

FSSI Category Strategies & Category Reviews

At its heart, Customer insights is about listening to our customers. It is giving them a voice in our business. Using one of our most powerful assets, our data, we can learn from millions of transactions to get a deep understanding of what they want from us.

We can use this to prioritise our time, resource and attention to the things that truly matter to them. It's all about turning customer insights into action. It's about being focused on our customer. Category Strategies and Category Reviews are an actionable output of this work.

What is a Category Strategy

The purpose of a category strategy is to provide clear direction and expectations about the role of a category, the importance of the levers within and direction on how the category will contribute to total business objectives and drive customer loyalty.

It begins with identifying the role each Category plays for our customers, is this a Category that we must succeed in to drive high customer engagement? Is this a category that is required for the full supermarket offering for our customers? This role can differ by banner.

We then review 6 category levers and their importance to each category, variety, innovation, price, promotion, private label, and availability.

With these insights and our Shopper behaviour reviewed a Category strategy can be created. This identifies the levers we will focus on, and key initiatives required to meet the needs of our customers. i.e if innovation is important we will ensure we review supplier NPD at frequent intervals. If price is important, do we need to look at EDLP opportunities?, is there a seasonality need to consider for promotions?

Our Category Management team are working through each Category with the goal to have the full store completed by November 2024. As these are completed Category Managers will share these with supplier partners.

What is a Category Review

A Category Review builds from the Category Strategy to identify an optimal mix of ranged products that meet our customers' needs and deliver to our commercial targets.

Reviewing our range of products, the brands, price points and promotional frequency to meet the needs of our customers. Our reviews aim to take a strategic view of the entire category to consider the variety of inputs from our supplier partners.

The reviews are designed to:

- Build customer loyalty by delivering on our promises.
- Have data and insight focused discussions.
- Simplify and standardize our category negotiations.
- Be consistent and transparent to build mutually beneficial partnerships.
- Enhance our joint commercial performance.

Following the detailed commercial review there is a new A Range of products and planograms that are implemented in stores.

In 2023 we started by reviewing Ambient Milk in NW and then kicked into Bacon, Laundry, Oral Care and Coffee. Refining the process and continuing to learn and build a robust review process.

Into 2024 our ambition is to review further categories, **working together to provide a great range for our customers, a simpler experience for our teams, and a stronger partnership with our suppliers.**