

2019
2020
2021

2022 Outlook

for Retail Execution Teams



INDUSTRY
REPORT



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01

About the Report

Foreword by Mat Brogie, CEO - Repsly

The past two years have been marked by massive change in how CPGs operate in the trade. In my 20 years of experience, **I've never seen our industry evolve as much as it's been forced to these past 20 months.** The unprecedented pressures began with massive lockdowns keeping consumers out of stores and strict health measures affecting how products were handled; and evolved to dramatic pressures on product mix, enormous supply chain disruptions and an incredibly tight labor market.

CPGs that are surviving these pressures are doing so because they are able to understand what is happening at retail, adjust and adapt their go-to-market strategies, and execute these new strategies quickly. The retail execution field team is central to a CPG's go-to-market plan, and this piece of the **industry has experienced the kind of stress that creates permanent change.**

From our vantage point working with hundreds of CPG field teams, we see that these pressures are forcing companies to think differently about how their teams operate in the trade and address new kinds of problems, to have more control and drive more impact.

To help all the leaders in the industry understand these new challenges, shifts, and best practices, as well as any future ones, Repsly had decided to survey, analyze the market, and publish the results annually. Repsly's 2022 Outlook for Retail Execution Teams is the first research of its kind, and we are making it available to the industry to help CPGs **better understand the impact being felt by organizations operating in retail, and how those organizations are choosing to adapt.**

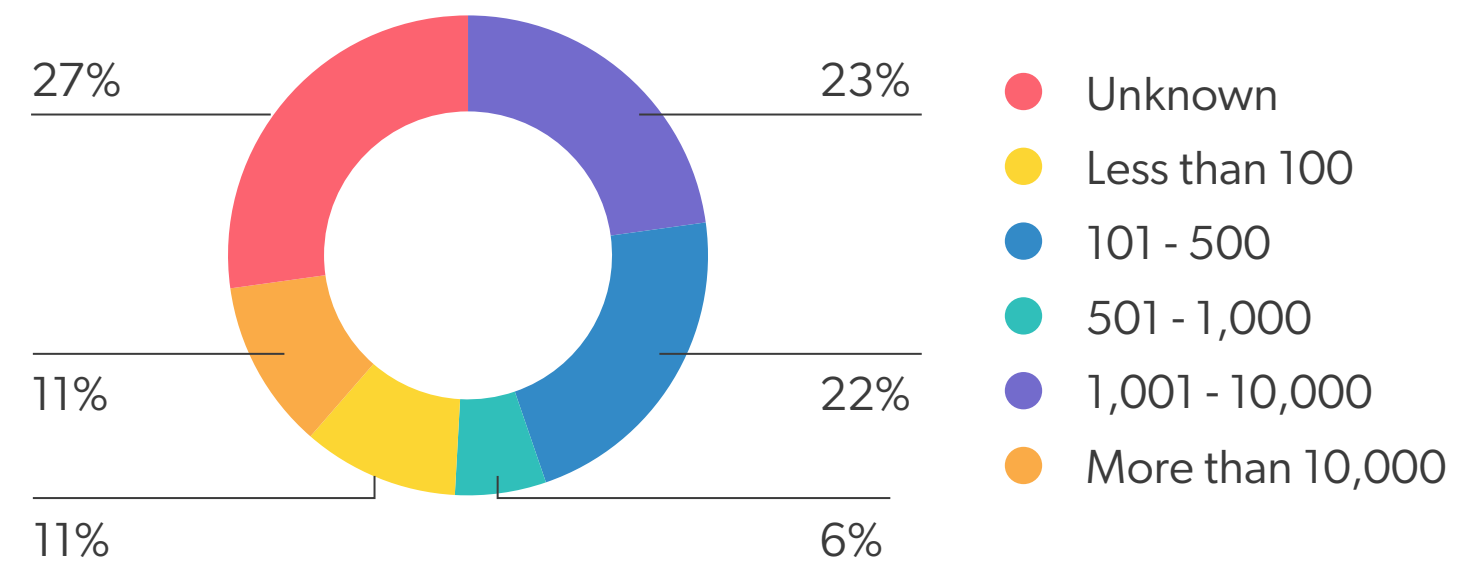
We are committed to delivering value to consumer goods organizations with our award-winning, enterprise class retail execution platform, and offer this report to share our most recent research into the biggest trends and plans impacting how CPG organizations deploy field teams in the trade.

More than 100 CPG companies provided information about how they have changed their approach to operating in retail, and the impact the continuing health crisis is having on the way they approach field operations — and their view of the future. Our hope is that this report and insights will be helpful as you continue to navigate our changing retail execution landscape.

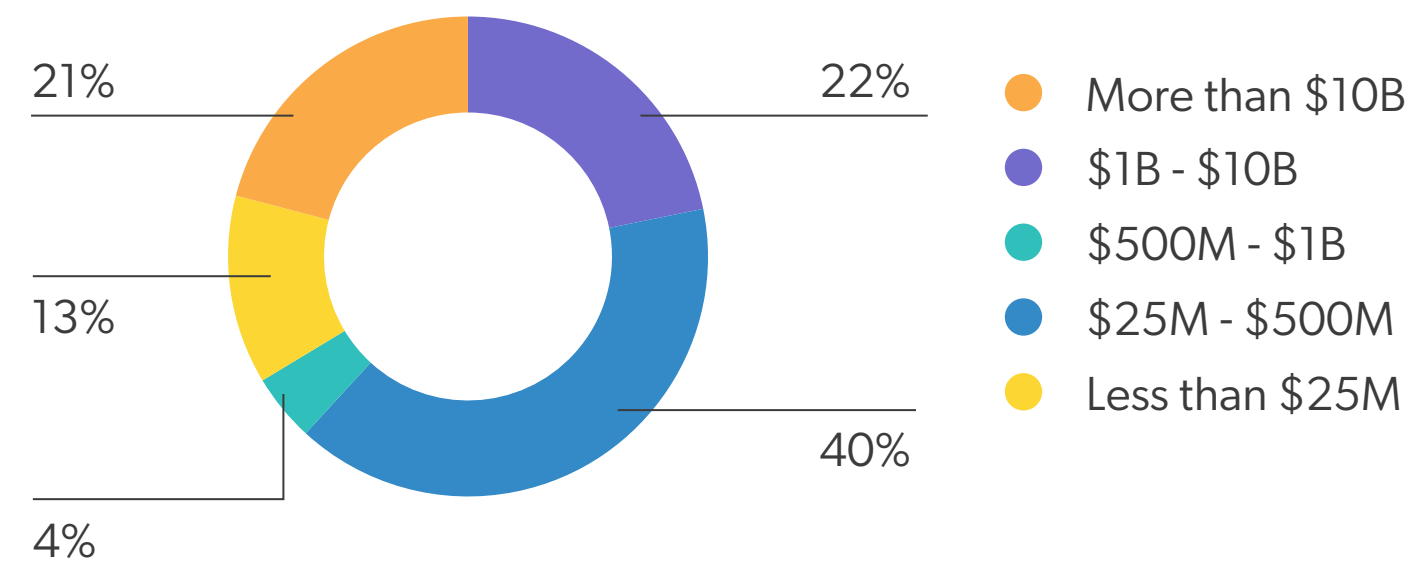
02

Demographics of Respondents

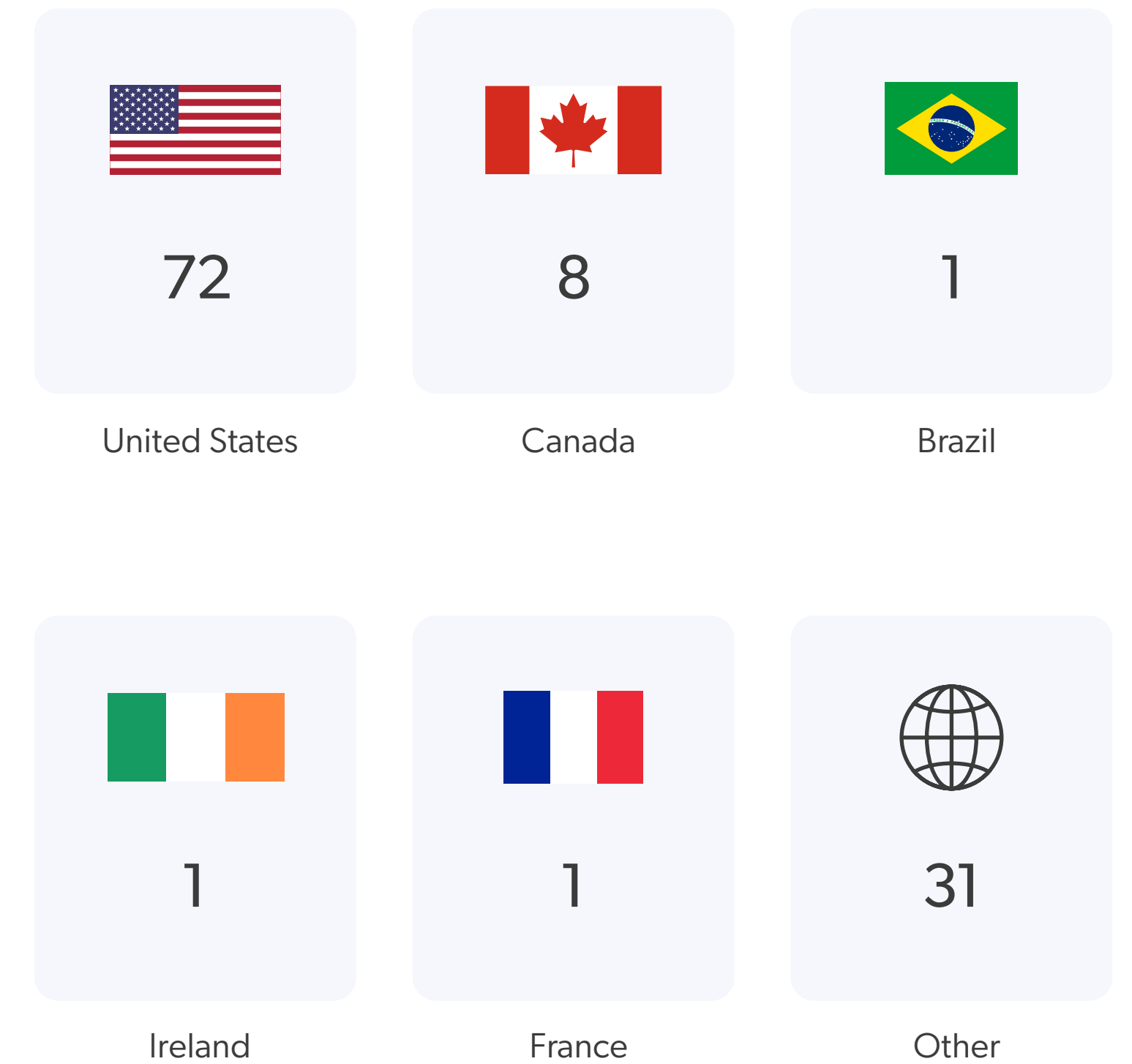
Company Size, Number of Employees



Revenue Groups



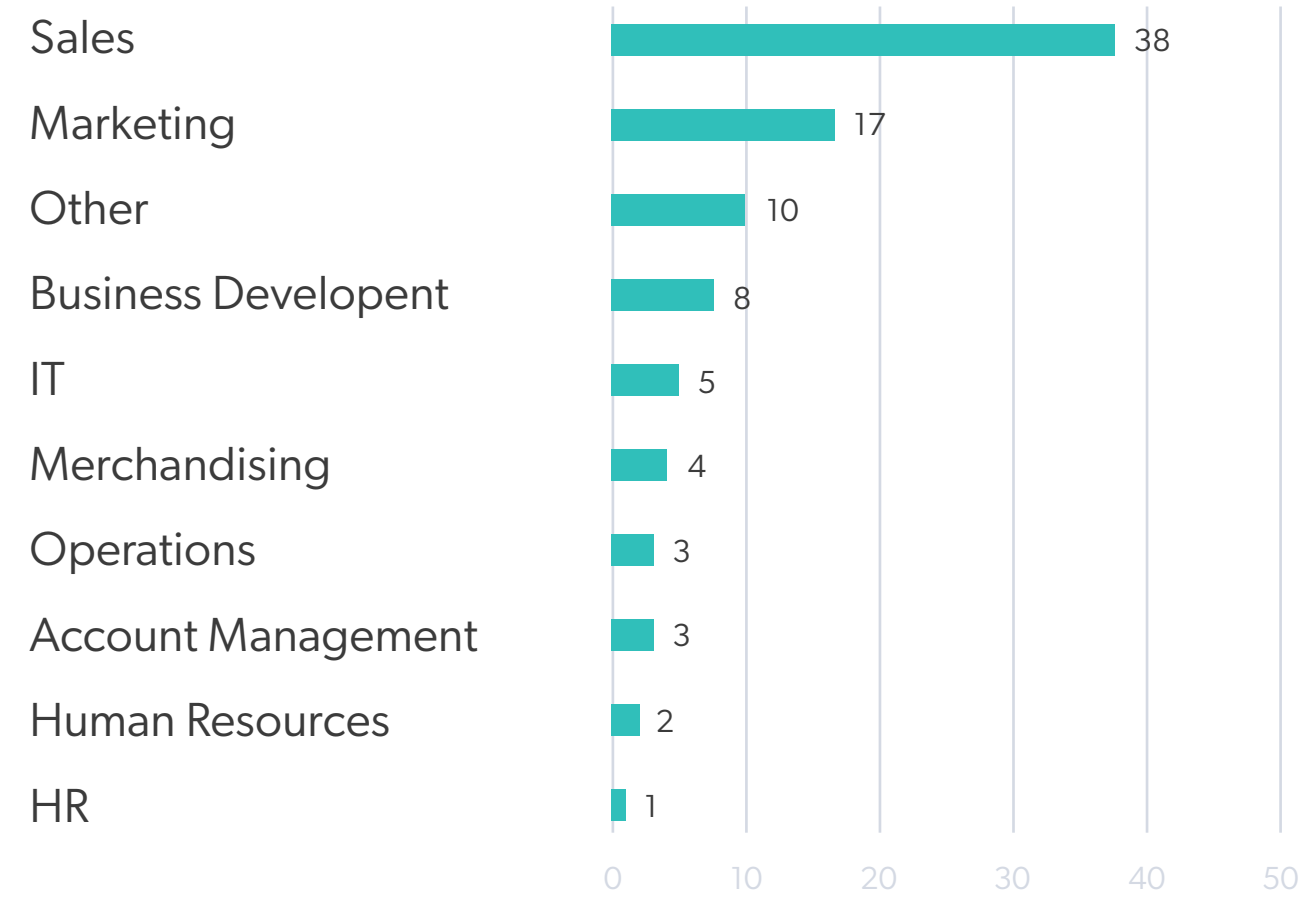
Region / Country



Industries Covered



Respondent Roles



03

Evolution of Field Team Models

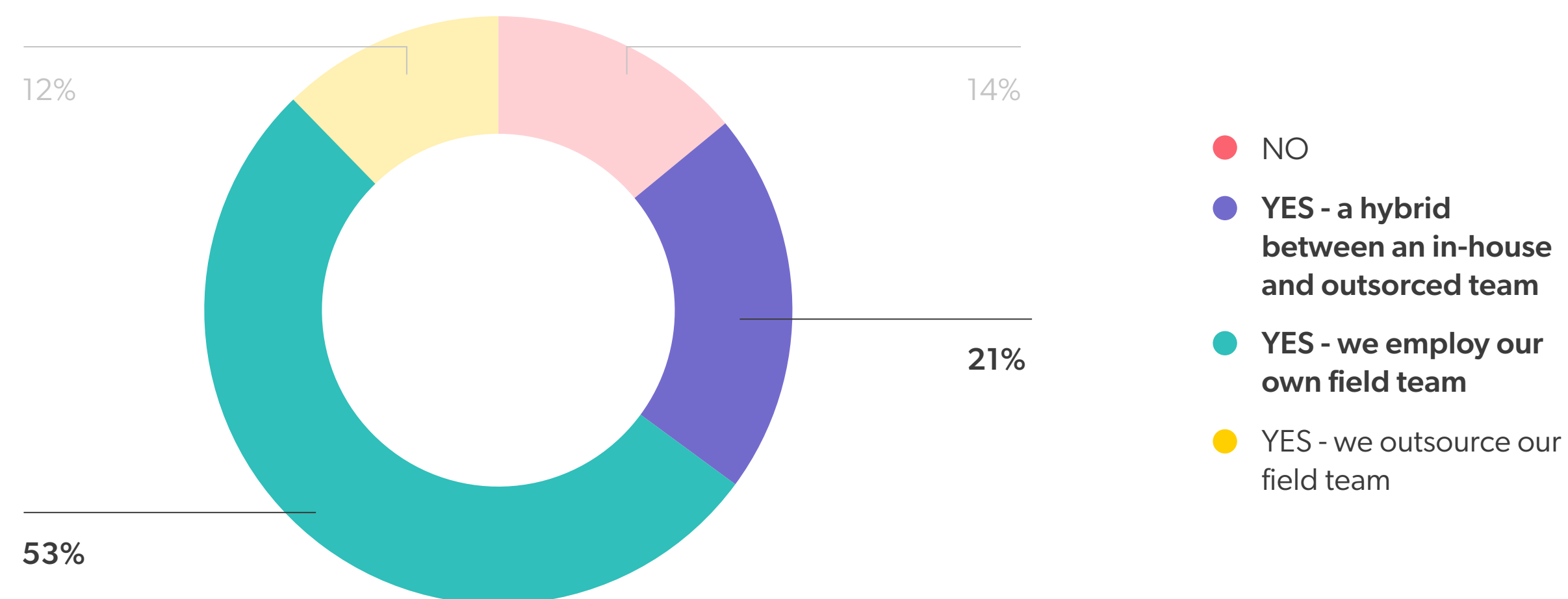


CPGs with In-House & Hybrid Field Teams

53% of respondents and their companies **maintain in-house field teams** - making this the ongoing industry standard for CPG companies.

21% use a mix of in-house & outsourced models - a growing trend in 2021.

Do You Currently Have a Field Team Conducting Any Kind of Retail Execution?

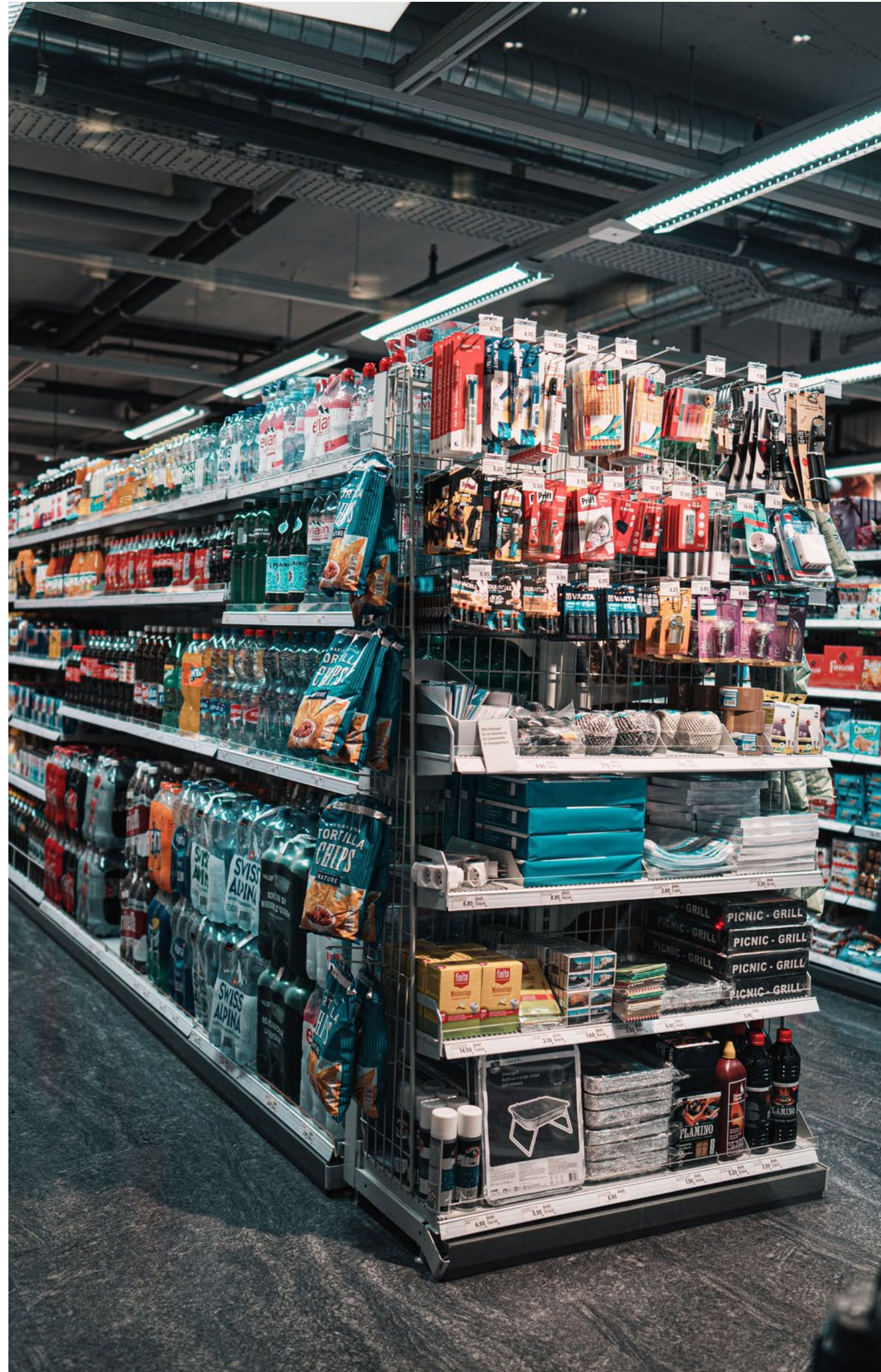


The Resurgence of In-House Field Teams

The survey captured a very wide range of field team sizes, from companies with teams of 10, to very large teams of over 500 reps. More than half of the field teams surveyed fully employ their field teams in-house. Most field teams **have either grown back to the same size as prior to COVID-19**, or have not decreased in size during the pandemic. More than half of in-house field team leaders are **planning to grow their current field teams**; and no in-house field teams have plans to decrease their field teams.

CPGs employing their own **field teams will remain the industry standard for now** - very few teams we surveyed are looking to outsource their field team.

Employing in-house teams allows Brands to differentiate and gain a competitive edge by adding in **a focus on sales-related activities**, while hybrid and outsourced field teams mainly perform merchandising activities alone.



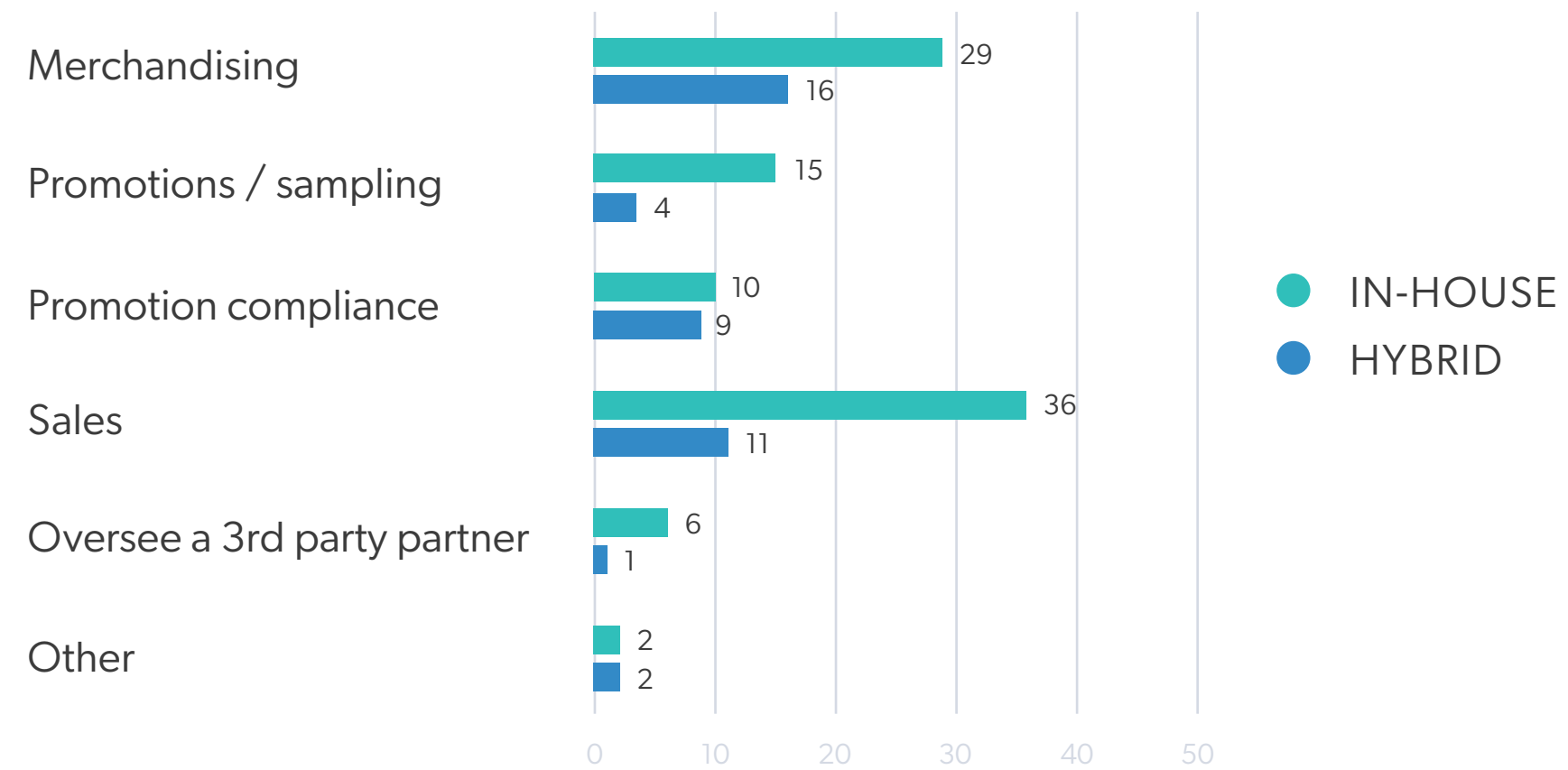
Taking a Hybrid Field Team Approach

Unlike in-house field teams, not all Brands who deploy a hybrid field team model rebounded to their size prior to COVID-19.

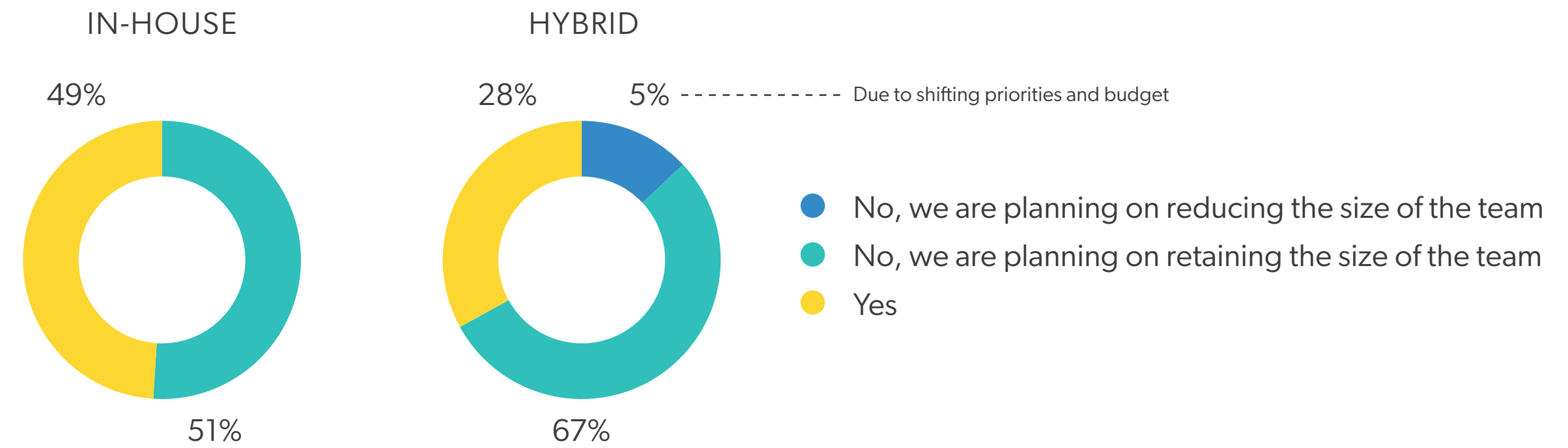
This doesn't come as a surprise - when you acknowledge that many CPGs who use outsourced teams, do so for cost-cutting or merchandising efforts - and many manufacturers continue to face challenges in both areas.

The good news - **only 1.5%** plan to reduce their field-team size in 2022, showing optimism remains.

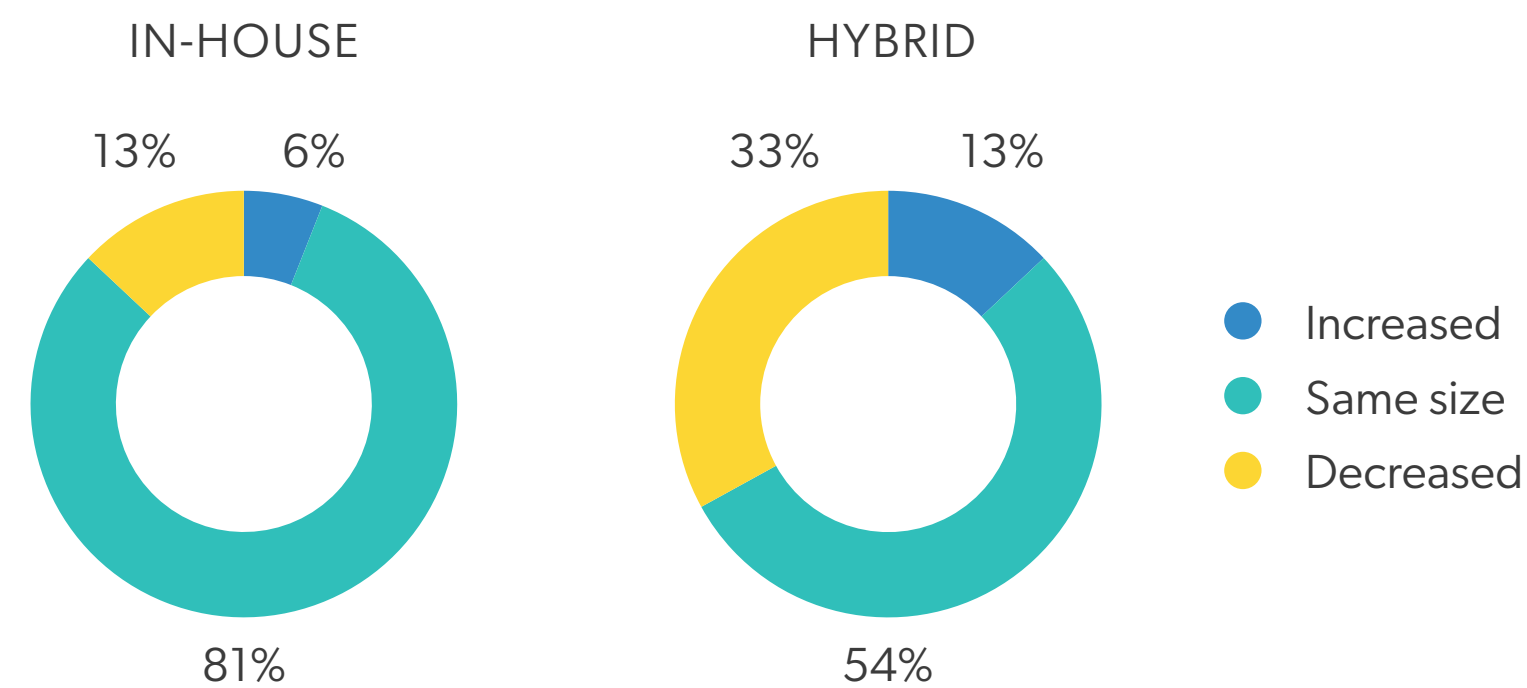
Field Team Primary Functions



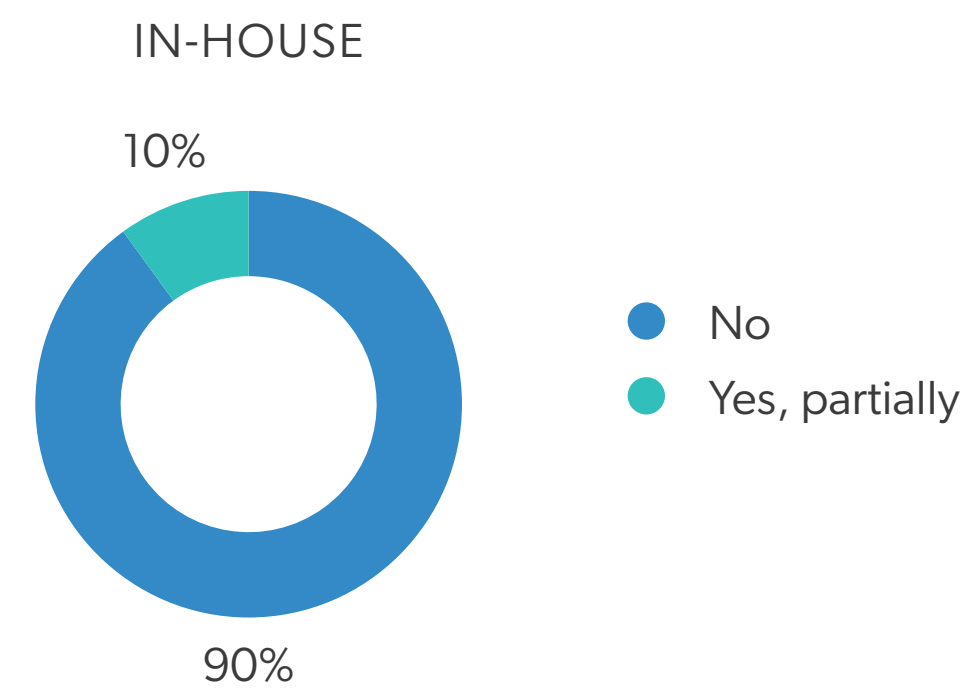
Do You Have Any Plans to Grow Your Field Team?



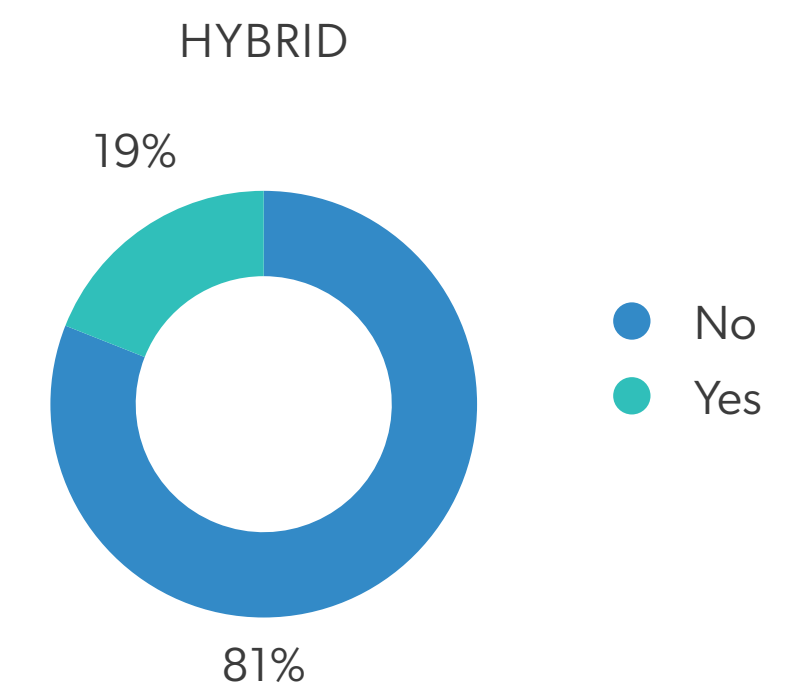
Difference in Size Prior to COVID-19 and Today



Do You Have Any Plans to Outsource Your Field Team?



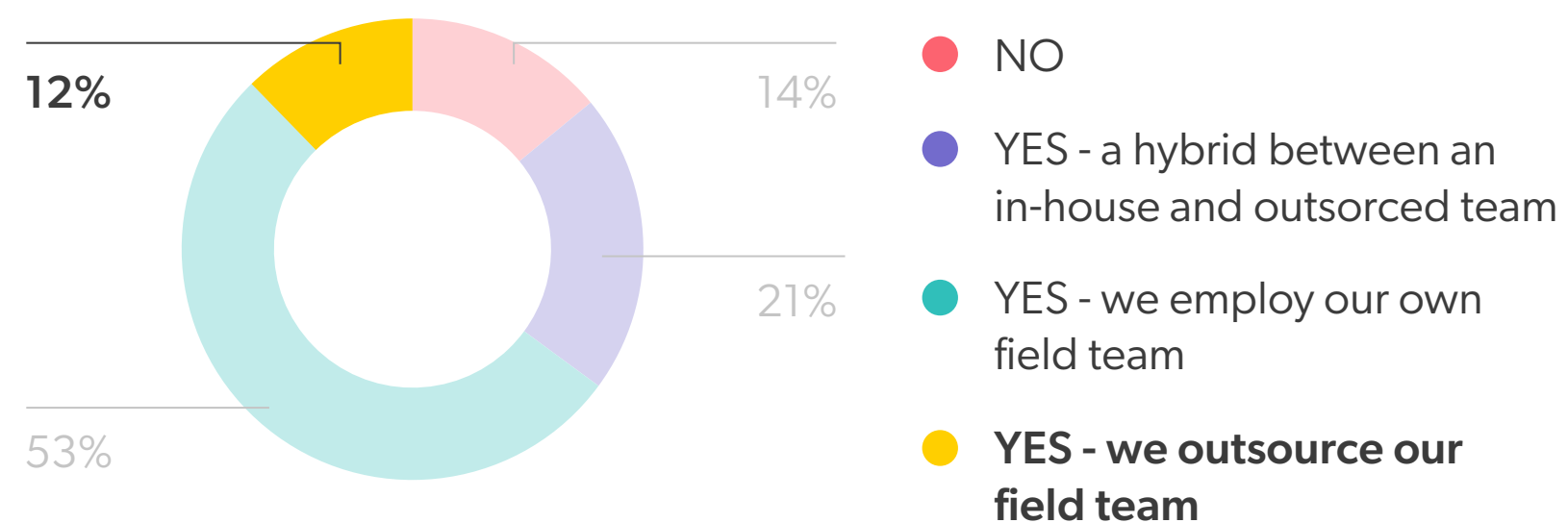
Do You Have Any Plans to Bring More of Your Field Team In-House?



CPGs with Outsourced Field Teams

Only 12% of CPGs who responded use an outsourced model for their field sales & merchandising efforts. And a vast majority chose this model for better coverage, or cost-savings, focused primarily on merchandising efforts.

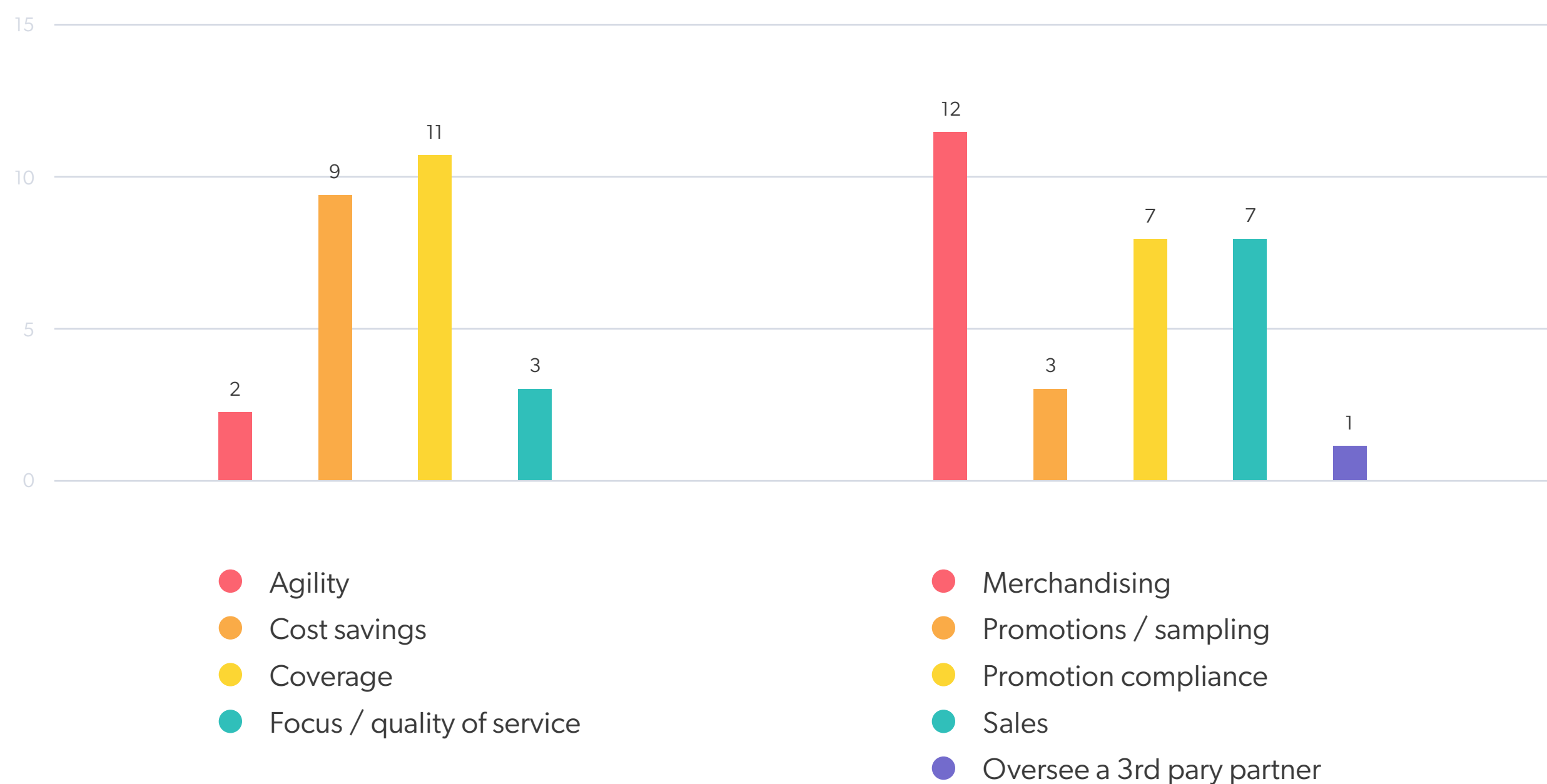
Do You Currently Have a Field Team Conducting Any Kind of Retail Execution?



Please Select Primary Reason(s) for Outsourcing Your Field Team



Please Select Your Outsourced Field Team's Primary Function(s)

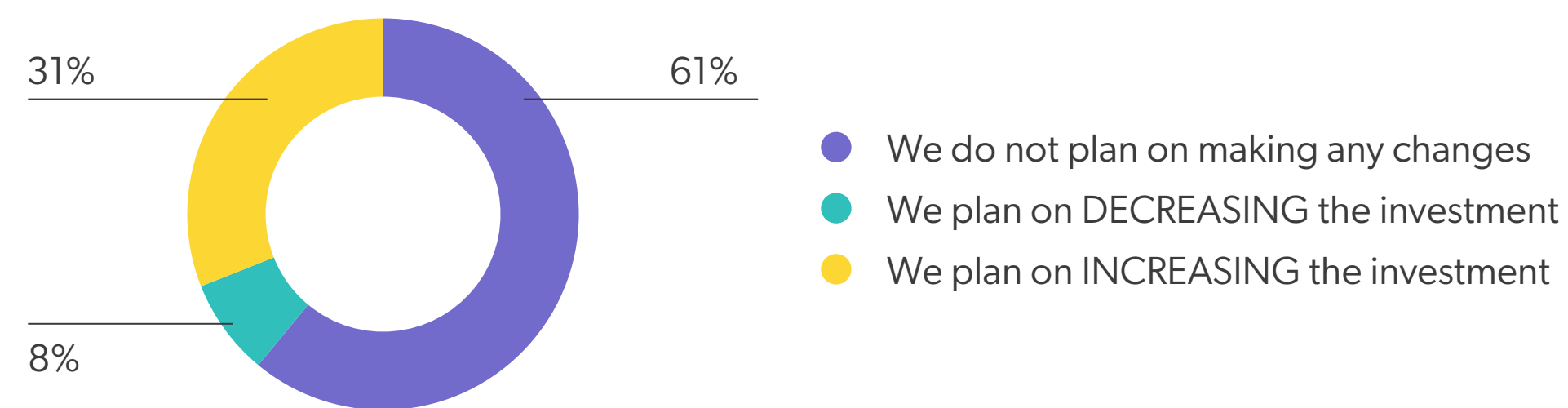


Have You Ever Employed Your In-House Field Team?



CPG companies who outsource their field team work seem to seek more agility and greater coverage through 3rd parties. However, it's clear from the survey **that outsourced field teams spend much less time and focus on sales** - with their function mainly focused on product merchandising.

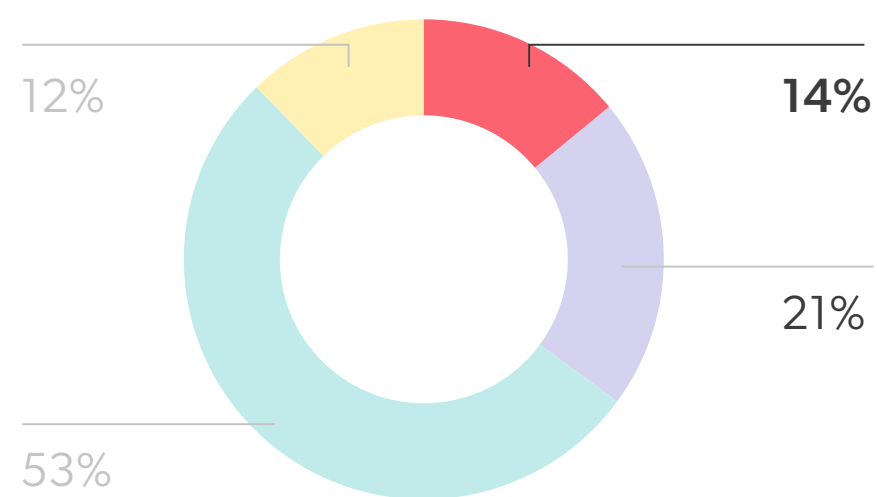
Do You Have Plans to Change Your Investment in Outsourced Field Teams?



In essence, part of the decision to outsource or employ in-house seems to be driven by different needs and priorities for an organization (growth vs maintenance).

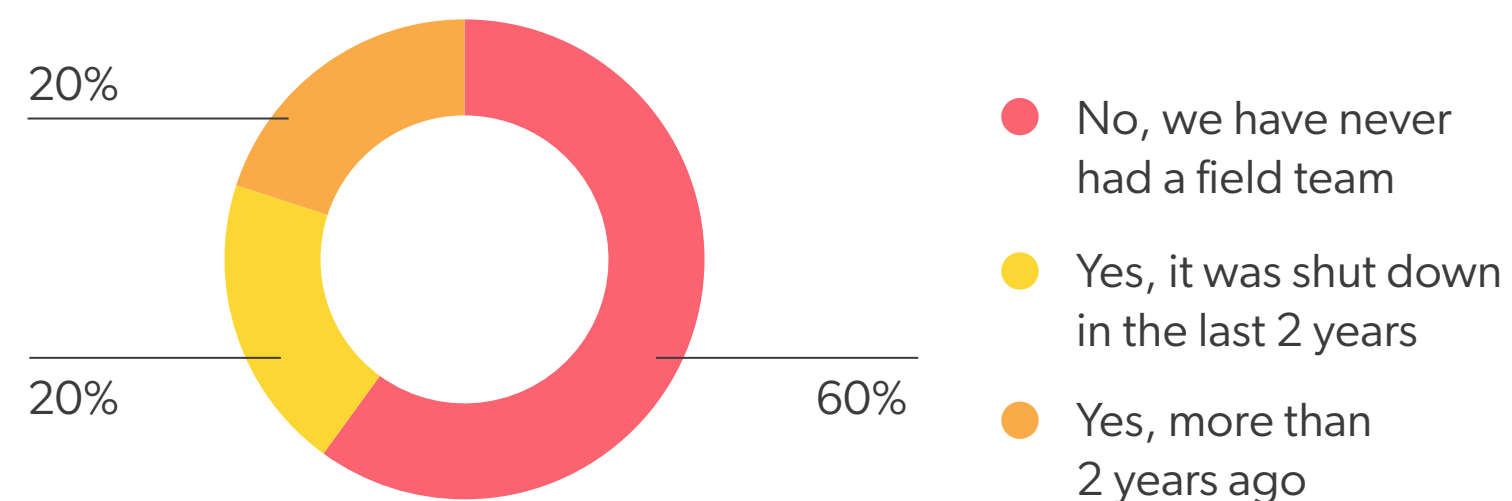
CPGs with No Field Teams

Do You Currently Have a Field Team Conducting Any Kind of Retail Execution?



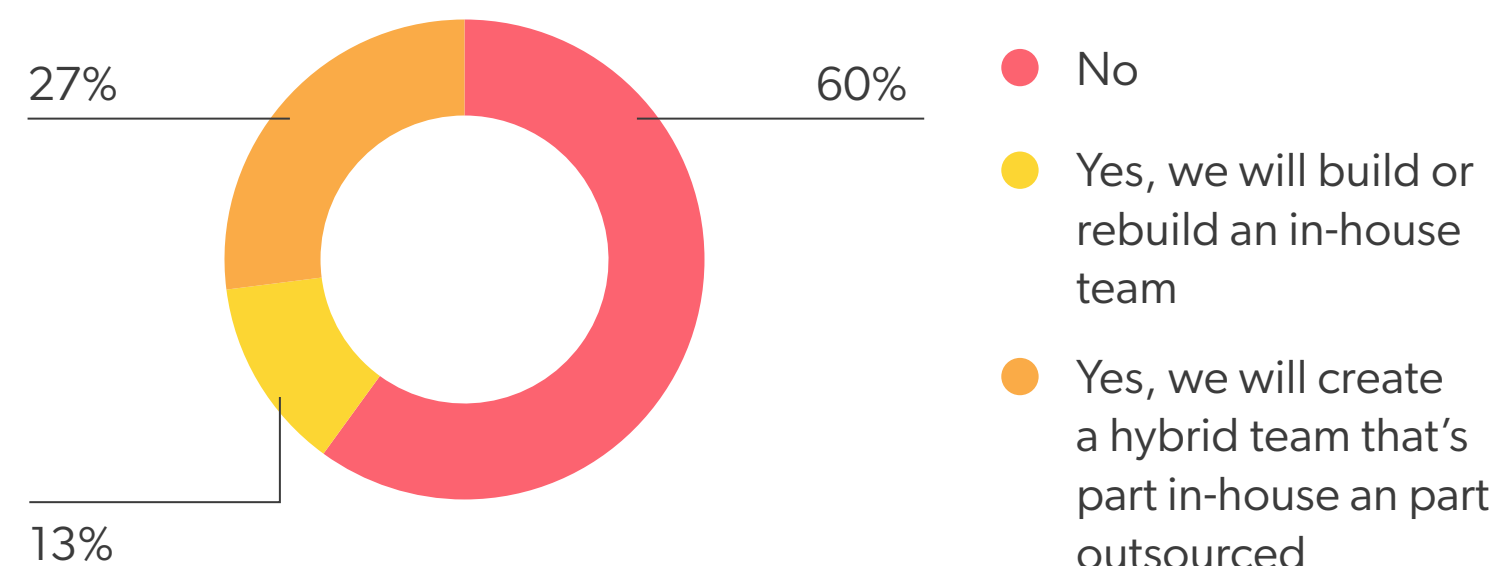
- **NO**
- YES - a hybrid between an in-house and outsourced team
- YES - we employ our own field team
- YES - we outsource our field team

Have You Had a Field Team in the Past in This Company?



- No, we have never had a field team
- Yes, it was shut down in the last 2 years
- Yes, more than 2 years ago

Do You Have Plans to Build or Rebuild the Team?



- No
- Yes, we will build or rebuild an in-house team
- Yes, we will create a hybrid team that's part in-house and part outsourced

Only **14%** of respondents indicate their Brands do not have a field team. Such a small percentage indicates that retail execution teams are needed for success. Moreover, even out of those 14%, almost a half is looking into building a field team as they recognize the importance they play. Similarly, the number of Brands with no field teams would be even smaller had it not been for the impact of COVID-19 - which forced **20%** of this cohort to shut down their field teams.

Key benefits these Brands will miss without a field team:

- real-time insights on promotion compliance and performance
- shelf-share growth insight and incremental SKU sales
- perfect execution of merchandising programs and planograms
- audits and compliance checks on retailer agreements
- immediate feedback to leadership on success of key annual promotional programs

03

Insights

- 1 Employing and investing in an in-house field team is the current standard in the industry.
- 2 There is no planned shift towards outsourcing field work at the moment. However, labor shortages (hiring and retaining employees) may force some Brands to seek a hybrid model to their retail execution field work. This approach can help offset merchandising & marketing field team shortages, while keeping sales & more high-value efforts with the in-house team.



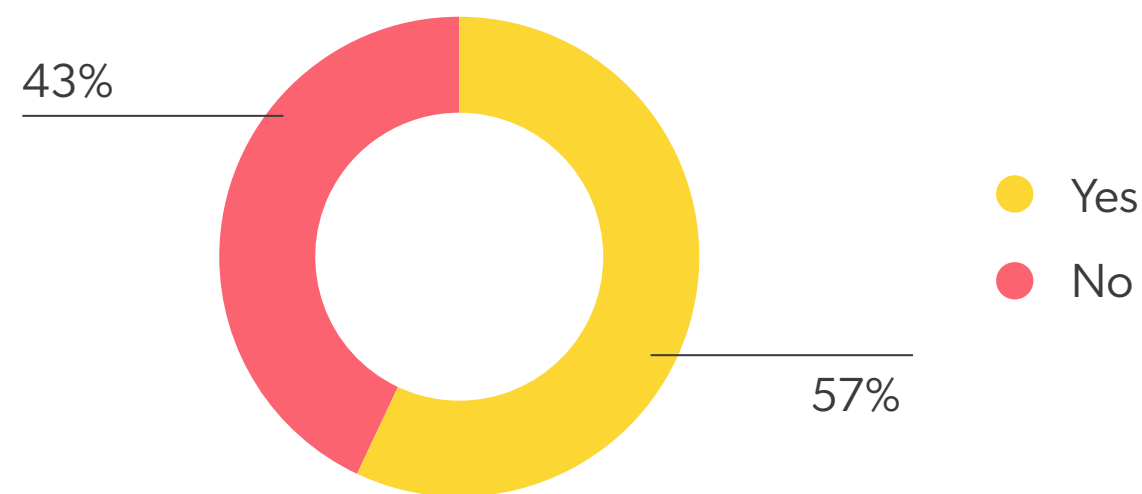
04

Retail Execution Teams & COVID-19 Impact

27% of CPG companies invested in field-enablement technology in 2021 to make their field team efficient and safe through COVID-19.

60% of CPG teams reported an impact to their companies Retail Execution plans due to COVID-19, with approximately 2/3rds of companies reporting COVID-19 still has some to significant impact on their field teams today.

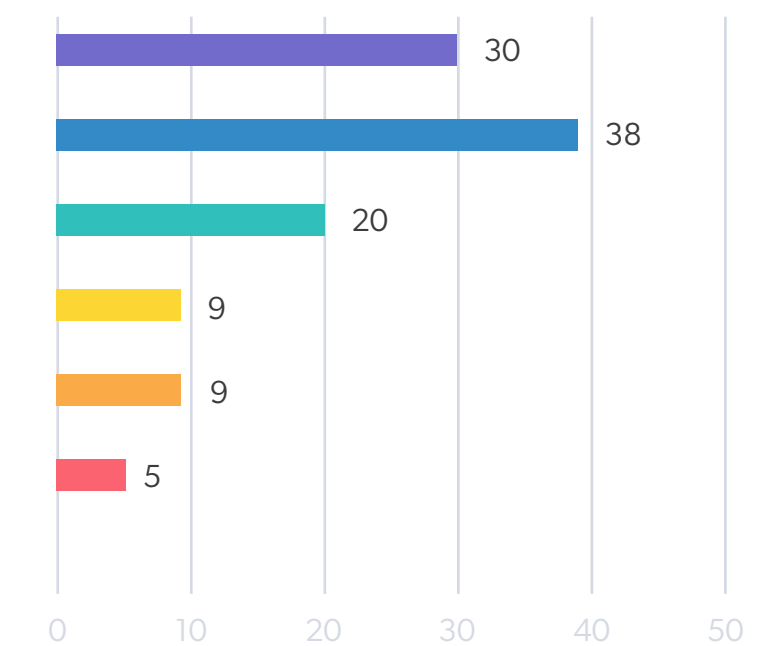
In Your Opinion, Has COVID-19 Caused Permanent Changes to Your Company's Retail Execution Strategy?



How Much of an Impact Does COVID-19 Have on Decisions You Are Currently Making About Your Retail Execution Field Team?



How Have You Combated Challenges That COVID-19 Created for Retail Execution?



- We made technology investments to make the work of our field teams more efficient and safe
- We reduced the number of store visits
- We reduced the scope of store visits
- We fully removed store visits
- We made no changes
- Other

04

Insights

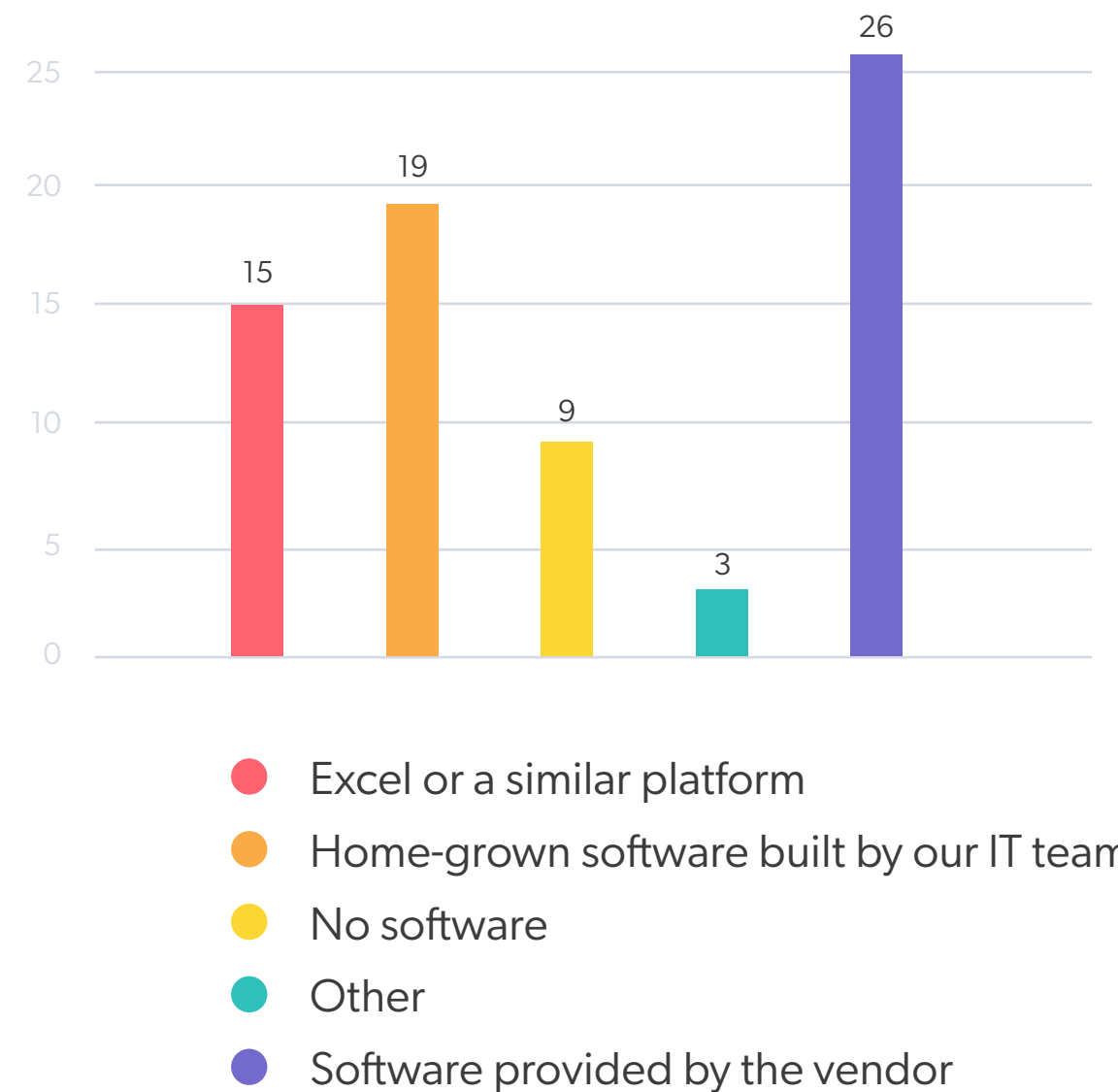
- 1 The primary strategy for most CPG companies in managing COVID-19 retail challenges was to reduce the number of store visits - however, COVID-19 has had no lasting impact on the overall size of most field teams.
- 2 COVID-19 is perceived to have caused near permanent changes to RetEx strategy with most CPG retail decision-makers reporting that COVID-19 still has some to very significant impact on their decision-making for how they execute in retail.
- 3 These findings show that **retail execution technology will be of increasing importance** in keeping teams safe, effective and efficient at their coverage.



05

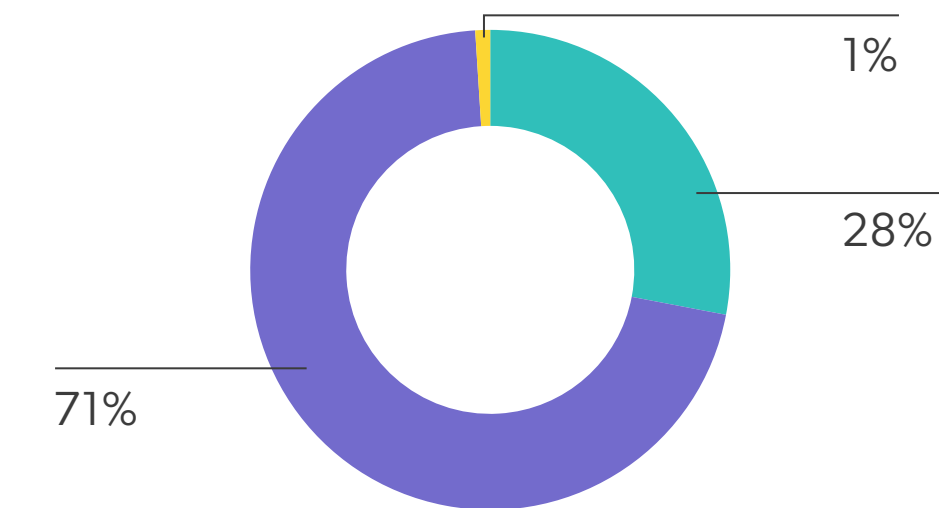
Investment in Field Teams and Retail Technology

What Kind of Software Do You Use to Manage Your Retail Execution Program?



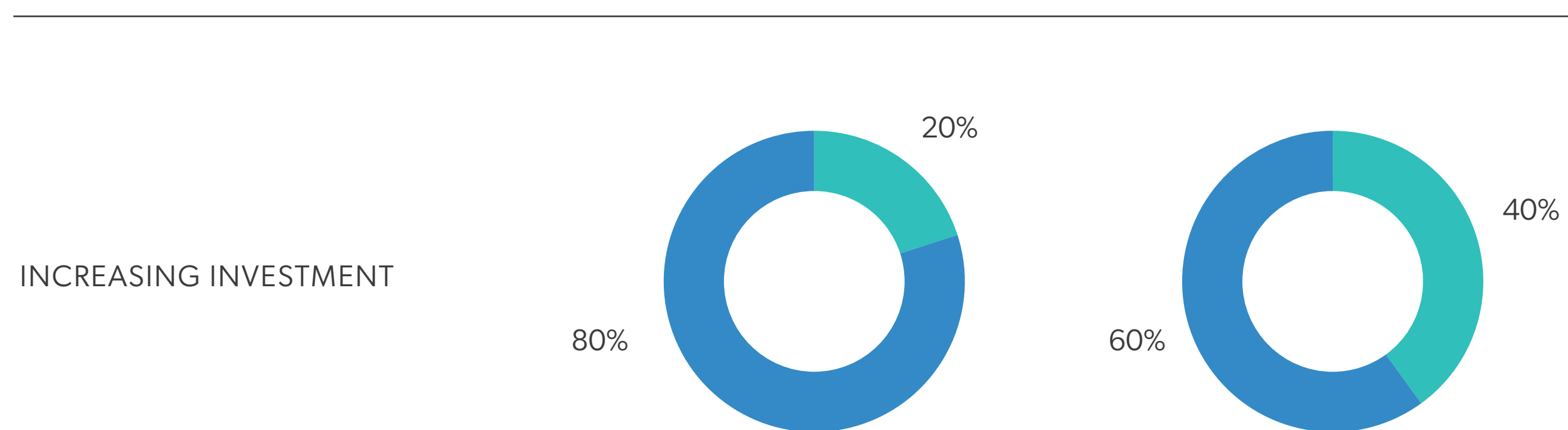
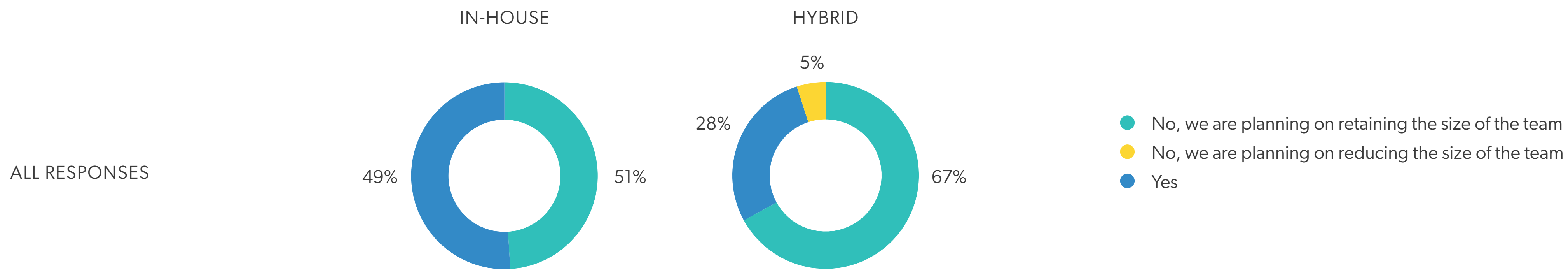
The majority of respondents - **36%** - rely on retail execution technology to support their field teams, with the next majority (27%) building their own in-house solution to manage programs with teams. Surprisingly, with today's retail execution challenges only exacerbated by COVID restrictions, 13% of CPGs report having no solution at all to manage their retail programs and teams.

Do You Plan to Change Your Investment in Retail Execution (RetEx) Technology Over the Next Year?



99% of respondents plan to maintain, or invest more in their retail execution and field management technology in 2022. Unsurprisingly, only 1% reported they would divest. In today's constantly changing retail environment, many CPGs recognize the efficiency and agility that retail technology provides their retail programs, field teams and leaders, and their fast-changing demands.

Do You Have Any Plans to Grow Your Field Team?



Field leaders who are increasing their investment in retail execution technology **plan to grow their field teams at a significantly higher rates** than field teams across the board.

This acknowledgement that technology will enable agility and fast-growth is clearly seen in these numbers.

05

Insights

- 1** Moving forward, **virtually no CPG companies in our survey are looking to decrease the size of their field team.** Field teams across the board are expected to either stay the same or grow in size. Notably, field team size growth is primarily driven by the smallest and the largest companies (<\$25M and >10\$B) .
- 2** In addition to reducing store visits, **investing in technology proved to be a viable way for leaders to make their teams more safe and retail execution more effective** throughout COVID-19. This argument is also confirmed by almost all field team leaders reporting they will keep their RetEx technology investment the same, or increase it as they transition into the new normal.
- 3** Field teams are crucial for the success of CPG Brands, as shown by Brands' plans to **invest both in the field teams themselves, and in the technology to make them successful.**



06

Conclusion

Our expectation is that the pace of change at retail will not slow in the foreseeable future, and that organizations focused on retail execution will drive the most value when they stay actively informed

Thank you for taking the time to review Repsly's **2022 Outlook for Retail Execution Teams**. We hope that the data and insights in this report have helped inform your understanding of how your CPG peers are managing the massive changes and pressures affecting retail execution.

Our expectation is that the pace of change at retail will not slow in the foreseeable future, and that organizations focused on retail execution will drive the most value when they stay actively informed and are able to quickly adapt to changes in the ecosystem.

Repsly's commitment is to continue to bring the tools, processes, knowledge, and insights that drive high performance across field sales, merchandising, and promotion execution, and we look forward to delivering on that commitment as the industry continues to evolve.

If you're ready to understand more about how modern technology can fuel your field team's success, we're ready to chat.

[CONTACT US](#)