

# Eliminate out-of-stock on the digital shelf

New metrics to optimize the digital shelf and improve your e-commerce performance

## You can't manage what you can't see. Location-based e-commerce analytics to eliminate out-of-stock.

Accurate out-of-stock rates are an essential part of the CPG data analytics toolkit. With this information, a manufacturer can prevent decreases in availability and harm to product searchability. However, this is only possible if the data is accurate and granular. The key to accuracy is location-based data which identifies the variances by online store giving complete visibility, which can help identify opportunities, localize issues and address gaps in availability.

This study illustrates how detrimental out-of-stocks were for one CPG brand in the cheese spread category, leading up to the highest food consumption day of the year, Thanksgiving.

### Why granularity is key

Sample store analysis can be dangerous, leading to inaccurate indicators that are not actionable.

#### Legacy analytics: Sample store tracking

Average OOS KPI accuracy by Target pickup store coverage



#### Full coverage methodology

Average OOS rate by 100% Target pickup e-store coverage



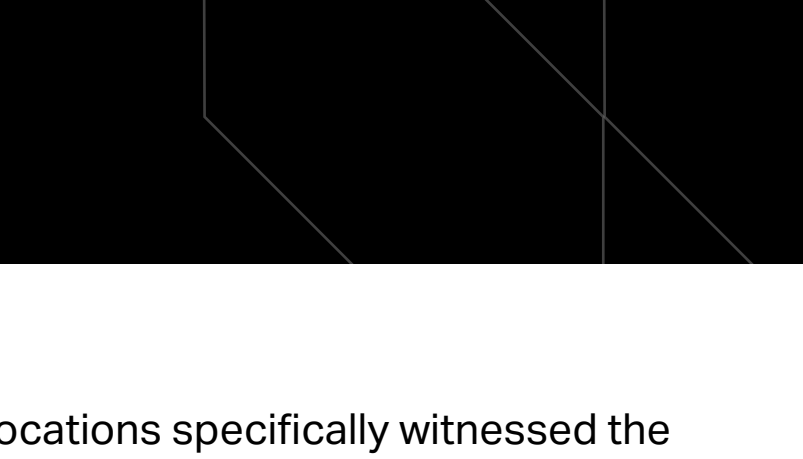
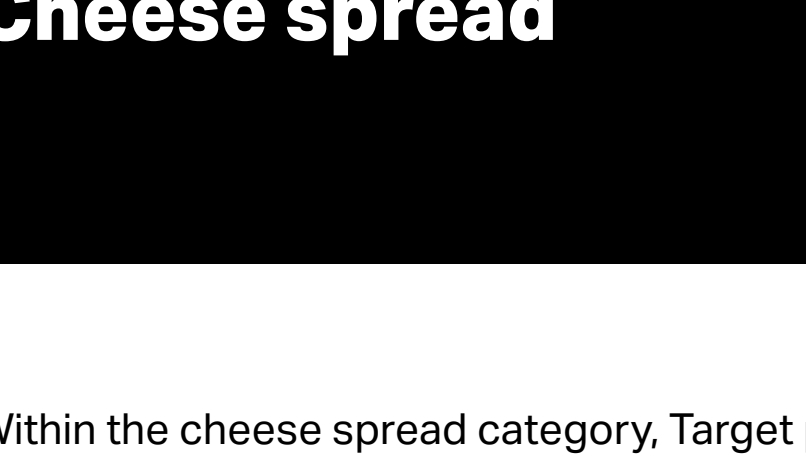
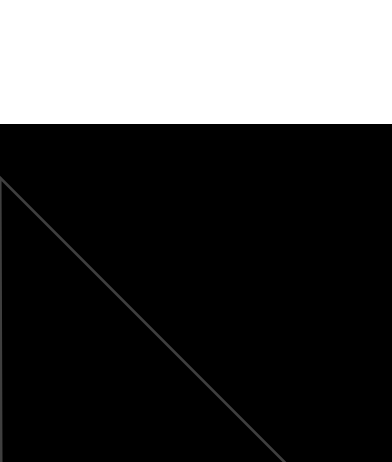
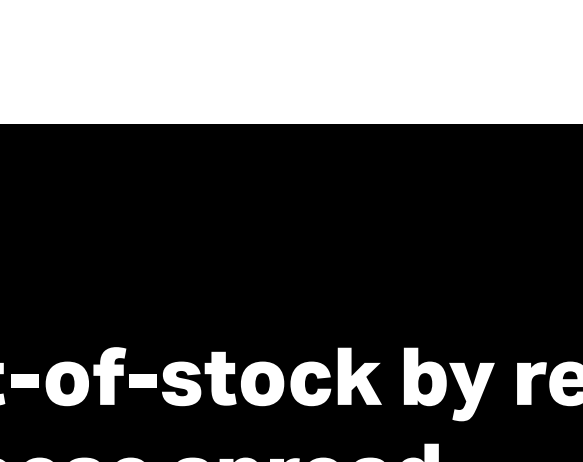
Full market view: Accurate & actionable

Note: Results are based on analysing OOS rates for Cheese spread Category of one manufacturer across Target Pickup stores in Week 46 of 2021  
Source: Data Impact by NielsenIQ

## Out-of-stock by category: Cheese spread

The cheese spread category experienced increasing availability issues versus the category crackers during the weeks leading up to Thanksgiving in the U.S.

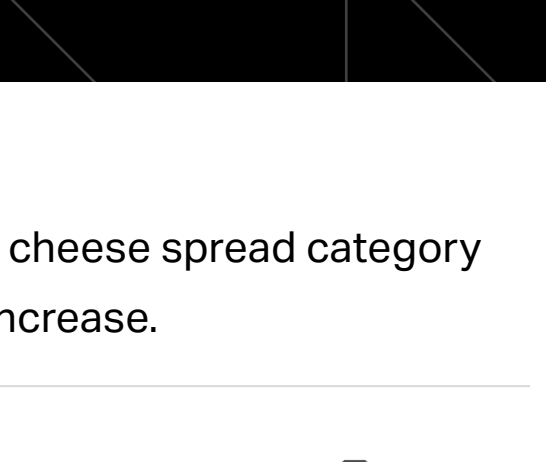
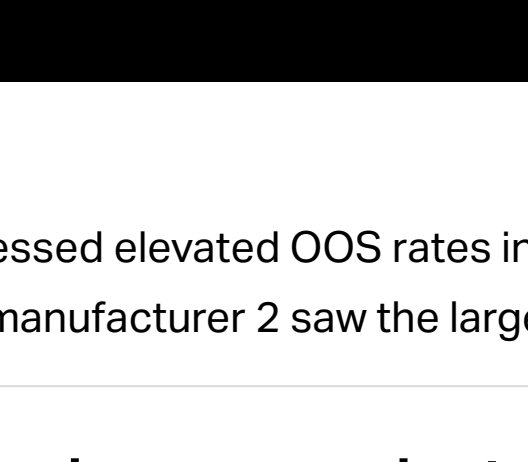
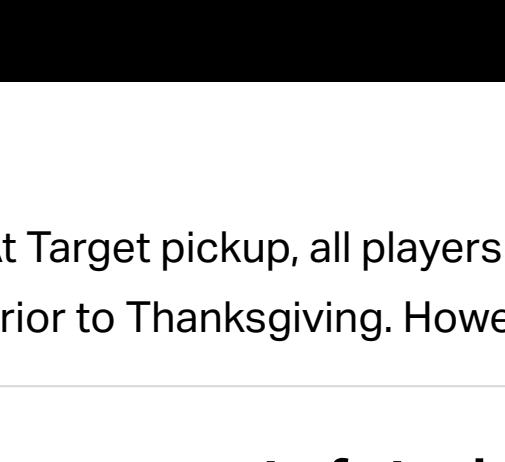
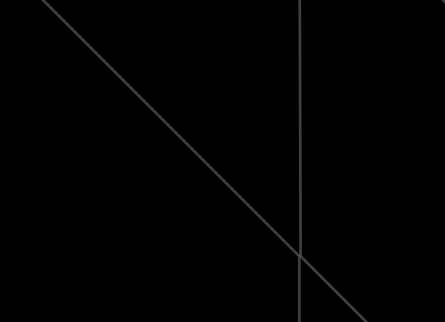
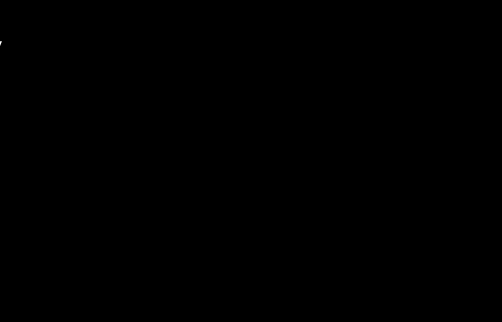
### Average out of stock rate, November 1 – 21, 2021



## Out-of-stock by retailer: Cheese spread

Within the cheese spread category, Target pickup locations specifically witnessed the largest spike in OOS rates.

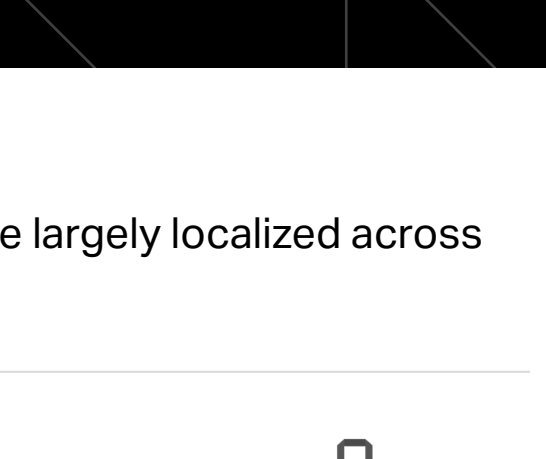
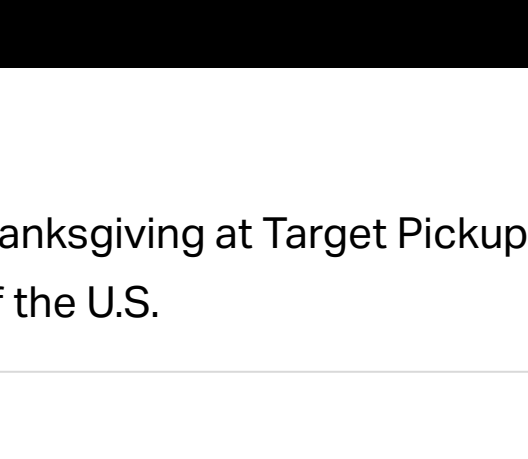
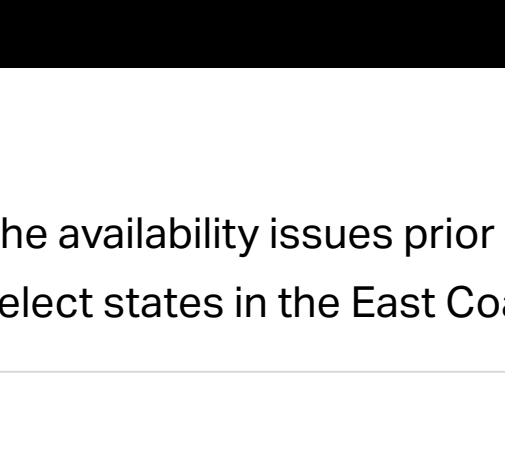
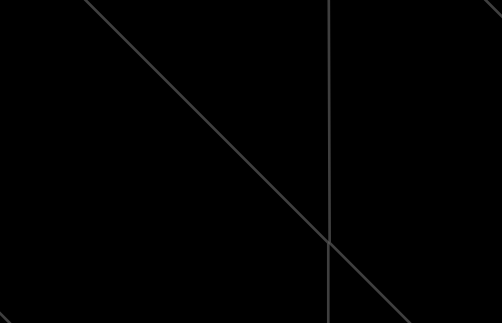
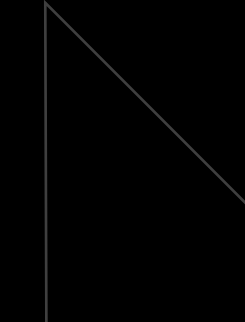
### Average out of stock rate, cheese spread category, November 1 – 21, 2021



## Out-of-stock by manufacturer

At Target pickup, all players witnessed elevated OOS rates in the cheese spread category prior to Thanksgiving. However, manufacturer 2 saw the largest increase.

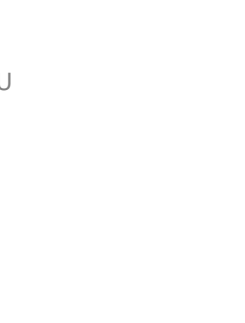
### Average out of stock rate, cheese spread category, November 1 – 21, 2021



## Out-of-stocks across regions

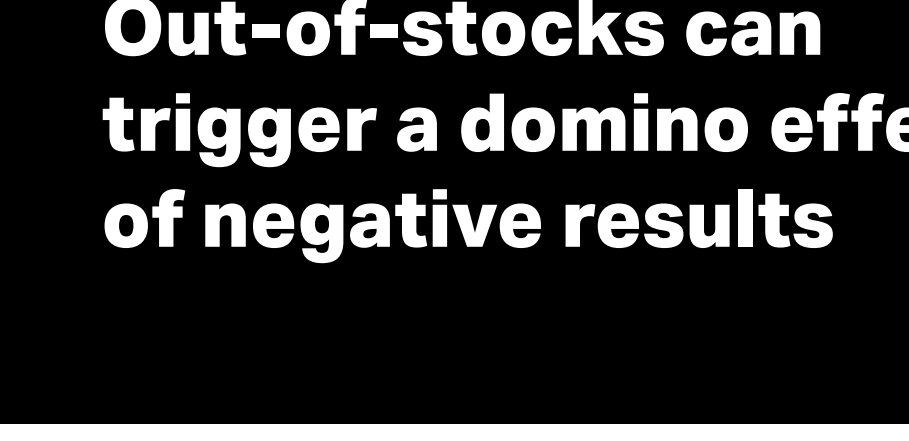
The availability issues prior to Thanksgiving at Target Pickup were largely localized across select states in the East Coast of the U.S.

### Average out of stock rate for cheese spread category

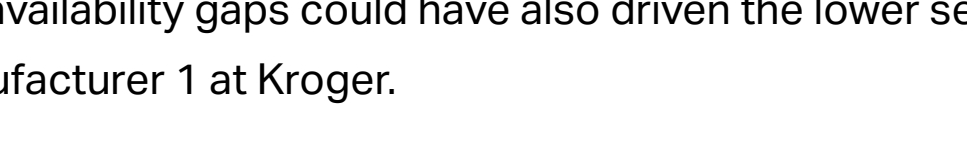


1 - 7 November

15 - 21 November



OOS rates per region



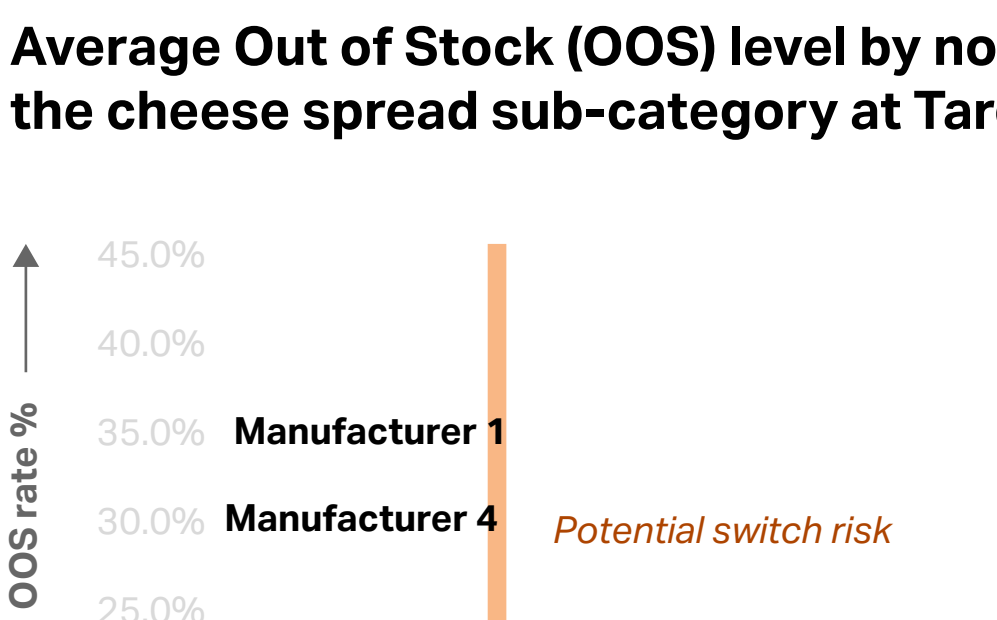
W44: Wichita, KS Store: 14% OOS rate on one specific SKU  
Mobile, AL Store: 14% OOS rate on one specific SKU  
Source: November 1 - 21, 2021

W46: Wichita, KS Store: 71% OOS rate on one specific SKU  
Mobile, AL Store: 71% OOS rate on one specific SKU

## Out-of-stocks can trigger a domino effect of negative results

In addition, product availability gaps could have also driven the lower search performance of Cheese spread manufacturer 1 at Kroger.

### Correlation between cheese spread manufacturer 1' Top 10 share of search for the keywords "Spreadable cheese" and cheese spread manufacturer 1' OOS rate in the cheese spread category



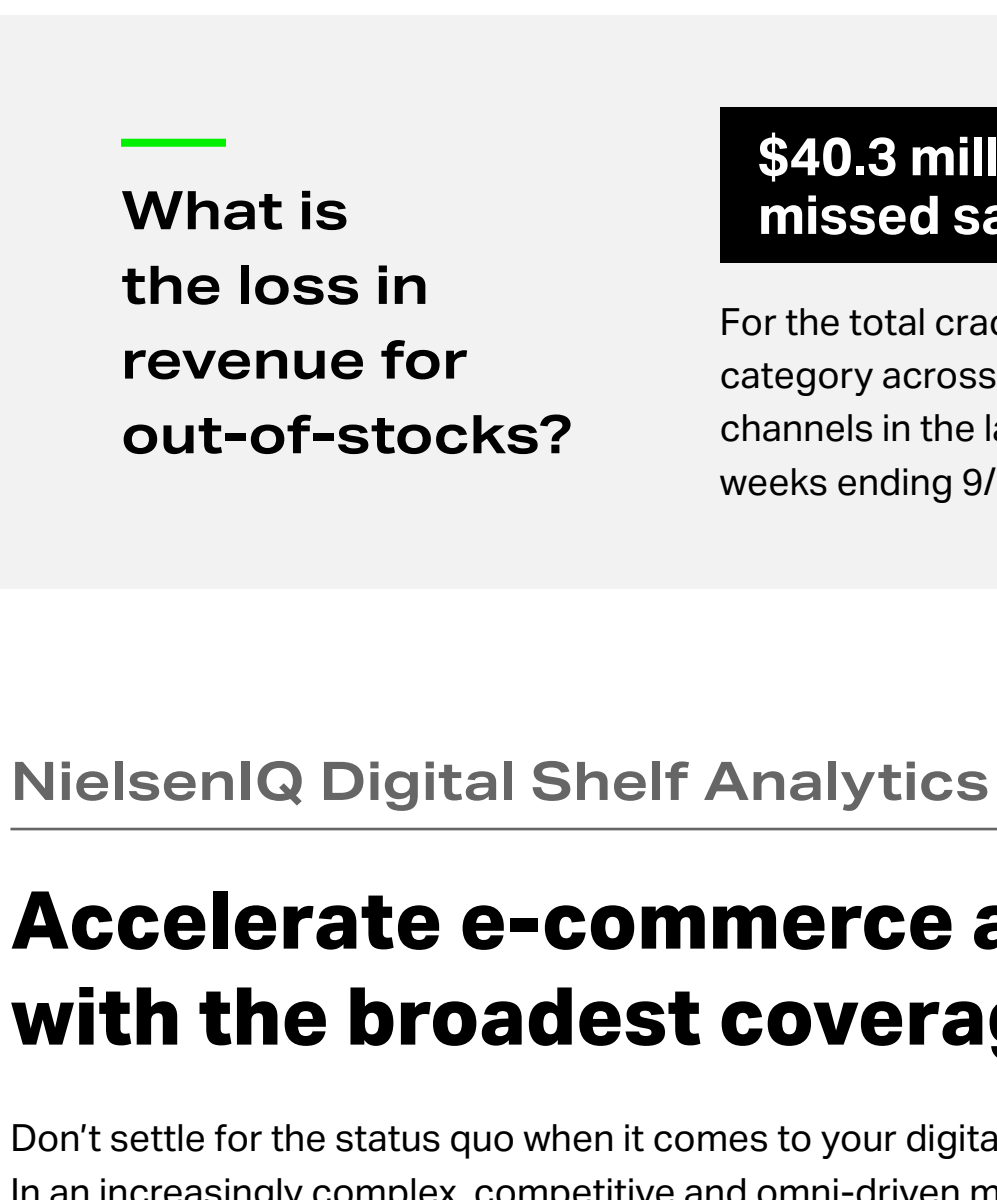
Source: Data Impact by NielsenIQ  
% week 44 of 2021 to week 47 of 2021, U.S.

#### Low search performance

For manufacturer 1 at Kroger, when out-of-stock rate was high during the week of 10/29, the share of search was low. In the weeks following, out-of-stock rates came down and share of search improved.

Low out-of-stock rates also contribute to a higher risk in brand shifting.

### Average Out of Stock (OOS) level by no. of products of key players in the cheese spread sub-category at Target pickup



#### Potential brand shift risk

The shift risk to a competitor and the loss of a loyal customer is high in this scenario where the brand's product out-of-stocks are great but competitors are not. With inflation soaring and competition on the shelf fierce out-of-stocks are even more detrimental to the business.

What is the loss in revenue for out-of-stocks?

\$40.3 million missed sales

For the total crackers category across all channels in the last 13 weeks ending 9/29/22

\$16.7 million missed sales

For the total cream cheese category across all channels in the last 13 weeks ending 9/29/22

### NielsenIQ Digital Shelf Analytics

## Accelerate e-commerce action with the broadest coverage

Don't settle for the status quo when it comes to your digital shelf. In an increasingly complex, competitive and omni-driven marketplace, just monitoring data doesn't drive sales momentum. And sampling only skews your view — you don't know, what you don't know.

Legacy analytics use sample data but optimizing the digital shelf requires store level analytics. As they say, you can't manage what you can't measure.

NIQ's Digital Shelf Analytics platform is the industry's only store based AI tool to improve search rankings, out-of-stock rates and marketing ROI. Reach out to an NIQ expert now to discuss opportunities to improve your e-commerce performance and outperform the competitors.

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