XVI Shelving Merchandise Availability Study
FMG - 2020

October 2020

In such an atypical year surrounded by restrictions and measures that have caused the assortments to be in constant changes in the shelving, prioritizing products demanded by the health emergency, generating an evolution of the retail that accelerated the plans that had a long term and returning them into inmediate term. We allow ourselves to present our 2020 Shelving Merchandise Availability Study. For this purpose our own studies evolve, taking advantage of big data and transforming it into smart data, an element that you will soon be able to observe and understand in this rhythm of analysis.

GS1 Guatemala has been able, with mobility limitations and always taking care of sanitary measures, to measure shelving availability in the months of July and August 2020, determining, as in previous years, causes and opportunities for improvement in the supply chain value, through linking the process where the cause originates.

In this 16th edition we are incorporating more formats from the participating chains, in order to provide the complete information and maintain the weight of categories, assortment and causes, making comparable studies from previous years and studies from other countries that our colleagues are measuring.

With 30 years of implementing standards in Guatemala, our organization always seeks to provide its affiliates, chains, technology providers, consumers, etc; trustworthy and objetive information from a neutral perspective and with the aim of providing continuous improvement to the processes of participating companies. With great pride we are sure that this new study, as well as the changes we have already started through our fully online platform, regional measurement viewer, mobile applications, use of business intelligence, perfect store and now Smart OSA will be vital for decision making in their companies.

Arturo Ramírez
CEO.

OSA (On Shelve Availability) **OOS** (Out of Stock) **VOID** (Depurated)

Parameters and methodology

To maintain the objectivity of the measurement, it is considered as a missing in a shelve to be any product that is not in the usual place of display within the store, when the customer demands it.

Number of measurements performed
111,065

Number of brands measured
972

Categories and Subcategories studied:

Sample

Format

Measurement period
JUL 16th to SEP 1st
Days of the week measured
Monday to Sunday
Measurement schedules
A.M. - P.M.

Hypermarkets
1,000 products

Supermarkets
700 products

Discounts Stores
700 products

Minimarkets
300 products

Average visits made per store
3

Total visits to stores
136

Food
• General
• Perishable

Beverages
• Alcoholic
• Non alcoholic

**Personal Care**
• Hair products
• Body products

Home Care
• Household products
• Clothing products

The five chains participating in the study were investigated through 111,065 carried out throughout the period from July 16th to September 1st of this year, covering 136 stores visits of the five chains in their different formats. It was possible to find the expected products in the places destined for presentation to the final customer in a 94.13% of occasions, which represents 104,539 satisfactory findings.
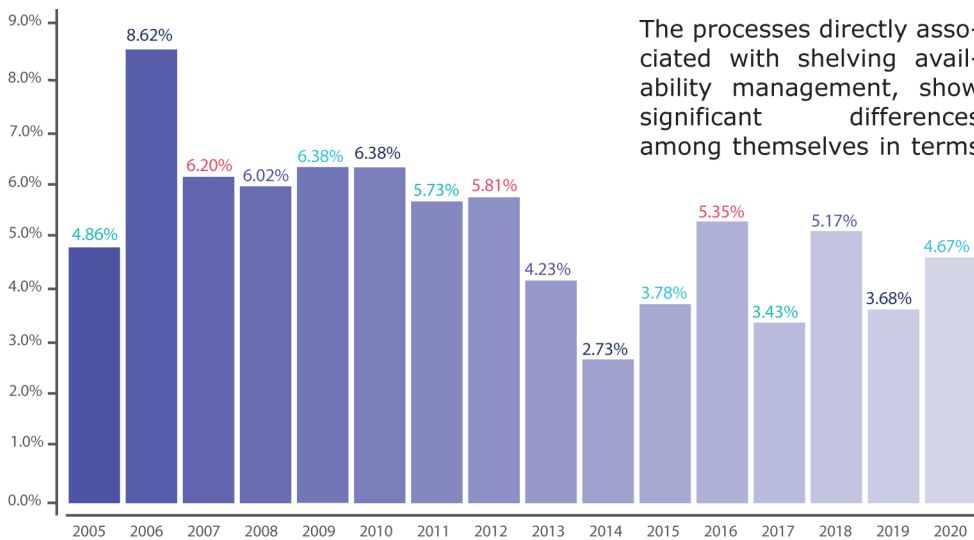
General Results FMG 2020

OSA	🟢	94%
OOS	🔴	5%
VOID	🟣	1%

5%
1%
94%
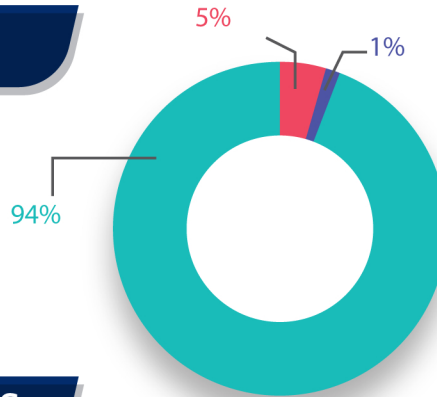
The data reflects the effort of the chains to maintain the availability of the products offered in the shelve. The 4.67% of measurements out of stock are detected and the recurrence of shortages due to cancellations of product availability reaches 1.20% of measurements.

Annual Evolution OOS (Out of Stock)

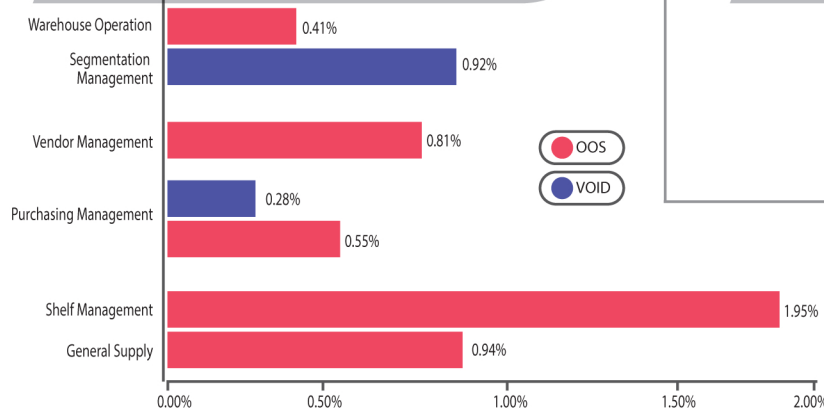| Year	Value
2005	4.86%
2006	8.62%
2007	6.20%
2008	6.02%
2009	6.38%
2010	6.38%
2011	5.73%
2012	5.81%
2013	4.23%
2014	2.73%
2015	3.78%
2016	5.35%
2017	3.43%
2018	5.17%
2019	3.68%
2020	4.67%

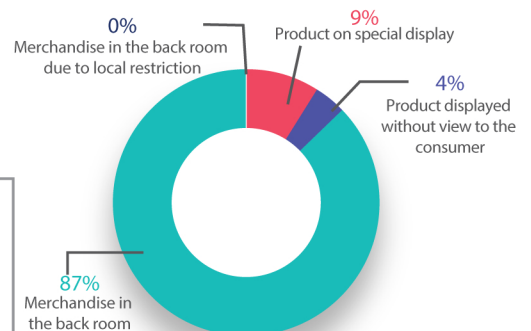The processes directly associated with shelving availability management, show significant differences among themselves in terms of the precision of their processes; identifying that the most relevant factor to improve is located in the administration of the shelving itself (1.95%).

This aspect represents a peculiar operational factor, since the actors involved in this activity are designated by both the chains and the suppliers, who assign their respective merchants.

Overall Performance of Processes

Process	OOS	VOID
Warehouse Operation	0.41%	
Segmentation Management		0.92%
Vendor Management	0.81%	
Purchasing Management	0.55%	0.28%
Shelf Management	1.95%	
General Supply	0.94%	

🔴 OOS
🟣 VOID

Shelving Management Performance

0% Merchandise in the back room due to local restriction
9% Product on special display
4% Product displayed without view to the consumer
87% Merchandise in the back room

FMG2020 Guatemala

Opportunities for improvement are mostly concentrated in the categories of personal care and home care. The joint work between chains and suppliers b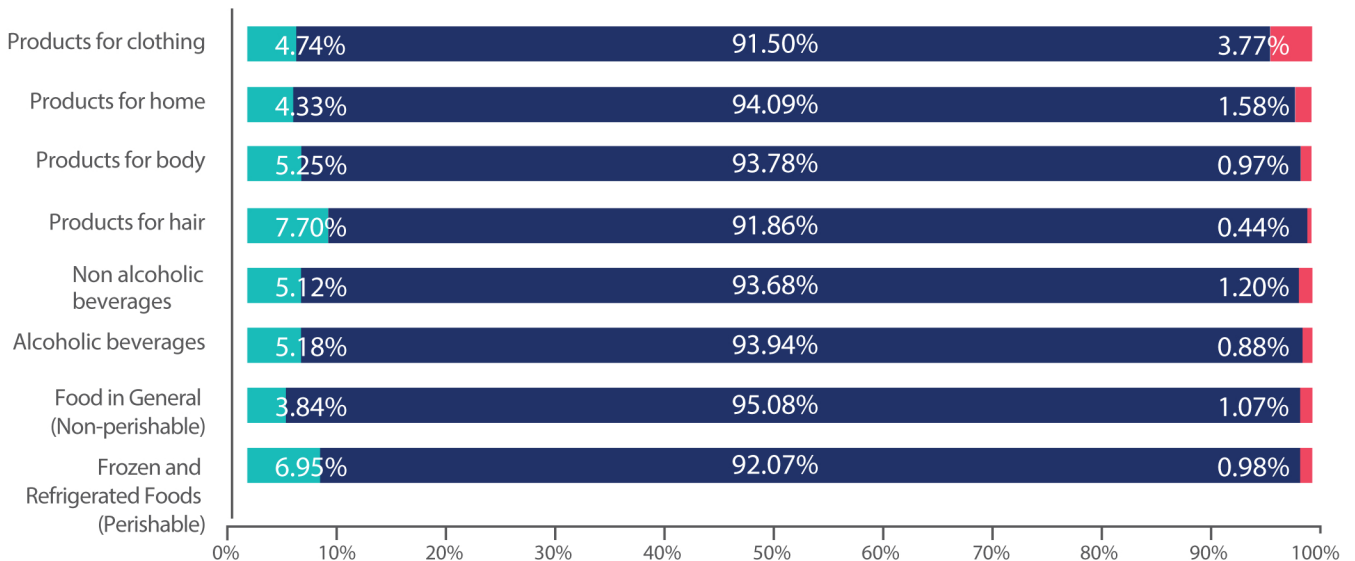ecomes an essential requirement to reduce the percentage of shortages in the shelve when the customer enters the stores to look for the product and does not find it in its usual place of display.
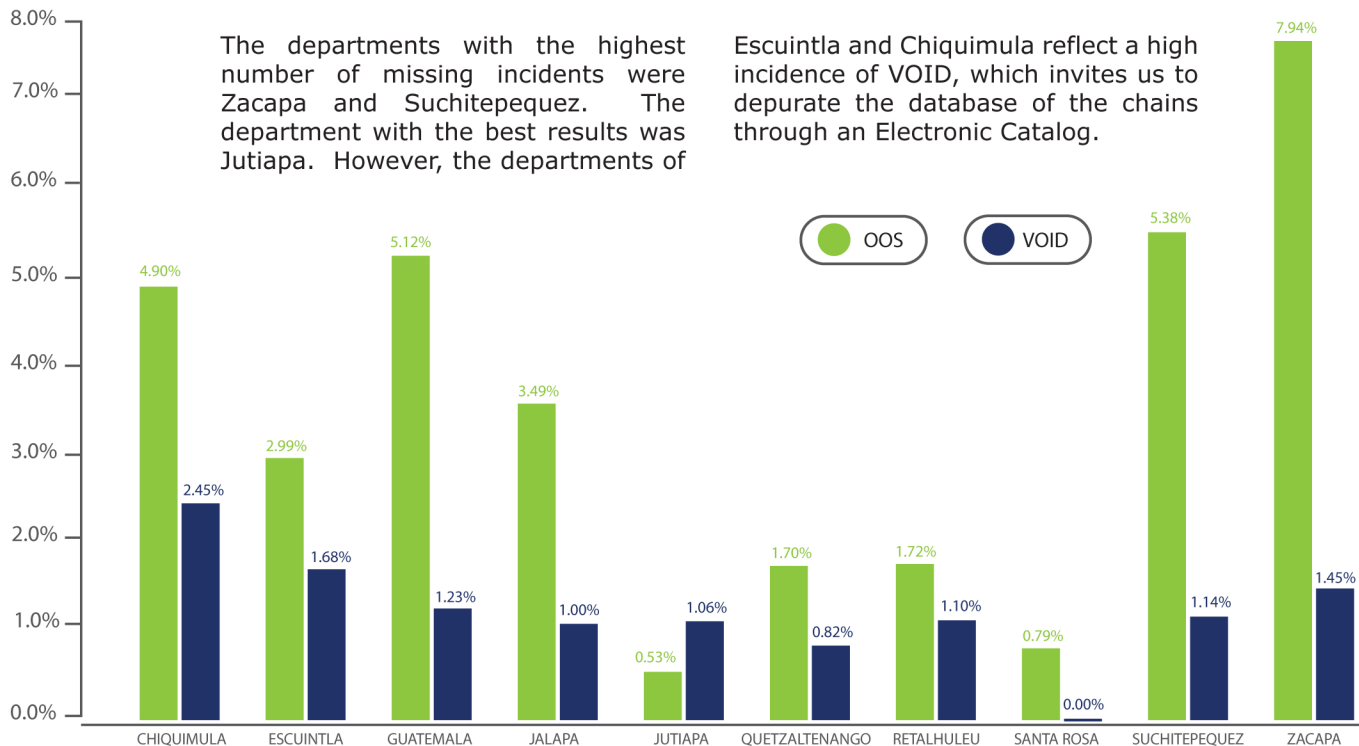
Results by category

CATEGORIES	% RELATIVE	AVAILABLE OR FOUND	NOT AVAILABLE	AMOUNT OF UNAVAILABLE	MEASUREMENTS
FOOD	56.90%	94.60%	5.40%	3,415	63,194
BEVERAGES	21.19%	93.76%	6.24%	1,468	23,533
PERSONAL CARE	10.37%	93.44%	6.56%	756	11,519
HOME CARE	11.54%	93.09%	6.91%	886	12,819

Impact of subcategories

OOS   OSA   VOID

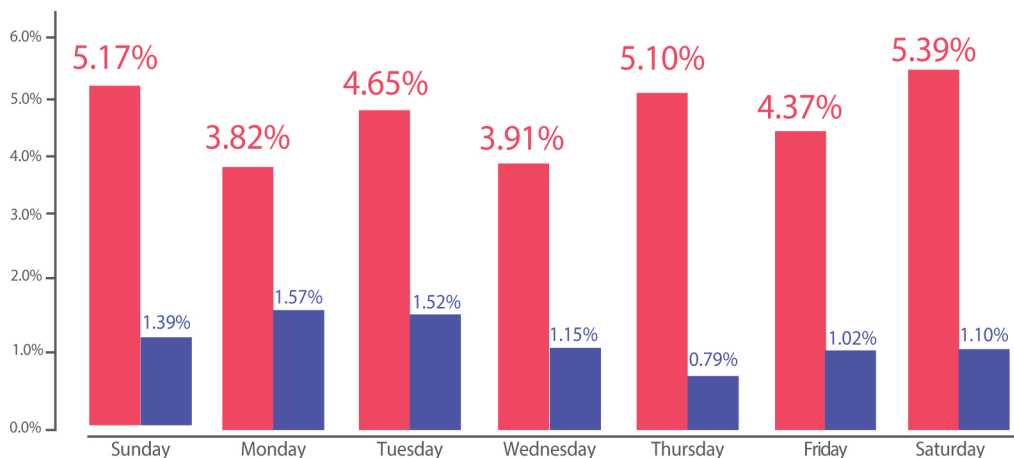| Subcategory	OOS	OSA	VOID
Products for clothing	4.74%	91.50%	3.77%
Products for home	4.33%	94.09%	1.58%
Products for body	5.25%	93.78%	0.97%
Products for hair	7.70%	91.86%	0.44%
Non alcoholic beverages	5.12%	93.68%	1.20%
Alcoholic beverages	5.18%	93.94%	0.88%
Food in General (Non-perishable)	3.84%	95.08%	1.07%
Frozen and Refrigerated Foods (Perishable)	6.95%	92.07%	0.98%

The five chains participating in the study were investigated in ten departments of the Republic of Guatemala.

OOS & VOID by department

The departments with the highest number of missing incidents were Zacapa and Suchitepequez. The department with the best results was Jutiapa. However, the departments of

Escuintla and Chiquimula reflect a high incidence of VOID, which invites us to depurate the database of the chains through an Electronic Catalog.

Legend: OOS • VOID

Chart — OOS & VOID by department:

Department	OOS	VOID
CHIQUIMULA	4.90%	2.45%
ESCUINTLA	2.99%	1.68%
GUATEMALA	5.12%	1.23%
JALAPA	3.49%	1.00%
JUTIAPA	0.53%	1.06%
QUETZALTENANGO	1.70%	0.82%
RETALHULEU	1.72%	1.10%
SANTA ROSA	0.79%	0.00%
SUCHITEPEQUEZ	5.38%	1.14%
ZACAPA	7.94%	1.45%

OOS & VOID by day of the week
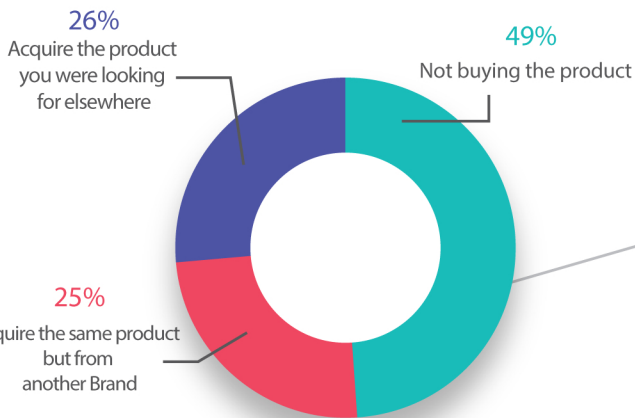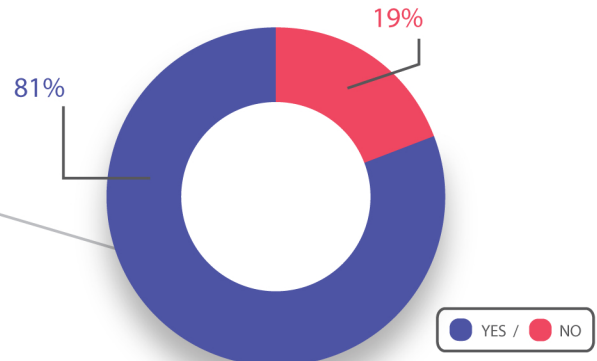
Legend: OOS • VOID

The day of the week that reflects the greatest opportunity for improvement in the availability of products is Saturday, followed by Sunday. We can also observe that the day with the least missing is Monday, which is in line with the buying behavior of consumers during the pandemic.

Chart — OOS & VOID by day of the week:

Day	OOS	VOID
Sunday	5.17%	1.39%
Monday	3.82%	1.57%
Tuesday	4.65%	1.52%
Wednesday	3.91%	1.15%
Thursday	5.10%	0.79%
Friday	4.37%	1.02%
Saturday	5.39%	1.10%

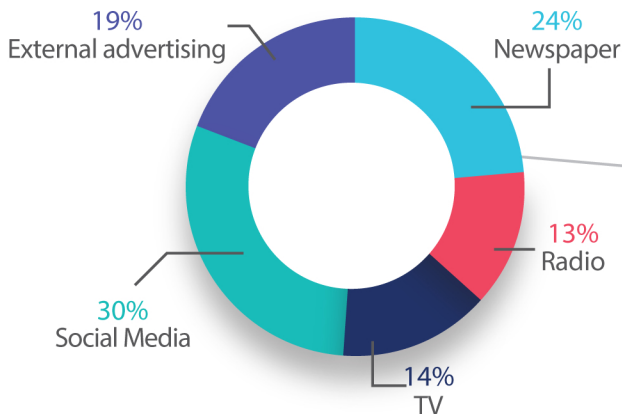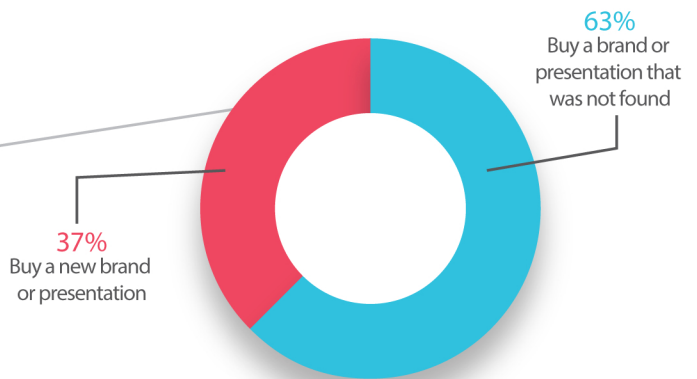The survey conducted during this study, reflects the consumer's perception of a shortage when looking for the product in its usual place of display. The data presented below correspond to a sample in which 35.09% of the interviewees are between 35 and 49 years old.

On today's visit, did you find all the products you were looking for?

81%

19%

YES / NO

26%
Acquire the product you were looking for elsewhere

49%
Not buying the product

25%
Acquire the same product but from another Brand

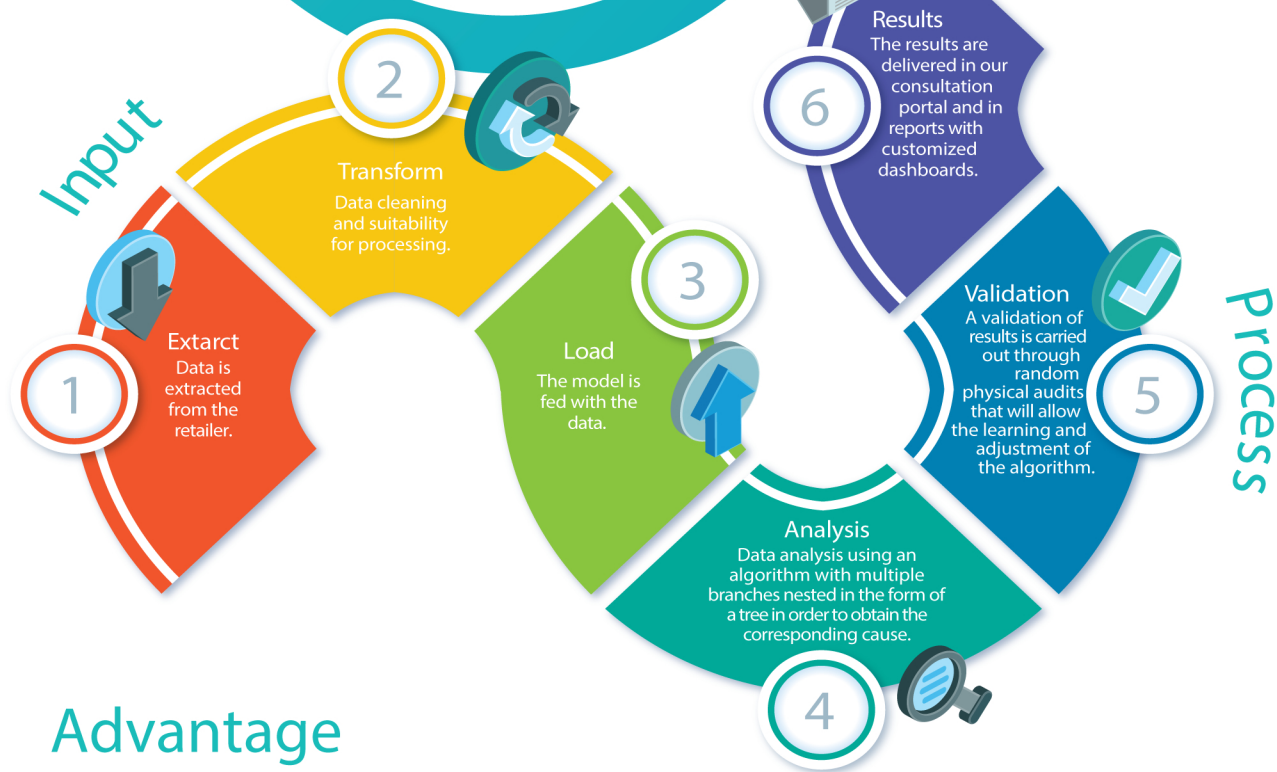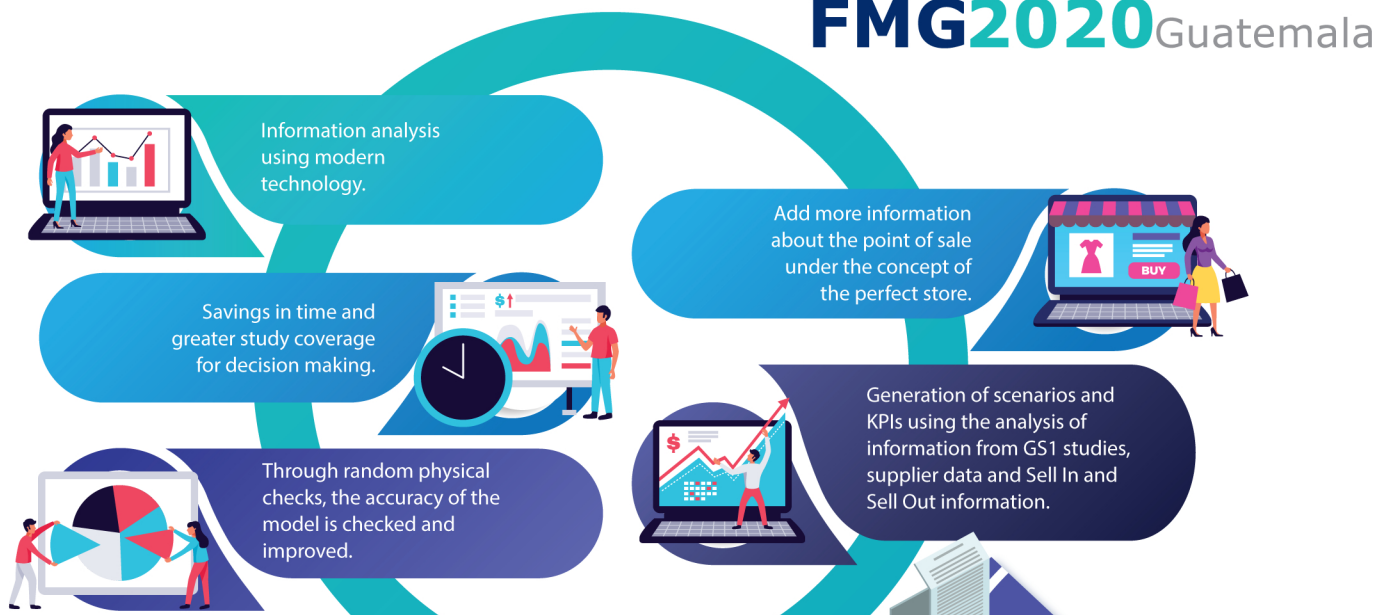**What is your attitude to the missing product?**

After acquiring a brand or presentation different from the one you were looking for, what do you do on your next purchase?

63%
Buy a brand or presentation that was not found

37%
Buy a new brand or presentation

19%
External advertising

24%
Newspaper

13%
Radio

30%
Social Media

14%
TV

How do you find out about supermarket promotions?

Information analysis using modern technology.

Add more information about the point of sale under the concept of the perfect store.

Savings in time and greater study coverage for decision making.

Generation of scenarios and KPIs using the analysis of information from GS1 studies, supplier data and Sell In and Sell Out information.

Through random physical checks, the accuracy of the model is checked and improved.

Input

2 Transform
Data cleaning and suitability for processing.

1 Extarct
Data is extracted from the retailer.

3 Load
The model is fed with the data.

6 Results
The results are delivered in our consultation portal and in reports with customized dashboards.

Process

5 Validation
A validation of results is carried out through random physical audits that will allow the learning and adjustment of the algorithm.

4 Analysis
Data analysis using an algorithm with multiple branches nested in the form of a tree in order to obtain the corresponding cause.

Advantage

1 Time saving.

2 Coverage up to 100% of the points of sale.

3 Daily measurement by product.

4 Incorporation of more indicators for analysis and decision making.

5 Visibility of opportunities for improvement in the current crisis and in the new normal.

Evolve your market research with GS1 Smart OSA

GS1 Guatemala:

Is a private, non-profit, technological and independent civil association, with the mission of promoting the successful application of the best multisectoral practices, based on the global GS1 identification and communication standards, promoting collaborative relationships between the participants of the Value Network to improve people's lives.

Acknowledgment:

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