

foodstuffs NORTH ISLAND

Foodstuffs Leverages SymphonyAI Shelf Planning and Planogram Capabilities to Automate, Speed, and Effectively Customize for Their Shoppers

Company Overview

Foodstuffs North Island (FSNI) is a 100% New Zealand owned co-operative, with 323 owner operated stores in communities across the North Island operating under the Four Square, New World, PAK'nSAVE, and Gilmours and Liquorland brands.

SymphonyAI Retail CPG
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Strategic Goals

Chief Executive Chris Quin publicly notes that FSNI has been on a customer-driven transformation of the business since early 2019, leveraging customer insights to reset the business and ensure Foodstuffs North Island have the right products in the right place on the shelf at the right value for customers.

Business Challenge

As a co-operative organisation with owner-operated stores, FSNI recognised that a key element to delivering optimal customer experience across NZ's North Island involved getting better planogram and shelf planning buy-in from stores and the systems and processes in place to make it easy for stores. Centrally generated planograms provided by FSNI often saw relatively low adoption and it was difficult to know which individual stores were following them. FSNI wanted to speed and automate the planogram process, while also providing easily configured variations for individual stores to best serve their specific shoppers. An optimised planogram process would both improve transparency to store owners and increase their trust and confidence in the recommended planogram.

The customer insights team, including Category Lab Manager Shane Dickson, focuses on implementing tools and processes that come along with customer-driven transformation. As SymphonyAI engaged with FSNI, it became clear that SymphonyAI category planning capabilities were well-suited to FSNI's goals. For example, SymphonyAI goes beyond just store clustering to a more granular-level category clusters, which can drive meaningful improvements over the broader-based approach.

Solution

FSNI implemented SymphonyAI Shelf Planning, and with SymphonyAI's help incorporated business rules that generate planograms using clusters of around 10 - 12 stores. The solution generates a planogram using the average across the cluster of stores, and then in turn generates store-specific variant based on that store's specific sales to allocate more shelf space to items most valued by its specific shoppers, for example. This approach leverages advanced technological capabilities for optimal planograms while simultaneously making it easier for the store owner to merchandise for its specific shoppers' needs.

SymphonyAI uses sophisticated customer insights (loyalty data and transferable demand) to help FSNI banners as well. SymphonyAI helps PAK'nSAVE build their realogram based on their internet shoppers' location IDs, for example. Individual store owners have the flexibility to fine-tune the category view based on their customer needs. Many store owners accommodate local-range products into their selection to support local suppliers and tailor their offer to their community, for example, wine from a local winery or honey from a hyper-local producer.

Shane Dickson discusses the benefits of SymphonyAI planogram automation. "SymphonyAI's ease of use for store operators, including team members at all levels, makes it easy for each team to access and add local products to the planograms using their specific store data. With SymphonyAI we can easily accommodate an element of store discretionary space to meet their specific shopper needs. Each store is provided a planogram that includes a range based on the store's specific data, and they can make some local range adjustments from there."

Project Approach

As the Shelf Planning rollout proceeded in 2020, FSNI and store owners were pleased with the results. One wrote, "The ability to make quick changes (drag and drop) helps you see if it fits straight away or not," while another noted, "Using the SymphonyAI tool is much easier than what we were doing before with planograms."

In addition to using the solution in existing stores, FSNI also leverages SymphonyAI Shelf Planning to create new store shelf layouts to get new stores off to a fast start to success. They use "donor stores" system to help the new store create planograms based on a group of similar stores. Foodstuffs North Island is regularly investing in new stores and refurbishing existing stores. and SymphonyAI Shelf Planning is a real advantage in setting up the stores. Recent new stores include Four-Square stores in Waiheke's Onetangi, Northland's Marsden Cove and New World Te Kauwhata in Waikato, and a replacement PAK'nSAVE store in Auckland's Henderson.



Results / Value

Over multiple cycles of category reviews since implementing SymphonyAI, FSNI has seen significant measurable results. Shane and his team are impressed with the level of collaboration with SymphonyAI and the resulting impact: "We wanted to make it easy to incorporate into our planograms an element of local range for stores. We worked very closely with SymphonyAI to train all the store teams to get the most value from the solutions, and adoption has been strong. Since we have introduced the tool, key categories have shown significant growth demonstrating we're delivering more of what our customers want. It's an infectious cycle as store owners see these customer focused results, inspiring other owners to adopt this way of working."

With a lean team of just eight people, Shane appreciates the increased productivity and impact of the SymphonyAI-enabled processes. "SymphonyAI has been flexible enough to tailor solutions to accommodate our central needs as well as our individual store needs, which was key to us selecting SymphonyAI over other options. That flexibility has been critical at multiple points in the process, from floor planning and category insights to shelf planning, enabling us to adjust as we go amid rapid changes from COVID, inflation, and supply chain disruptions. Without SymphonyAI, we wouldn't have been as agile in responding well to these rapidly changing market and shopper environments."

He's also pleased with widespread adoption. "We currently have an adoption rate of about 95%, which is what we've targeted as a key success metric. Working with SymphonyAI and the store owners, we want to continue to get more granular creating targeted planograms."

As with any group of diverse owner-operators, some franchisees were eager early adopters while others were initially more hesitant. However, Shane notes, "SymphonyAI has really helped us drive rapid adoption in our membership because of its ease of use. The Merchandise Space team's use of SymphonyAI to drive high-impact customer-focused category reviews that increase sales and has driven a desire in our membership to widen the scope of the delivery. As a result of this growing demand from members, our team has grown from three to eight. Members are eager to engage with us because they know they will see increased customer satisfaction and positive business results."



Customer Next Steps

Deployment across the New World banner is quite mature, and PAK'nSAVE is building momentum as well. Currently Foodstuffs North Island and SymphonyAI are beginning the preparation to rollout across Four Square stores. "We see the most benefit from SymphonyAI when we have the most current planograms accurately aligned with the physical space across all categories in every store. About 50% of our categories have gone through comprehensive category reviews and plan development, and we plan to continue addressing more and categories moving forward," Shane observes.

Looking ahead, Foodstuffs North Island is also looking at leveraging SymphonyAI macro space optimisation, and the confidence that has been established in SymphonyAI's solutions will help accelerate the business case. "We want to use SymphonyAI to populate all of the planograms with the stores' actual physical space. As stores gain awareness of the benefits from following recommendations, the spaces become even more aligned with planograms."

