Localising assortments and price is critical to retailers

Today's retailer is faced with a conundrum. Shareholders expect better return on invested capital and more frequent merchandise turns, but customers expect to have the merchandise they want and see advertised actually in stock and available for sale when they are ready to buy. The solution seems obvious - offer localised assortments in stores or personalised views in other selling channels.

But on what basis are retailers creating these local assortments? And are local assortments truly "edited and unique", or are they similar in breadth, but varying in depth? Further, what technologies are winning retailers using to get the right products - at the right price - in stores?

Retail Systems Research (RSR) study, *Customer Centric Merchandising: Driving Differentiation through Localisation*, sponsored by DemandTec, Precima, Revionics, SAP and Teradata, finds integrated planning, space, allocation and replenishment applications are highly prized, but generally have surprisingly light penetration among retailers. Buying intentions focus around store and merchandising execution management, pricing and other optimization engines, and "bread and butter" applications to support planning, allocation and replenishment, and merchandise management.

"We went in with the assumption that localising merchandise assortments is a key to 21st century retailing success," said Paula Rosenblum, managing partner at RSR and co-author of the report. "And while our survey respondents certainly validated that assumption, we were surprised to discover that finding the right price for customers is as important as finding the right product mix."

The new study identifies the internal obstacles retailers face in creating more localised product mixes (and prices), and the methods retail winners use to overcome those obstacles. It also provides recommendations for becoming a winner in customer-centric merchandising.

To obtain a complimentary copy of the report, visit: http://www.retailsystemsresearch.com/_document/summary/577

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