline metrics in the following areas:

Area of opportunity	Performance baseline	Measurement frequency
On Shelf Availability (OSA)	85%	Weekly Review
Planogram Compliance	80%	Quarterly Review
Pricing Accuracy	93%	Quarterly Audit

In-Store Visibility:

See more and do more

- Increased measurement frequency
- Gain highly accurate insights
- Target improvement efforts



Revenue Lift: \$18.5m due to improvement in areas such as

- OSA: Shortage reduction
- Planogram compliance
- Pricing accuracy



Productivity:

60% Reduction in labor due to

- Elimination of manual efforts
- Improved product placement accuracy



The Big Three pain points for CPGs:

Gain unique insights, identify execution issues and improve promotional effectiveness



Increase visibility

- See shelf conditions with true computer vision in a way that hasn't previously been possible
- Understand on-shelf availability
- Quantify the financial effects of improperly executed planograms and incorrect pricing



Merchandising execution

- Ensure the accuracy of resets and new item placement
- Validate promotional displays & end caps
- Understand store balance-on-hand and inventory issues
- Create reverse planograms



Competitive insights

- Early identification of brand initiatives in any aisle, planogram and store
- See new items, brand design changes
- Gather pricing insights, locally initiated operational changes
- Identify "shopability" issues and fixturing challenges

Store intelligence is a game-changer for CPGs regarding the execution of strategic initiatives. Increased visibility changes what CPGs know, when they know it and what they can do about it. Thanks to innovative technology brands gain visibility they have always craved but couldn't acquire.

With Store Intelligence, CPGs can put themselves in the desirable position of knowing more about what is, and isn't, happening in a retailer's stores than the retailer themselves. It is a powerful source of information that can be leveraged numerous ways with a CPG's **top trading partners**.

A simple formula to solve complex problems

Increased visibility lets Retailers and CPGs see improvement opportunities, but true computer vision is required essential to realize value creation



Image capture

True computer vision is key when it comes to image capture. For Store Intelligence to be effective, the software used must be able to discern the most subtle differences between products within a brand family while optical character recognition provides price label details.



Corrective actions

The expression "you can't manage what you don't measure," takes on new meaning with Store Intelligence. Because retailers and CPGs can see and measure what is happening, they can manage the type of corrective actions needed to drive sales and optimize labor.



Analyze and improve

Retail is a continuous improvement industry and Store Intelligence provides the insights foundation on which to analyze and elevate execution. It does so in areas where retailers and CPGs may not have realized the full extent of needed improvements because they lacked in store visibility.

Gathering store intelligence:

Image capture is key to unlocking the power of AI-powered computer vision with a device agnostic approach providing maximum flexibility



Tablet or mobile device

Android/iOS 12 megapixel

Dramatic improvements in mobile device cameras provide optimal flexibility for evolving merchandising environments.



Shelf or ceiling cameras

Continuous image capture and real-time analytics are possible with fixed cameras, with the resulting data flows expanding retail use case opportunities.



Dedicated or multi-use robots

A potential third option for image capture combines elements of mobile device and fixed cameras.



Getting started with store intelligence

Easy to implement pilot programs provide fast evaluation of improvement opportunities and involved the following:

1. Duration

3 Months (1 month AI training, 2 months usage)

2. Coverage

2 stores within the same region

3. Categories

Up to 50 categories and up to 150 bays/sections

4. Capture method/frequency

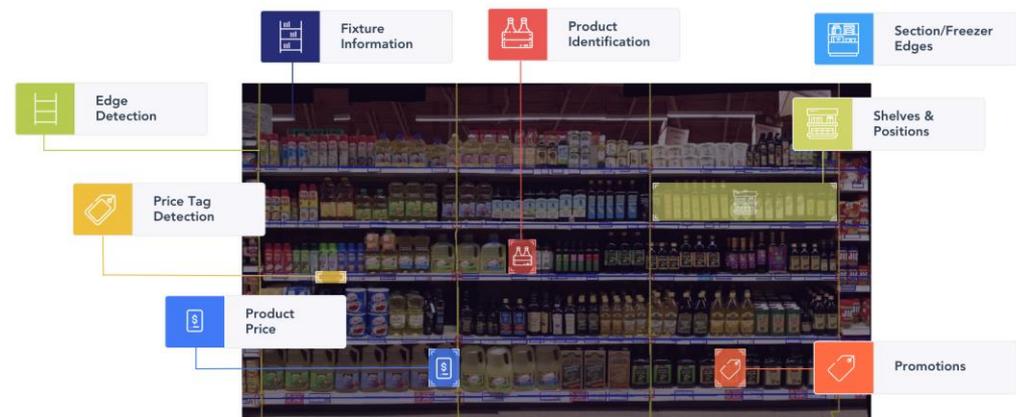
Daily use of a mobile device increases in-store visibility of performance measures

5. Establish baseline for task completion

Create benchmarks against which pilot parameters are measured

Computer vision is key ▶

Store Intelligence works because AI-powered computer vision reveals things the naked eye can't see or isn't adept at detecting. When combined with optical character recognition, the ability to read product labels and price signs, it is possible for retailers and CPGs to improve performance against numerous use cases.



A fast timeline to execution improvement is why Store Intelligence is gathering momentum

Week 1-4

System Preparation

- Data ingestion
- AI Model training
- System setting up
- Time-in-motion studies

Week 5 - 11

Execution & Insight Reviewing

- User training
- Data capturing
- Insight review
- Weekly status calls

Week 12

Wrap Up & Evaluation

- ROI demonstration
- Value assessment of expansion
- Roll out timeline determination

In as little as three months retailers and CPGs can:

- Increase in store visibility.
- Quantify the value creation potential of Store Intelligence.
- Make an expansion decision and develop roll out plans.

Discover what's possible!

Impressive results are attainable with Store Intelligence based on extensive validation of the technology and real-world usage in diverse retail environments



Increase on-shelf availability

up to 11%



Improve planogram compliance

up to 23%



Optimize labor

up to 60%



Increase sales

up to 5%

As retailers and CPGs gain Store Intelligence and put insights into action, they quickly see performance improvement on metrics that matter the most. For example, as the figures shown at left illustrate, some of the world's leading companies have achieved dramatic and verifiable improvements in key areas that favorably impact sales, margins and expenses.

These baseline improvement metrics were established from actions taken as a result of AI models trained on data gleaned from millions of images captured in more than 10,000 stores.

Results for individual retailers and CPGs will vary based on business objectives and program design, however the figures provide a useful reference for retailers and CPG to understand the magnitude of what's possible by gaining increased in-store visibility.

*Validated by usage in 10,000 stores

SymphonyAI Retail | CPG

We are the leading provider of end-to-end, AI powered applications for retailers and CPGs, offering solutions for:

- Merchandising
- Marketing
- Supply chain
- Revenue growth

Planned three-year investment in R&D totaling \$100M by year-end 2023

Backed by \$1B commitment from Dr. Romesh Wadhvani, global entrepreneur and philanthropist



850+ Customers in 70 countries

Serving 15 of the top 25 global grocery retailers

Serving Top 25 global CPG manufacturers

30+ years focused on the Retail & CPG industries

2000+ professionals with deep expertise in data science, AI and digital transformation

Get in touch: info@symphonyretailai.com