



**PEPSICO**

Australia & New Zealand

## CASE STUDY

# Category Management to Category Leadership

PepsiCo spearheads total impulse shopper solutions and store of the future initiatives with JDA and 3DVR

### OBJECTIVE

Develop category solutions for macro snacking to drive strategic partnerships with retailers

### SOLUTIONS

- JDA® Category Management
- 3DVR Solutions® Retail Visualisation Suite

### SERVICES

- JDA Education Services

### REAL RESULTS

- No. 1 ranking in COVIN 360<sup>1</sup> for category management in 2018
- No. 2 ranking in Advantage Survey<sup>2</sup> for grocery in category management in 2017
- No. 1 ranking in insights in COVIN 360 and Advantage Survey in 2018
- Ability to leverage real-time play with bespoke environment and layouts enabling product placements that work
- Effective range and availability management leading to growing customer engagement and increased basket value
- Evolved capability building for the teams facilitating elevated conversations with retailers

PepsiCo Australia & New Zealand is home to some of the most recognised and respected brands. From beverages to snacks, PepsiCo offers consumers a broad range of product choices from classic treats to 'better for you' offerings.

PepsiCo's snacking division that brings local Australian favourites, such as Smith's Chips, Red Rock Deli, Bluebird Chips and Twisties, has been a long-time user of the JDA Space Planning solution. In the last two years, the snacking division, however, has revved up its usage of JDA to achieve remarkable results.

"PepsiCo has always used JDA Space Planning to support our category management initiatives. Historically we have used JDA software to engage with our retail partners on micro space planning and conduct micro space analytics. In recent years, our retail partners have shifted their expectations of PepsiCo from Category Management to Category Leadership, and our partnership with retailers has evolved from co-creating Salty Snacks Category Solutions to Macro Snacking Total Impulse Solutions", says Elina Chen, Category Development Manager, PepsiCo Australia & New Zealand

How did the journey to Category Leadership begin?

### The Challenge: Level playing field with Retailers on Category Planning

PepsiCo has always been committed to category management and its increasing importance in grocery led PepsiCo to implement a plan to lead the category towards a total macro-snacking view. For PepsiCo, the Advantage Survey has consistently been a credible barometer of its performance in areas such as category development and insights, as ranked by key retailers. The category team at PepsiCo set on an ambitious plan to raise the Advantage score and move their ranking to top five.

<sup>1</sup> <http://conveniencemeasures.com.au/> (Results from the Summer 2018 Programme)  
<sup>2</sup> <https://www.advantagegroup.com/>



“Over the last few years, PepsiCo has strived to embed Category Thinking within every function of our business, from the development of insight led innovation right through to shopper-led activation at point of purchase. PepsiCo is committed to bringing our retail partners holistic category solutions; beyond brands and products.”

**Danny Celoni**  
Chief Executive Officer,  
PepsiCo Australia & New Zealand

According to Elina Chen, one key piece of feedback from the survey was that retailers were looking at PepsiCo to go beyond the salty snacks micro view to develop a Total Impulse Solution. “It was an opportunity for us to go beyond the aisle, look at a comprehensive strategy around salty snacks and partner with retailers to drive impulse shopping.”

### Space Planning gets 3D

As PepsiCo tapped into snacking habits in Australia, they felt the need to visualise their presence in the store environment, to go beyond the aisle and look at the store in its totality. The easy integration of 3DVR’s Retail Visualisation Suite (RVS) with JDA provided PepsiCo with a powerful solution to visualise their store presence, advance on developing their category strategy and bring to life the Macro Snacking growth strategy.

“From using JDA only for shelf planning at range review periods, we are now utilising JDA and RVS every day for point of purchase solutions and trials”, said Elina.

### Analytics gets Visual

The PepsiCo team has found the JDA solution very user friendly and easy to use. “We use analytics a lot around range management. One of the biggest issues in salty snacks is around availability and analytics help us to work on supply, off location builds, or promotions”, said Elina.

“In addition to micro range and space analytics, 3DVR RVS is immersive Virtual Reality software that allows us to modify objects in the scene in real time, create bespoke environments and layouts, insert breakthrough trial concepts and view signage campaigns including movie files. The integration with JDA Space Planning provides a seamless user experience”, added Elina.

### Multiple Uses and Benefits

The JDA and 3DVR solution has multiple uses at PepsiCo. “JDA and 3DVR solution is used extensively for capability building within the broader commercial team, for retailer engagement, field team engagement and internal planning. In addition, we use the solution for market and product development, such as packaging reviews, range reviews, planogram proposals, POS reviews, store trials and aisle enlivenment”, said Elina.

“We are seeing a growing engagement of the team with the solution. Our teams are not just driven by range reviews but by the need for consistent evaluation of how the layouts are working. We are working more and more on store trials to drive our category strategy”, added Elina.

## Partnership with Retailers Drives Basket Value

The JDA and 3DVR solutions have supported PepsiCo's team to drive elevated conversations with the retailers around Store of the Future.

“Leveraging our global brands and our learnings from the global market enables us to drive a point of difference for the all-important customer experience in the instore environment. Aligning our initiatives and priorities with retailers and having software tools that allows us talk to retailers in a language that resonates with them also helps in creating that point of difference”, explained Elina.

As retail becomes more and more competitive, retailers are stretched in their capacity. The snacking category team at PepsiCo prides itself in supporting the retailers in their strategy to help them actualise their goals and increase the basket value.

Elina added, “We are happy to work with software tools that support our role in the industry.”

## Success in Retailer Benchmarking Surveys

PepsiCo's ranking in the recent Advantage and COVIN 360 survey ranking has driven the team to continue with their efforts towards elevating the total impulse category.

Elina concludes, “JDA Space Planning and 3DVR's RVS is one of the ways PepsiCo is able to shift from micro range and space planning to developing Total Impulse Shopper Solutions and trailing store of the future initiatives with our strategy retail partners. We can see from Advantage and COVIN 360 Survey results that our category approach is resonating with retailers, and we can see from sales results that this is resonating with Australian shoppers. These software tools have also helped us to evolve our internal capability building agenda within our Commercial Strategy Team, facilitating elevated conversations around Perfect Store and Perfect Launch execution.”



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