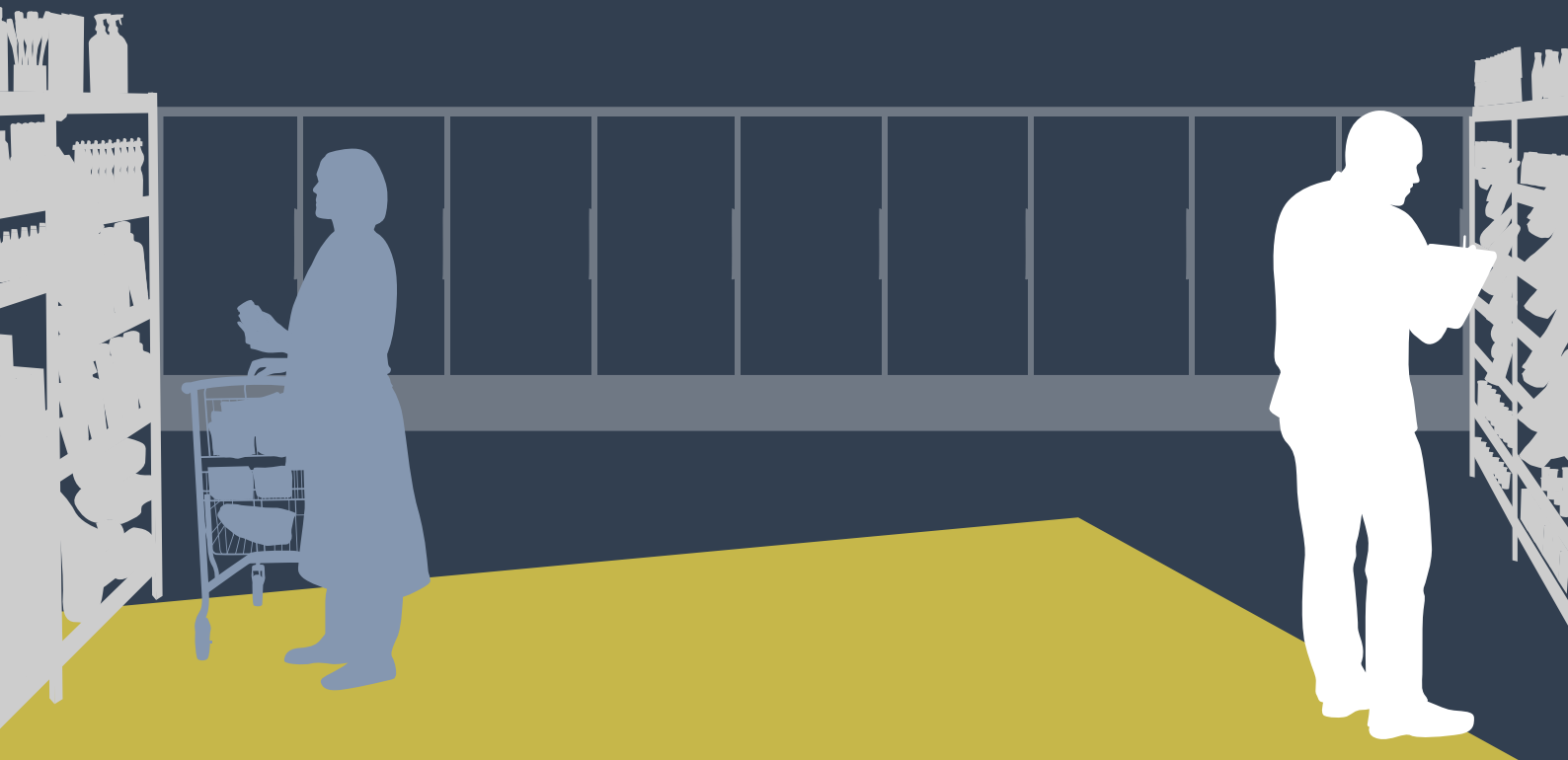


BeMyEye

BeMyEye's Promotional Compliance Report 2018

Revealing the promotional
activation challenges faced
by brands with retailers



BeMyEye

Introduction

Promotional activity is a fundamental Perfect Store tactic, however, the successful activation in store can be a challenge to measure. With promotional activity often covering a multitude of channels, spanning thousands of stores across multiple countries, its no surprise that the majority of manufacturers are only able to visit a small sample of stores, if any at all - but how bad is the problem?

With availability being the biggest threat to growth, ensuring your brand is front of mind in store is crucial to succeed in the last 2cm in the path to purchase. We reached out to more than 100 senior stakeholders of FMCG, consumer durable and pharmaceutical manufacturers across Europe, to find out their opinions of monitoring promotional compliance and the impact non-compliance has on their business.



Executive Summary

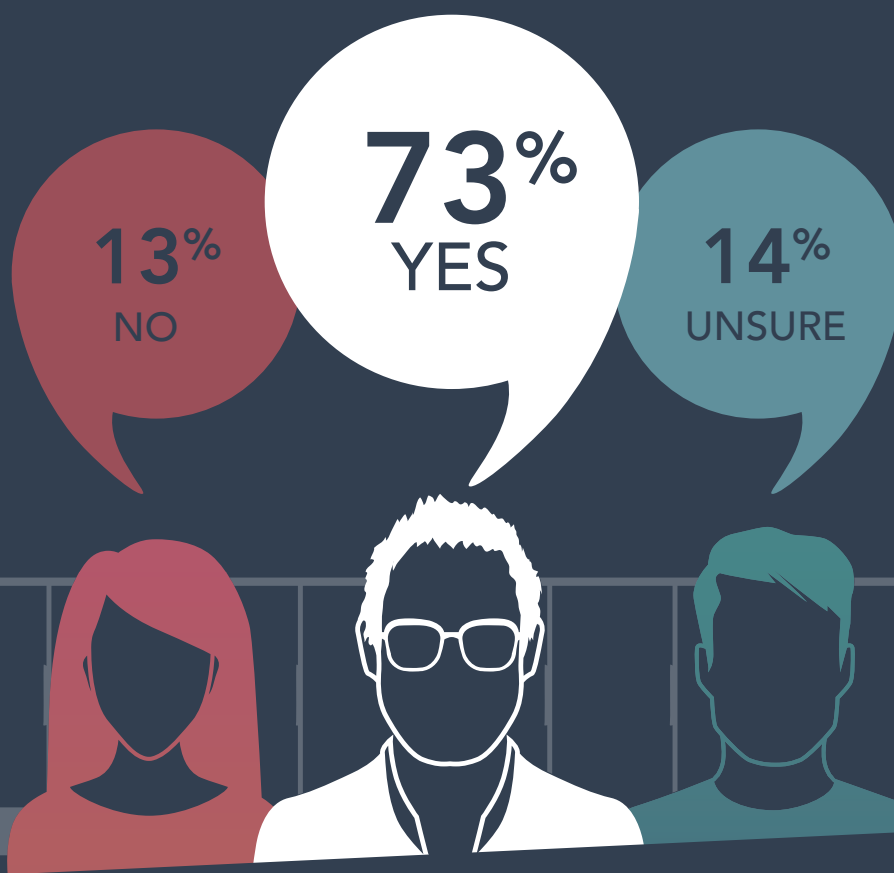
98% believe poor promotional compliance **impacts sales**

73% believe they have a **problem** achieving **100% compliance** for promotional campaigns in store

33% are only able to monitor up to **20%** of stores for promotional compliance

19% of individuals believe if promotional compliance was improved by
▲ **10 points**
sales would increase by
▲ **15-20%**

Do you have a problem achieving 100% compliance for promotional campaigns being activated in store with retailers?



If you do currently measure promotional compliance, what percentage of the stores taking part in the promotion do you typically visit in the first week of the campaign going live?



Despite 45% of manufacturers using their own costly field force to audit compliance, **over half of manufacturers are unable to measure more than 40% of stores for compliance**

What are the biggest issues for non-compliance of promotional campaigns?*



30

Promotional materials going missing after delivery from HQ



77

Retail staff not displaying POS at the correct time



37

Promotional materials not distributed effectively to store



71

Promotional materials moved or taken down by store staff



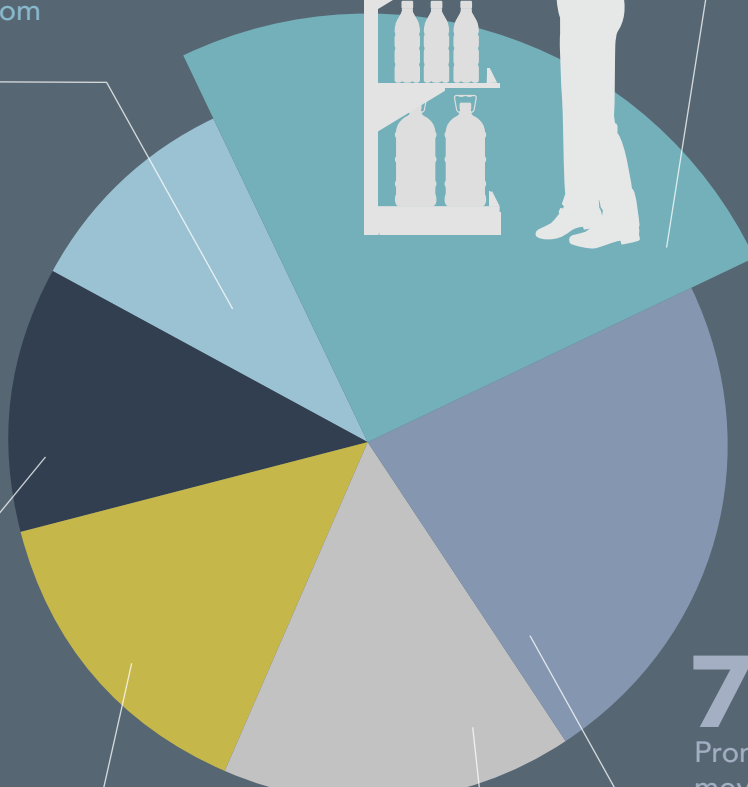
45

Merchandising teams not being able to visit all stores in agreed time



48

Standard or level of execution not aligned to the retailer agreement



*Recipients could choose multiple answers for this questions

What are the biggest issues for in-store non-compliance of promotional campaigns?

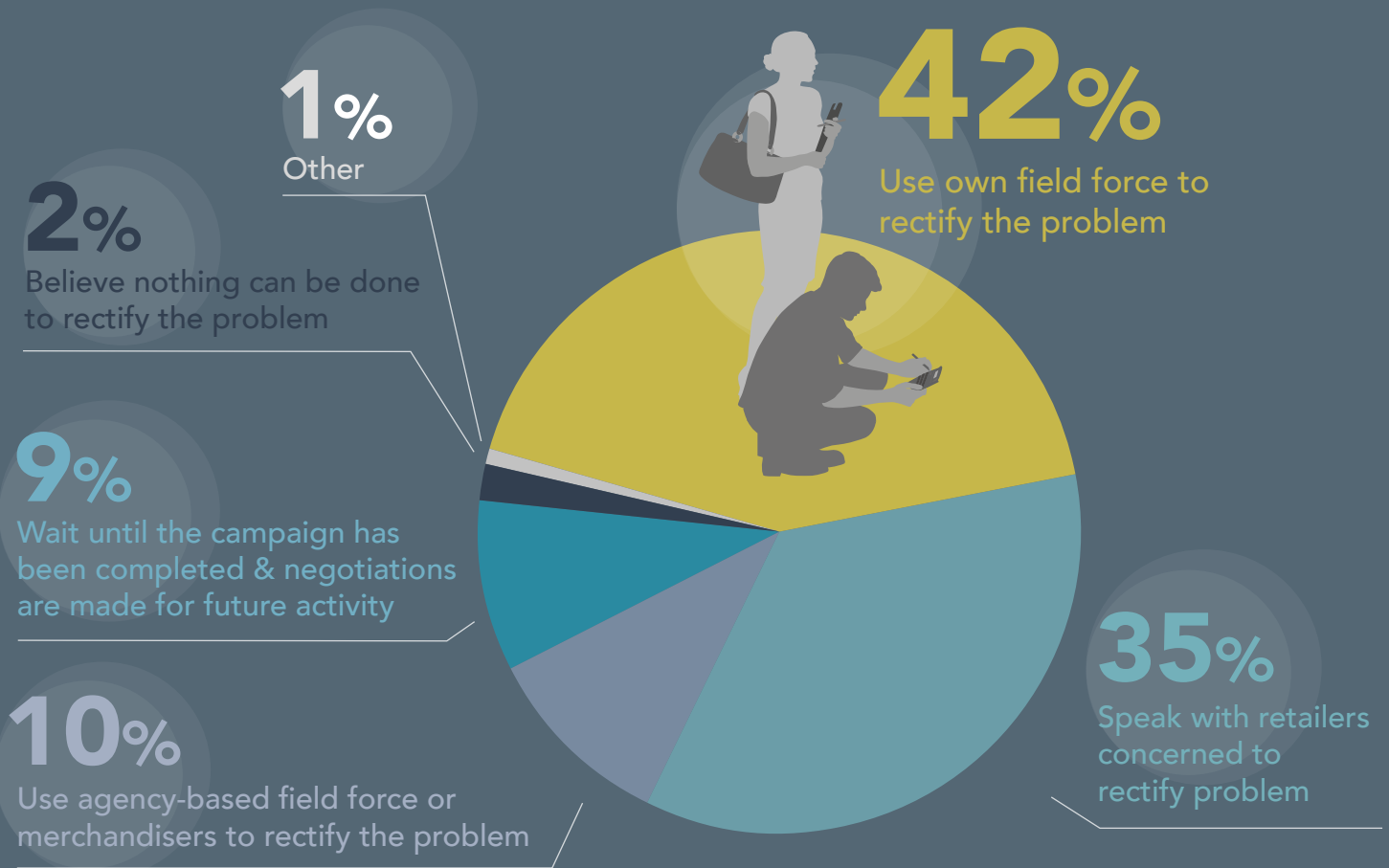


Businesses that don't check stores for compliance are relying on sell-out data to measure the performance of a promotional campaign, skewing the results and impacting negatively on actual return.



Handling non-compliance

When non-compliance of promotional activity has been identified, what actions do you currently take to rectify them?



Are there any particular channels you find difficult to measure promotional compliance in?

Supermarkets, grocery stores and smaller convenience stores are prime distribution channels for many FMCG and CPG brands, however the survey identifies these channels as the most difficult to monitor promotional compliance in.

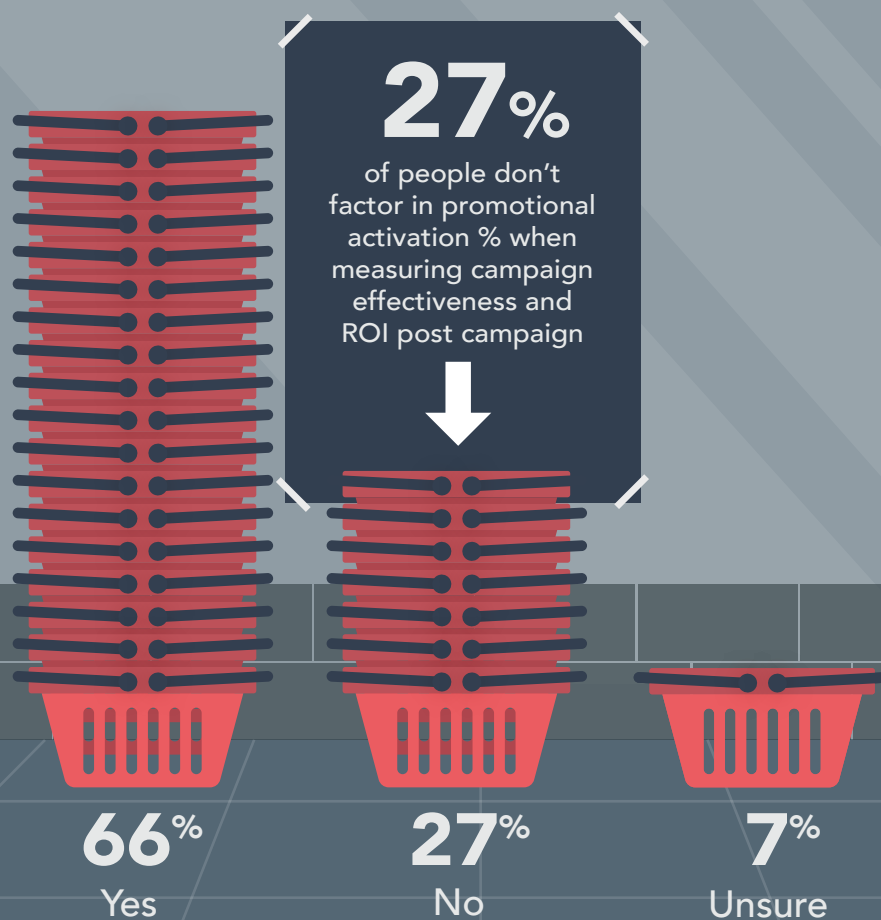
- | | |
|---|---|
|  Grocery Stores |  Petrol Forecourts |
|  Convenience Stores |  Hotels, Restaurants, Cafes (HoReCa) |
|  Out of Home (OOH) |  Other |
|  Pharmacy/ DrugStore | |



If you could improve your in-store promotional activation by 10 points, what impact would this have on sales?



Do you factor in successful promotional activation % when measuring campaign effectiveness and ROI?



The True Promotional Compliance Picture

86%

of a leading impulse purchase snack SKU had no front of store presence during peak trading times ahead of a major sporting event.

93%

of a popular personal care product had no shelf talker present in stores checked



72%

of stores checked had no FSDU presence during a pet product promotional activity

51%

of a leading decaf coffee product had no shelf presence during a promotional activity

The True Picture

Beer Brand

We visited 3,000 stores to check for promo compliance for a beer brand

Only **30%** of stores visited had activated the joint business plan promotional activity



Coffee

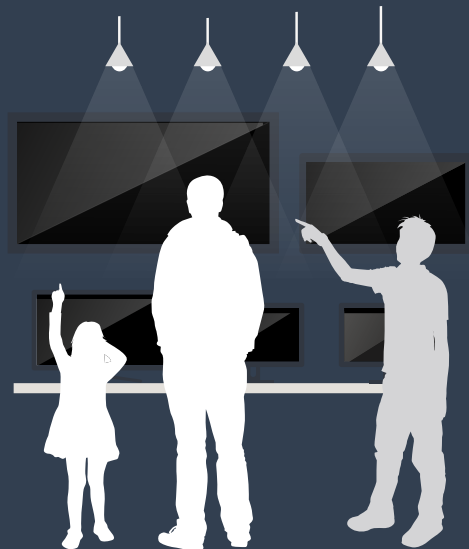
A leading coffee brand wanted to monitor compliance of their coffee machine promotional activations in stores.

The results revealed **57% of stores checked had no extra display present, and 25% of stores had no shelf display**, which were key elements of the joint business plan.

Consumer Electronics

A leading consumer electronics brand **conducted compliance checks in 2,000 locations across 15 markets** during a major product launch.

The results from the checks **enabled the brand to improve retail execution by 30% and brand recommendations by 70%**.



Non-alcoholic drinks

A leading non-alcoholics drinks brand had invested in FSDUs to promote their products across a number of UK stores.

In the first wave of compliance checks, **over 70% of stores had no chiller presence in store**. During the second wave, checks proved to be successful, with **only 37% failing to have chiller presence**.

Summary

- ▲ The most common reason for non-compliance in store was retail staff not displaying POS at the time agreed
- ▲ Over 10% of businesses don't check for promotional compliance
- ▲ The most difficult channels to measure promotional compliance were identified as Grocery and Convenience stores
- ▲ 70% of people would need 1 week or more to complete compliance checks with their existing data collection method
- ▲ 30% believe sales would improve between 11% and 20% if they could improve in-store promotional compliance
- ▲ Worryingly, 27% of brands do not currently factor in promotional compliance % when measuring return on promotional activity, resulting in an inevitable misinterpretation of promotional activity performance

About BeMyEye

Operating in 21 countries, BeMyEye leverages 1M on-demand data gatherers to collect the richest causal data available for on and off-shelf sales fundamentals, such as promotional compliance, peak trading out of stock, detailing and Perfect Shelf. BeMyEye tracks retail performance in large Super and Hypermarkets, Discounters, Convenience and specialist stores, such as pharmacies or pet stores, for more than 250 international blue chip manufacturers, retailers and agencies.



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