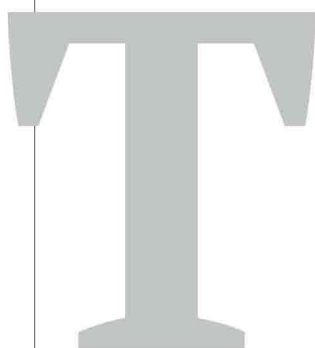# Over the Influence

WHAT DOES IT TAKE TO BE A CATEGORY CAPTAIN IN TODAY'S CPG WORLD? **By Tom McDonald**

This article explores the role and work to be done, the data requirements, necessary skills, and the process outlined in CatMan 2.0. Each retailer has a distinct set of expectations and deliverables for category captains; however, there are core job requirements. Manufacturers that deliver on the requirements will help influence strategies and tactics in the role of category captain.

Role and Responsibilities

Let's start with a definition: A category captain is a person or team of people who helps a buyer at a retailer drive the retailer's sales through a focus on tactics and strategies that deliver that category's shopper. The tactics and strategies are developed from insights obtained through marketplace analysis of what drives shopper purchases. A category captain is an unbiased analyst who works to deliver the retailer's goals for the category.

The work of a category captain falls into the following buckets:

➤ Planogram or modular responsibilities
➤ Weekly reporting of category results/key sales data (pricing/promotion/assortment)
➤ Marketplace analysis to determine whether a retailer is winning or losing, and why
➤ Strategic yearly review of category for insights into needed tactics and strategies
➤ Ad hoc analysis per buyer requests

Planogram/modular responsibilities:

➤ Category review
➤ Data pulling/cleaning/attributing
➤ Pre-modular work
➤ Modular drawing/proofing
➤ Post-modular evaluation

Weekly reporting: Each retailer has key measures that it expects to be recapped and time-trended on Monday morning. One set of measures are from the retailer's data: dollar sales, volume sales, inventory, turns and, potentially, profit dollars. Another set of weekly reports comes from syndicated data — Nielsen/IRI — with a focus on the retailer's market share on dollars/units/volume. There's also a group of household panel measures that can be updated monthly: trips, dollars/trip, closure, loyalty, leakage and others.

Marketplace analysis: A key responsibility of the captain is to be a marketplace expert on the category, with an ability to provide shopper insights and highlight which retailers and channels are winning and losing. The analysis of the marketplace is a daily responsibility that focuses on the sales fundamentals that drive the business: pricing, promotion/merchandising, assortment/distribution and shelving. The captain uses all available data sets to review the fundamentals to ascertain how retailers are using them to drive shopper behavior.

We believe that the insights come from thoroughly answering and understanding the dynamics involved in these questions:

What is happening in the category?
Why is it happening?
How should the retailer respond?

The graphic above shows the workflow for a marketplace analysis:

Strategic Yearly Review

The category captain should provide a yearly review of the category based on trends, sales and any innovation that has launched. The key deliverables from a yearly review are:

➤ Strategic choice on which segments to drive to deliver goals

➤ Strategic choice on which brands to drive to deliver goals

➤ Shopper choices: focus on closure, loyalty and leakage

➤ Assortment and shelving in the marketplace and key retailer competition

➤ Pricing and promotion in the marketplace and key retailer competition

Data Requirements

The data necessary to succeed at the category captain position have increased dramatically over the past five years. The proper data warehouse is a must for category captainship. The category captain may not value all of the data sets below, but it needs to have expertise and understanding of the following data:

1. Retailer POS
2. Syndicated data
3. Household panel data
4. Marketplace ads/coupons
5. Retailer loyalty cards
6. Ecommerce data
7. Social data

The Process

The introduction of category management via CatMan 1.0 more than two decades ago marked a turning point in how retailers and suppliers approached merchandising, shelving and assortment-planning decisions. This process is now at an inflection point, thanks to the emergence of new industry dynamics. These dynamics include the ever-changing shopper, an explosion of new data sets, the dramatic decline in data storage and processing costs, the development of analytical tools that allow for quicker insight generation, and the growing importance of ecommerce.

CatMan 2.0 is the new industry standard process to create a comprehensive plan that meets shopper needs in a superior manner to produce better results for retailers and manufacturers. The process looks to enhance the workflows created in CatMan 1.0 by highlighting the key industry changes: an abundance of new data, and the emergence of ecommerce, smartphones and innovative technologies. CatMan 2.0 establishes a framework for how to integrate the changes to drive insights, and the 17 workflows allow a captain to use the correct tool or process at the proper time to deliver insights that drive the business.

CatMan 2.0 will continue to evolve and add necessary best practices and standards as shopper behaviors are shaped by technology. The CMA is launching a major project on ecommerce category leadership that will define best practices for the industry on standards and analytics.

Category management is on the cusp of the biggest changes in its 25-year history. The combination of innovative technologies with a constantly changing retail landscape has given more power to the shopper. The retailers and manufacturers that turn their abundance of data into actionable insights will influence shoppers on their journey to purchase. **PG**

The Ultimate CatMan Advantage

		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
CatMan 1.0	Internal Alignment	Category Definition	Category Role	Category Assesment	Category Scorecard	Category Strategy	Category Tactics	Plan Implementation
CatMan 2.0	Organizational Design and Development	Definition CDT		Assessment What Assessment Why			Assortment Pricing, Promotion, Shelf Merchandising, Shopper Marketing	Deployment, Supply Chain, ROI
Key Process Steps	Internal agreement on objectives and strategies	What products are included? What are the subcategories?	How important is the category to the consumer? To the retailer?	Who buys the category? What are they buying?	What are the goals and objectives? How will we measure success?	How are we going to achieve the objectives?	What are the elements of the plan for each subcategory or segment?	Who does what and when?

CatMan 1.0: "Shopper Facts"
Behavioral Assessment: Who, what, when, where, how is the category bought?

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CatMan 2.0: "Shopper Insights"
Attitudinal and Perceptual Assessment: Why is the category bought?

Drives Shopper Marketing
Builds brand and banner equity, driven by facts and shopper insights

Source: Category Management Association