

# XX On Shelf Availability Study

## FMG - 2024



September 2024

## Check on shelf availability 20 years

Two decades have passed since the first study of shelf availability, which at that time we titled FMG, an acronym that expressed the importance of understanding the causes that cause Merchandise Missing on Shelves.

Finding clear causes of why a product is not in the consumer's usual place of purchase has allowed, over the years, to take preventive and corrective measures that industries have been taking to have a better ability to manage the processes involved. . and the processes that can be replaced by other types that optimize the value chain, until they become an indicator that allows agreements to be reached between retailer and supplier for the good of their consumers.

In all previous editions we have been emphasizing that shelf availability is linked to factors as important as consumer habits and the perfect store layout. Consumer habits have undergone extremely important changes in recent years, particularly with the incorporation of smartphones, access through the web to information directly from the manufacturer and the ability to compare online, not only prices, but also characteristics of the product. Today we are proud not only to present such an important study, which takes information and sends it instantly to take immediate actions, because we have also grown in the ability to do data analysis using Machine Learning and using very advanced computer tools to offer our associates and clients products that allow them to predict, with their own data and the data already provided by the chains, how the supply and the entire value chain will behave. Ask us how we can support you to get more out of the information in your ERP, the

information you acquire from retailers and interconnect it with studies to anticipate and make decisions with a well-founded database.

The shelf presence factor becomes extremely crucial to establish consumer preference, if the product is not seen or is not where it should be, it is most likely that we will lose the preference for that purchase and future purchases by a consumer each time. more demanding. This year we maintain very similar indicators to those of 2023, however we have to analyze the performance of the processes, the back room and the agility that both the chain and the supplier must have to keep their products in view of consumers and not in a back room.

Arturo Ramírez Munguía.  
CEO.

● OSA (On Shelf Availability)

● OOS (Out Of Stock)

● VOID (Discontinued)

### Parameters and Metodology

To maintain the objectivity of the measurement, a shelf shortage is considered to be any product that is not found in the usual display location within the store, when the customer requests it.

- **Measurement period** June 21 to August 12
- **Days of the week** Monday to Sunday
- **Measurement schedules** A.M. - P.M.



● Sample ● Format



### Categories and subcategories



The six chains participating in the study were investigated through 170,589 measurements carried out throughout the period from June 21 to August 12 of this year, covering 221 visits to stores of the six chains in their different formats.

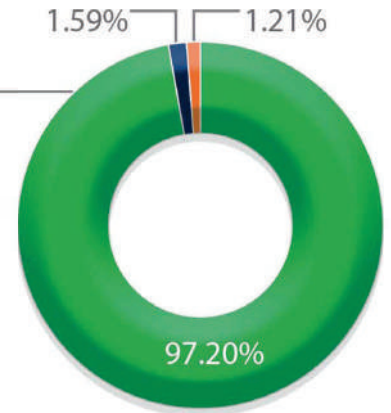
The expected products are found in the places intended for presentation to the end customer on 97.20% of occasions, which represents 165,814 satisfactory finds.

### General Results FMG 2024

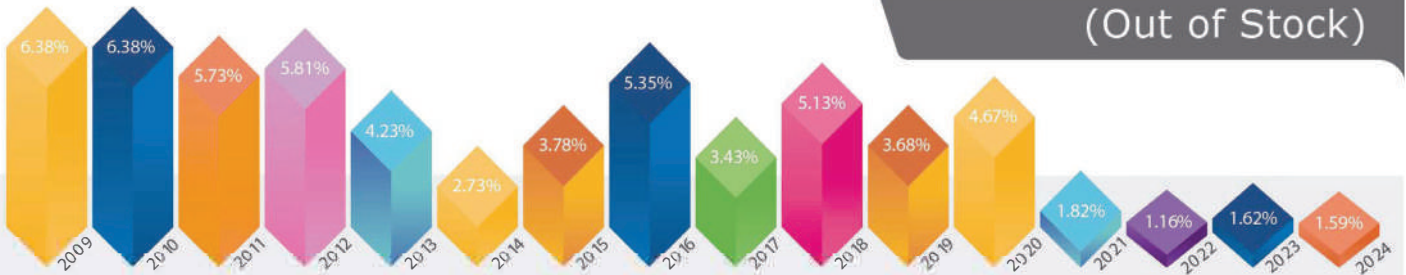
- OOS (Out of Stock)
- OSA (On Shelf Availability)
- VOID (Discontinued)

The data reflects the chains' efforts to maintain the availability of products offered on shelves.

1.59% of out-of-stock measurements are detected and the recurrence of shortages due to cancellations of product availability reaches 1.21% of the measurements.

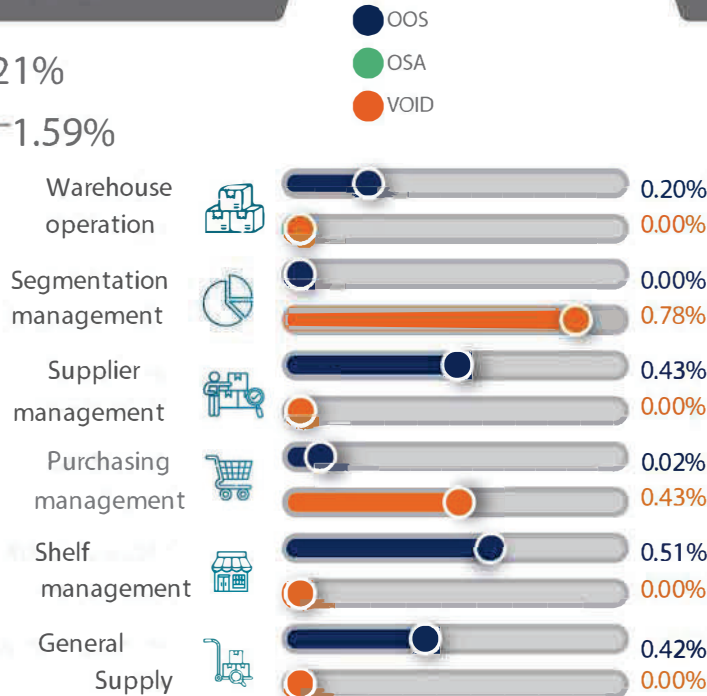
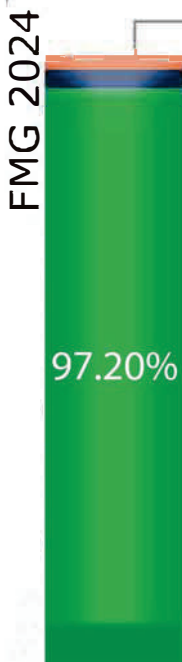


### Annual OOS (Out of Stock)

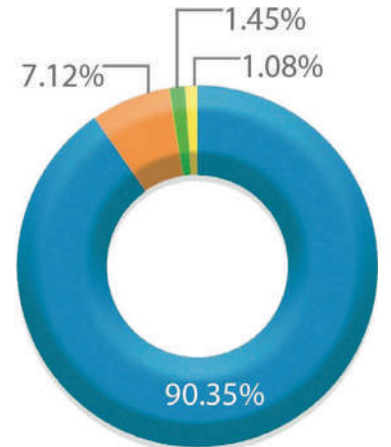


The processes directly associated with the availability of products on shelves show significant differences between themselves in terms of the precision of their processes; identifying that the most relevant factor to improve is located in the administration of gondolas (0.51%).

### General Process Performance



### Shelf Management Performance

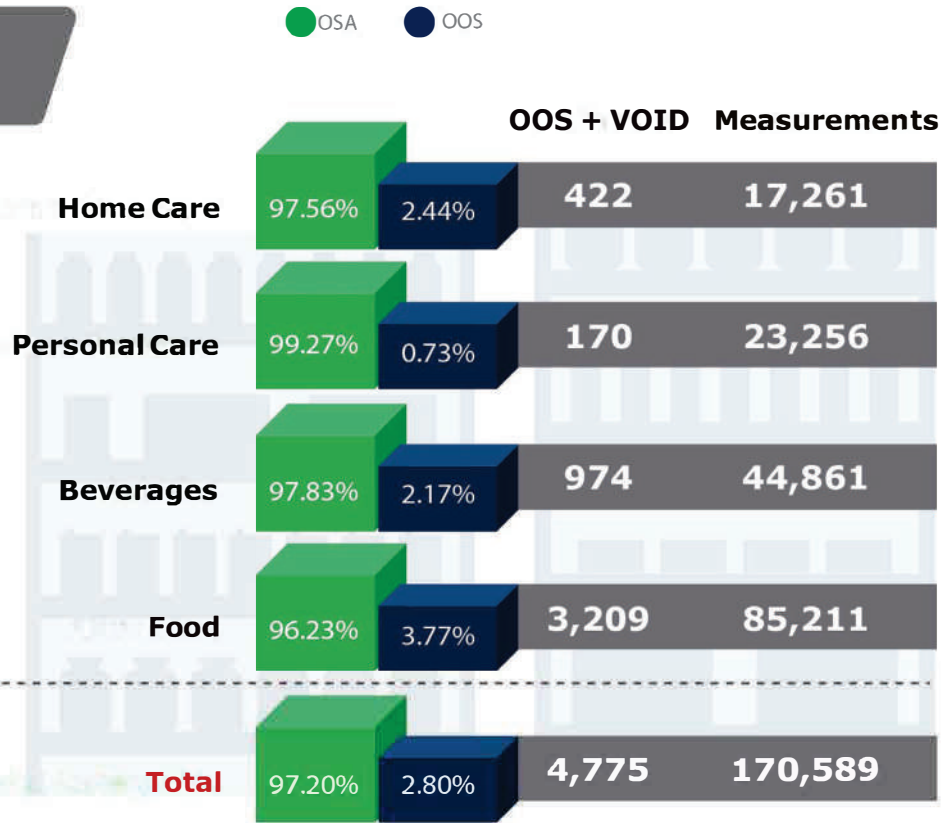


- Merchandise in back room
- Product on special display
- Merchandise in back room due to local restriction
- Product displayed without view of the consumer

Opportunities for improvement are mostly concentrated in the food and beverage categories. Joint work between chains and suppliers becomes an essential requirement to reduce the percentage of

shortages on the shelf when the customer enters the stores to look for the product and cannot find it in its usual display location.

### Results by Category



### Impact of Subcategories

