Granularity Is Key To Demand Planning Today

Currently, only 37% of firms report the ability to forecast demand at the store SKU level.

The need for granular planning is clear

Performance metrics highlight the need for hyper-local planning.

58% of retailers report an out-of-stock rate of 6-10%

57% of CPG firms state fill rate is extremely varied from one location to the next

54% of retailers reported a markdown rate of 11-15%

47% of CPG firms said planogram compliance is extremely varied between locations

Challenges around demand and assortment planning

Between a quarter and a third of retailers and CPG firms struggle with various data challenges:

29% Inability to tie together internal and external data

26% Lack of in house skills to derive recommendations and actionable insight

26% Inability to harmonize data and recommendations across channels, banners, brands, and locations

25% Inability to derive timely recommendations from analysis of "same store" comparative data

Modernizing demand planning with predictive analytics

77% of retail and CPG firms are beginning to use predictive analytics. Through enhanced demand and assortment planning, firms expect improved out of stock rates, markdown rates and inventory turn.

Methodology

Source: A study conducted by Forrester Consulting on behalf of IBM, July 2018

Base: N286 Retail and CPG decision makers in UK, USA, Japan, Australia and France with responsibility for or knowledge of demand and assortment planning.

© 2018 Forrester Research, Inc. All right reserved. Forrester is a registered trademark of Forrester Research, Inc.