

Image Recognition for perfect in-store execution

How visual analytics can transform physical
store sales for CPG brands



Contents

How visual analytics can transform physical store sales for CPG brands	04
--	----

Manual store audits	05
■ Issues faced by sales leader	05
■ Issues faced by trade marketing leaders	06
■ Issues faced by store operations managers	06

What is Image Recognition?	07
----------------------------	----

Use of IR in retail stores	08
----------------------------	----

Impact of Image Recognition on retail sales	10
■ Operational Impact	
■ Sales Impact	

Imagine being the sales leader of a CPG company. The pandemic is slowing down, retail stores are opening, and your products are all displayed on the shelves, ready to be taken up by eager customers.

However, you don't have a way to track or improve the visibility of your products, about compliance with planogram, how to optimize retailer payouts, or what the SKU level metrics are. Further, you have no visibility on the competitors; approaches, and you can't provide any real-time actionable instructions to your merchandisers.

How do you ensure sales without any of this data?



The pandemic has had a rapid evolution in consumers and their expectations. With rising levels of health concerns and an upwards trend in digital shopping, retail brands are focused on keeping their retail shelves optimally stocked, avoiding stock-outs, and ensuring consumers always find their favorite products on the shelves.

All this demands retail manufacturers to maximize their in-store retail execution and ensure their retail strategies are executed properly inside stores.

Manual store audits

The traditional approach

To address this issue with the lack of advanced IT tools available, CPG brands have traditionally been doing in-store audits organized by market research firms. Here, a merchandiser goes to a random store or a sample of stores every month. Ensures that the store follows the brand guidelines and manually counts and checks if the products are displayed in the desired manner. This leads to inaccurate and inconsistent data gathering, leaving your merchandiser burnt out. With a high attrition rate in auditors, retail leaders are looking to empower them with the right digital and AI tools and incentivize them to actively participate in retail execution operations at the stores.

However, the big question remains, how do you take decisions that impact your execution performance real-time and help improve per-store sales?

Issues faced by sales leader

- Lack of real-time data to discover product stock outs and improve on-shelf metrics, store compliance & optimize trade-pay-out across key outlets
- No availability of fine-grained on-shelf data of competition's products, and promotions every week to drive optimal product assortment, on-shelf stocking and distribution
- Once a month coarse-level report only from randomly sampled stores



Issues faced by trade marketing leaders

- Unable to ensure the compliance of brand and visibility guidelines in the store
- Minimal to no insights about customer behavior and buying patterns
- No knowledge about competitor's display strategy and positioning
- Poor ROIs on promotional and marketing materials/creatives, as they do not attract shopper attention as desired.



Issues faced by store operations managers

- Lack of available technology to track items being scanned or miss scanned per day per checkout counter
- There is no real-time tracking to check compliance on presence, positioning, and pricing of on-shelf stock, thus leading to frequent stock-outs.
- Lack of affordable, comprehensive, and interconnected platforms. Apps can provide real-time visibility to reduce ad-hoc work for store staff and mobilize the correct number of staff for the appropriate jobs.



Such issues with traditional auditing orchestrated by market research firms have led to retail manufacturers using Image Recognition to get real-time, actionable insights from stores. CPG brands are adopting AI-based solutions equipped with Image recognition technologies for tracking and maintaining store compliance and brand visibility across thousands of stores.

Image Recognition algorithms help analyze the visual layout of the stores and their retail shelves and can determine which products are out-of-stock, over-stocked, or misplaced. It ensures that the store is in compliance with the planogram. Modern solutions can update data in real-time so that proper corrective measures can be taken instantly.

But what are Image Recognition (IR) and its applications in retail stores? Let's find out in detail:

What is Image Recognition?

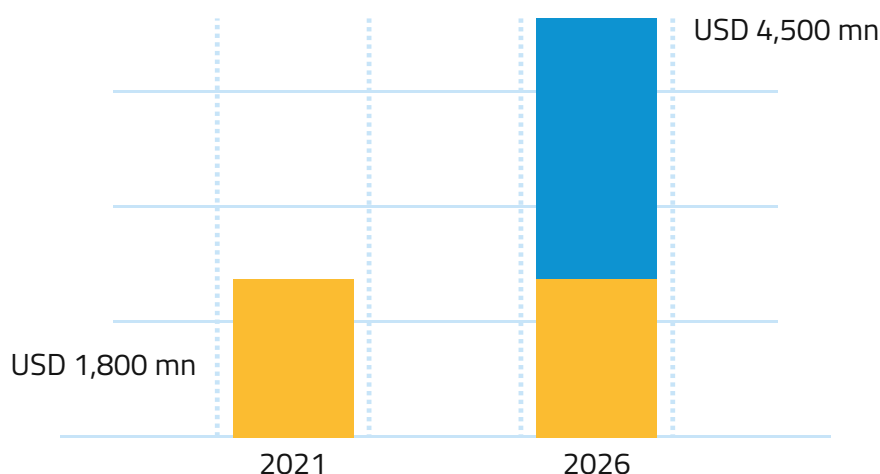
Applications and its impact on retail sales and marketing

In the context of machine vision, image recognition is the ability of software to identify objects, places, people, writing, and actions in images. Computers can use machine vision technologies combined with a camera and artificial intelligence software to achieve image recognition.

However, retail brands are using this to get instant insights and avoid fraud. Let's have a look at how Image Recognition is helping retail brands all over the world.

Global Image Recognition in Retail Market

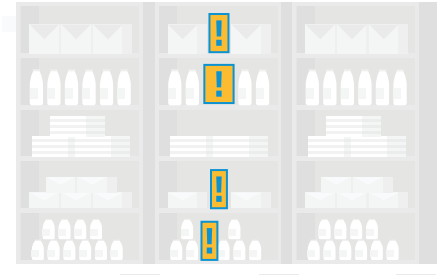
Market forecast to grow at a CAGR of 20.0%



Use of IR in retail stores

Detecting empty shelves

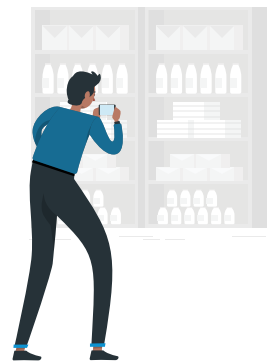
According to a study by IHL Group, the worldwide retail industry misses out on \$984 billion every year in sales due to out-of-stock products. Image Recognition helps retail brands prevent losing money and customers. When an SKU is missing on the shelf, image recognition helps notify the staff in real-time to replenish the shelves quickly.



Store audits

According to a Stanford study, manual audits in retail proved to be time-consuming and inaccurate, with error rates reaching as high as 20%. Image recognition technology helps digitize and standardize audits to get consistent and accurate data more frequently that enables sales and marketing teams to make timely decisions.

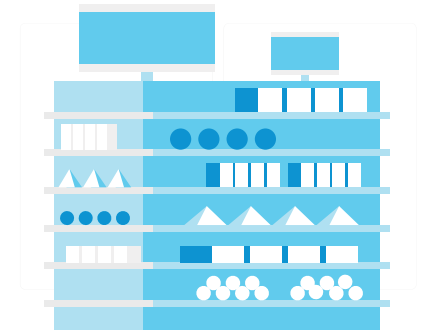
The information interpreted by image recognition software can help track sales trends, too. Tapping into the data on how well different brands and SKUs are selling, retailers may boost the sales of priority SKUs by placing them closer to the buyer.



Planogram compliance

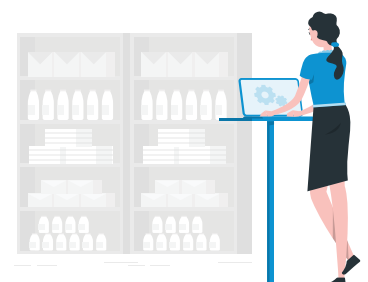
The way products are merchandised influences profoundly buying decisions. Image recognition helps compare the arrangement of items on the shelf matches the planogram given to the retailer to implement

Object recognition algorithms scan a supermarket stall, detect the products, and classify them by a brand or an SKU. The solution compares the obtained results to a reference planogram and notifies retailers about any mismatches.



Compliance monitoring

Brands can monitor if stores execute their visibility, promotions, pricing compliances properly. This can enable your teams to work with the area sales manager, category managers and store managers to fix violations.



Competitive Intelligence

Competitive insights on how your display, promotional, and pricing strategies stack up against competitors in-store strategies.

Brand managers can also track the product launches of their competitors, promotions of rivals, and any new SKUs introduced by them in order to reposition their brand.



Trade marketing performance

Monitoring where and how in-store promotional and Point of Sale materials are positioned and displayed to the consumers. This also helps in determining appropriate store payouts and incentives.



Tracking Customer interaction

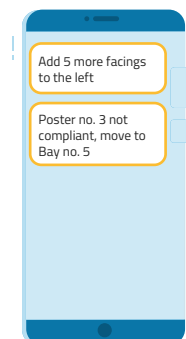
Monitoring millions of consumer touchpoints at the store shelves to gain insights into their preferences and behaviors thus enabling better designing of the store. Hot and cold spots can be identified and measures to address them can be taken.



Real-time Insights and decision making

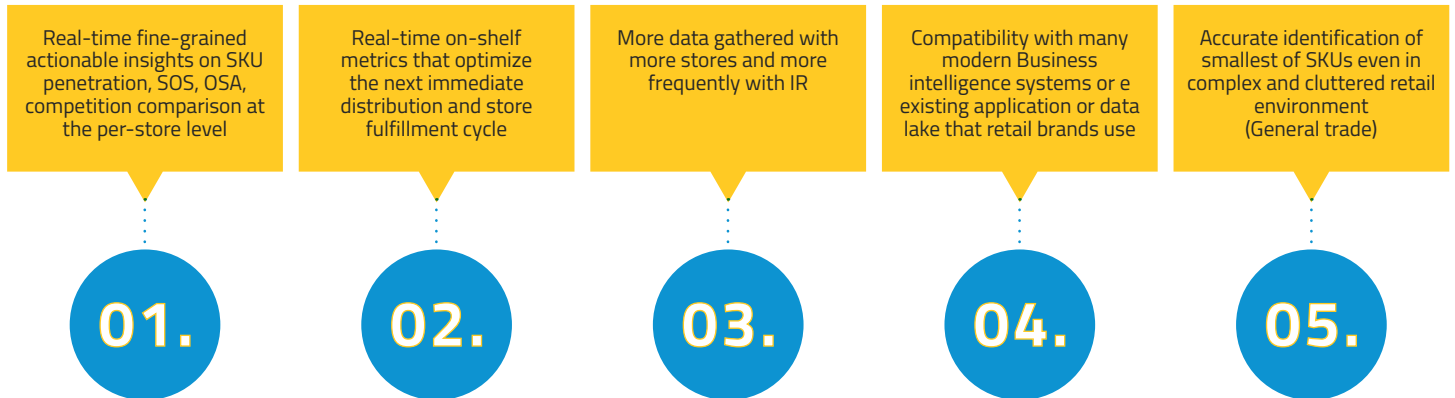
Modern Image Recognition applications process images instantly to identify every SKU on the shelf. The insights are then made available to the store manager or store staff in real-time (within < 2 mins). This helps merchandisers in taking action to fix execution errors and ensure 100% store compliance on the spot!

These analyses help sales leaders understand what SKUs are selling and why they are selling. By combining historical sales data and demand patterns, sales managers can thus optimize their assortment mix and distribute the right product mix in the right quantities to the right stores.

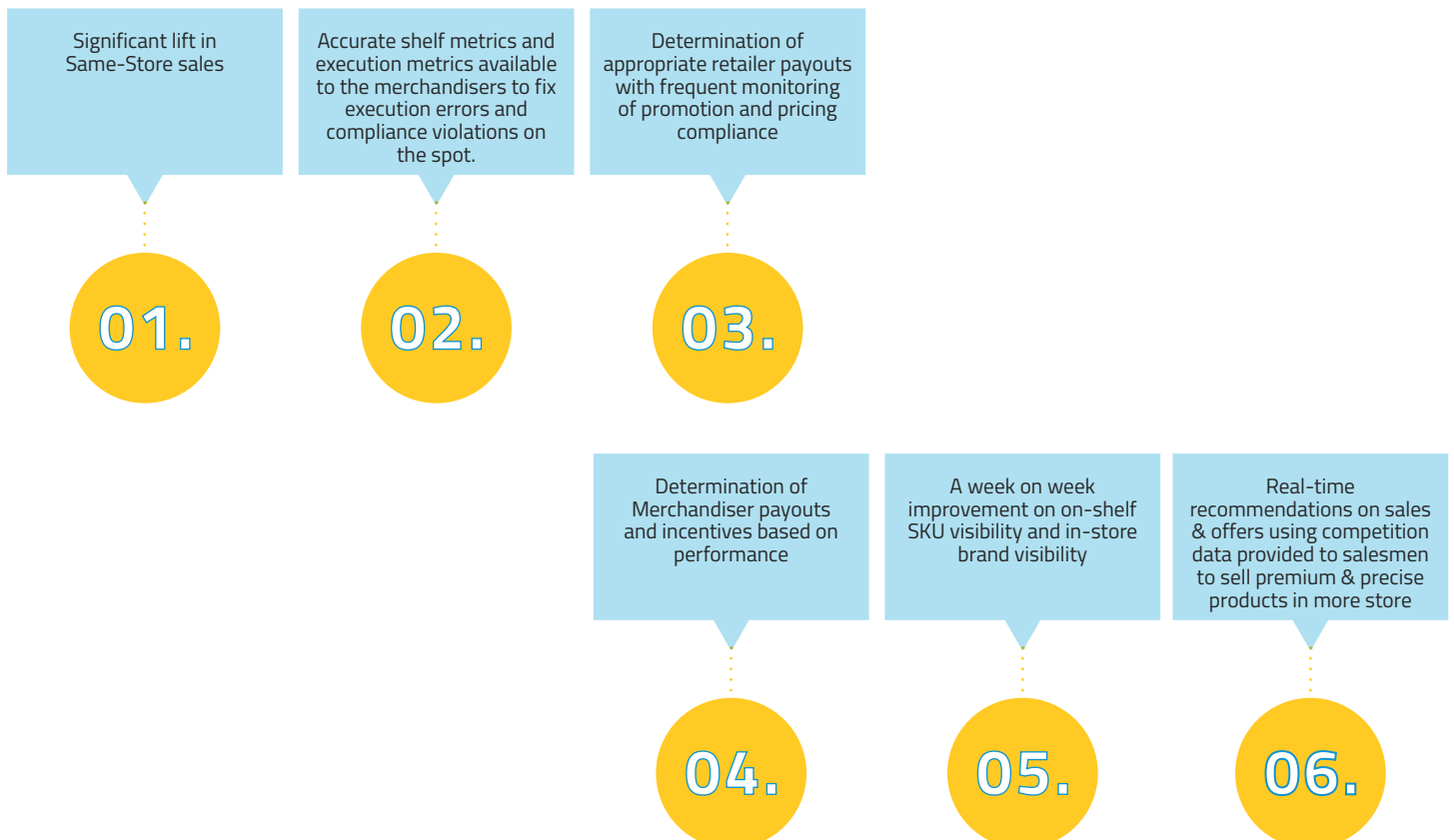


Impact of Image Recognition on retail sales

Operational Impact



Sales Impact



About Us

Infilect is an Enterprise SaaS provider for retail manufacturers, retail brands, and retailers. With innovations in Image Recognition and AI, Infilect's products empower the retail industry with unprecedented visibility into omnichannel sales, in-store merchandising, and store operations. Infilect uses Computer Vision and Artificial intelligence technology to convert visual data into intelligent and insightful business insights that help monitor retail or store operations, improve brand visibility inside stores and boost per-store sales performance. Presently, we serve top global retail brands including Procter & Gamble, Coca Cola, Britannia-India, ITC-India, Lowes, AbinBev, Samsung, Heineken and more. Our solutions are deployed and scaled in 16+ countries and 400K stores worldwide. Today, Infilect processes over 4 Million in-store images per month and empowers retail leaders with real-time visibility into their in-store product, promotions and pricing strategies. For more information, visit <https://www.infilect.com>



<https://www.linkedin.com/company/infilect>

SCHEDULE A DEMO



May 2022, Copyright Infilect Technologies Pvt Ltd. All rights reserved.