



On-Shelf Availability: The Key To Recurring and Growing Sales

Achieve Significant OSA Improvement
With Inflect's Image Recognition Solution



What is On-Shelf Availability?

On-shelf availability (OSA) is a metric that measures the availability of a product for sale to the customer at any given time. In other words, OSA is the number of products readily available to the customers to buy from a store. For instance, a skincare brand wants an assortment of ten of its best-selling SKUs to be present inside a store, but only five are available on the shelf. This attests that OSA for that particular product assortment is 50%. It is a cumulative result of three stages: Warehouse Availability, Store Availability, and Shelf Availability.

Product Availability, according to Lambert, Stock & Ellram, can be defined as the “customer service output of a successful supply chain system.” In this regard, availability can be calculated as:

$$\text{Availability} = \frac{\text{Demand satisfied}}{\text{Total demand}}$$





On-Shelf Availability Vs Out Of Stock

On-Shelf Availability (OSA) & Out of Stock (OOS) are the two sides of the same coin. Mathematically, OSA is the mirror opposite of OOS, i.e, while OSA focuses on the fraction that is available, OOS represents the gap.

Below are a few figures to better understand the correlation and the impact on sales when shoppers do not find the products on the shelf:

31%

of shoppers buy the product in need but from a different store, be it online or in-person.

26%

end up opting for a different brand.

19%

buy the same brand, but a different variant (size, flavor, etc.)

15%

postpone the purchase to the next date.

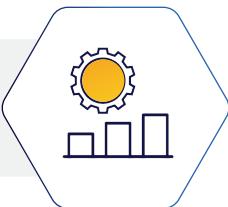
9%

do not buy.



Why is OSA Critical To FMCG Brands

For manufacturers, a 3% increase in OSA equals a 1% increase in sales



For retailers, a 2% increase in OSA equals a 1% increase in sales



Sales in the CPG industry are highly volatile and depend on a lot of factors-some regulatory, others not. A playing ground with conditions like this, the CPG brand leaders ensure that they are on top of everything that can be tamed. OSA hits the number one priority to set things straight. Ensuring that a product is on the shelf, at all given times is essential for the user to make a purchase. Furthermore, additional elements like eye level product positioning, adjacencies that induce impulse/complimentary purchase, replenishing out-of-stock in time, etc.

Since On-Shelf Availability is directly proportional to the sales value, poor OSA is a nightmare for FMCG companies as it directly shows a blow to revenue generation. Here are some of the most common causes that impede the OSA score.

1 Poor Inventory Management

2 Inaccurate Forecasting

3 Ordering Problems

4 Data Silos

5 A Lack of Planning & Management



Why FMCG brands should be focusing on elevating their OSA scores

Improve Business

- Eliminate Out-of-Stock With Precision
- Reduce Distribution Voids
- Improved Return-On-Sales



Reduce Existing Costs

- Improve the Efficacy of Trade Promotions
- Accurate Demand Forecasting
- Reduce Inventory Expenses



Better On-Hand Resource Utilization

- Streamline the Supply Chain Workflow
- Enhance Sales Force Efficiency
- Eliminate Human Error





Improving OSA with Infilect: The Key To Massive CPG Sales

In order to identify the obstacles and address them with precision, one needs to know in real time what products are out of stock, and in what geographic location. This calls for a robust data collation system that makes daily demand data available and accessible to all the key stakeholders involved.

One law from the textbooks that facilitate effective management of OOS and thereby increases OSA across stores is Pareto's Law. It states that: **"Focusing on the top 20% of the offending items and stores will provide 80% (and often more) of the benefit."**

Infilect offers the most advanced and comprehensive image recognition AI that lets you track the product position on shelves, its adjacencies, the share-of-shelf, trade promotion efficacy, brand visibility, and much more. Such detailed information in real-time equips the key decision-makers with metaphorical binoculars that let them see the happenings inside a store.





Introducing Infilect's Flagship Product InfiViz

A comprehensive visual intelligence platform for the most accurate, real-time in-store execution insights.

- Click n Go store audits
- In-store execution insights within 60 seconds
- Competitive intelligence
- Compliance monitoring
- AI-powered sales recommendations
- Lightning fast product setup within 2 weeks
- Multi-object & dynamic shelf tracking
- Per-store level retail insights

Capturing of high quality in-store images by on-field merchandisers.



Accurately identifies SKUs and display promotions from the images captured from every store.



Critical and actionable execution insights are made available on the InfiViz Dashboard and shared using trackers directly into stakeholder inbox.



Execution insights and targeted action plans are available to on-field merchandisers within 60 seconds.



Why FMCG Brands Love Inflect?

Better Control

- Automated store audits Vs Manual audits of just a sample
- Merchandiser real-time tracking using facial recognition & geo tagging
- Gather evidence of merchandisers' store visits and activity to determine appropriate merchandisers' pay-outs

Efficiency at scale

- 70% time saved for merchandiser audit time per store
- Merchandisers are equipped with real-time action plans within 60 secs to instantly fix execution issues on-the-spot
- 25% reduction in sales beat time, hence more stores covered

Effectiveness and Impact

- 20% Improvement in Share-of-Shelf and On-Shelf Availability of SKUs
- 40% Improvement in penetration of brands per store
- 30% saved on multi-million trade marketing budgets
- 2%-5% lift in per-store sales



Retail Visual Intelligence

anand@infilect.com

vijay@infilect.com

www.infilect.com

