

# 2024

CPG  
OUTLOOK

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**Retail  
Execution  
as a Revenue  
Engine**



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# Introduction

## The road to your 2024 retail strategy starts here

At Replsly, we're on a mission to help CPG brands sell more at retail, with the tools and insights they need to optimize execution, get the most out of their technology and field team investments, and win customer loyalty. Our annual Outlook Report is a vital part of that mission.

Each year, we offer CPG and Retail Service organizations a detailed look at the retail landscape to help them stay on par with their peers and ahead of the curve. In Q4 2023, we heard from more than 160 respondents across a broad range of industries, painting a detailed picture of their challenges and priorities going into 2024.

Our research delved into multiple aspects of retail execution, with a particular focus on the technology CPG brands and service providers deploy, and the strategies they use to measure and maximize the value of their field teams. In the following pages, you'll see how CPGs are setting their field teams up for success and how they define and measure the value they drive from retail execution, plus which metrics and KPIs they track to achieve that value.

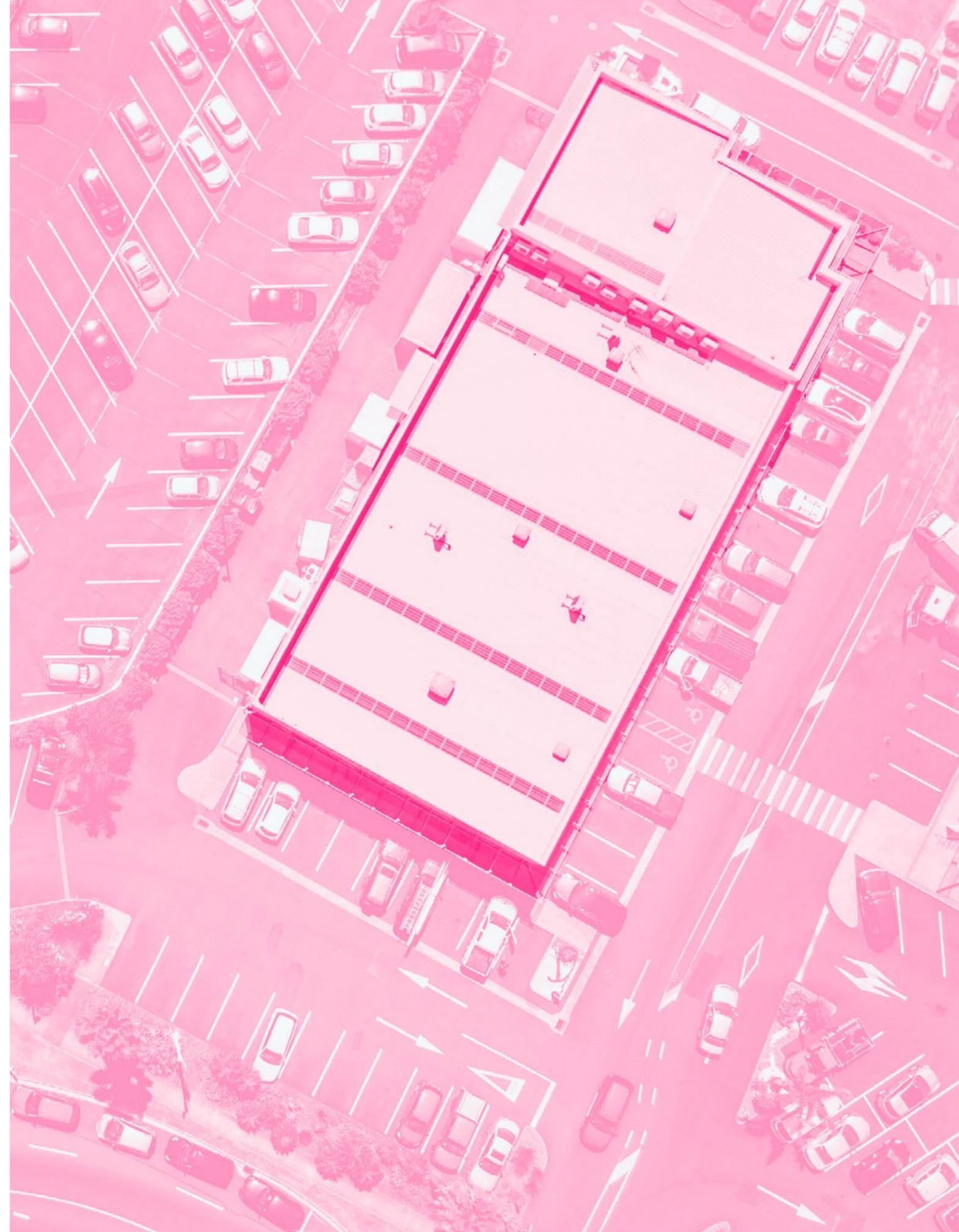
**Each year, we offer CPG and retail service professionals a detailed look at the retail landscape, to help them stay on par with their peers and ahead of the curve.**

## WHO'S IN THE STUDY?

In Q4 2023, we invited a broad range of CPG and Retail Services organizations to participate in this study. We received survey responses from more than 160 individuals.

<b>Industries</b>	The food and beverage industry has the largest representation in our research, followed by health and beauty and retail services.
<b>Departments</b>	A large number of respondents were from sales, with marketing and operations also well represented.
<b>Companies</b>	Most respondents' companies earn less than \$25M annually, followed closely by those earning between \$25M - \$500M.

For complete data, see Figs. 1-3 in the Appendix.



# Key Insights

With the retail landscape stabilizing and fears of a recession fading, CPG and retail service companies are feeling confident going into the new year.

## 2024 will be a year of clarity and renewed focus on retail execution

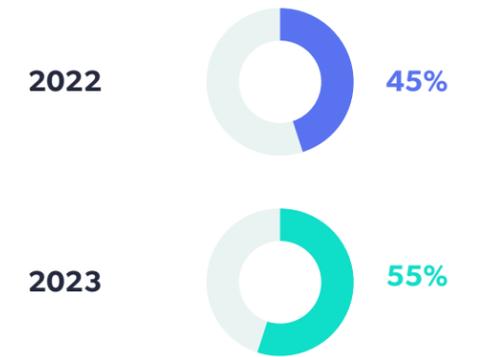
More than half of our survey respondents, 55%, said they feel capable of meeting their retail execution goals [FIG. 6]. That's up from 45% last year, when for many CPG leaders the outlook seemed hazier, and the way forward not entirely clear. In fact, across the board, respondents were more aligned around their objectives and priorities, with particular emphasis on optimizing retail execution and operations, enhancing data-driven decision-making, and improving the efficiency of field teams to drive sales and profitability.

## CPGs are investing more—a lot more—in technology

This year showed an amazing 57% jump over last year in the number of respondents saying they'll increase their investment in retail execution technology. It's evidence that companies are moving more bullishly into their control and command of retail, embracing tools to help them increase efficiency and track and optimize the productivity and ROI of their field teams. One of those tools is AI-powered image recognition (IR)—and it's gaining momentum fast, in retail and beyond. It's clear from our research that CPGs recognize the value of IR to help them improve accuracy and achieve greater efficiencies with shelf audits and other forms of visual data collection: 46% of respondents say they either currently use IR or are actively exploring its implementation [FIG. 17].



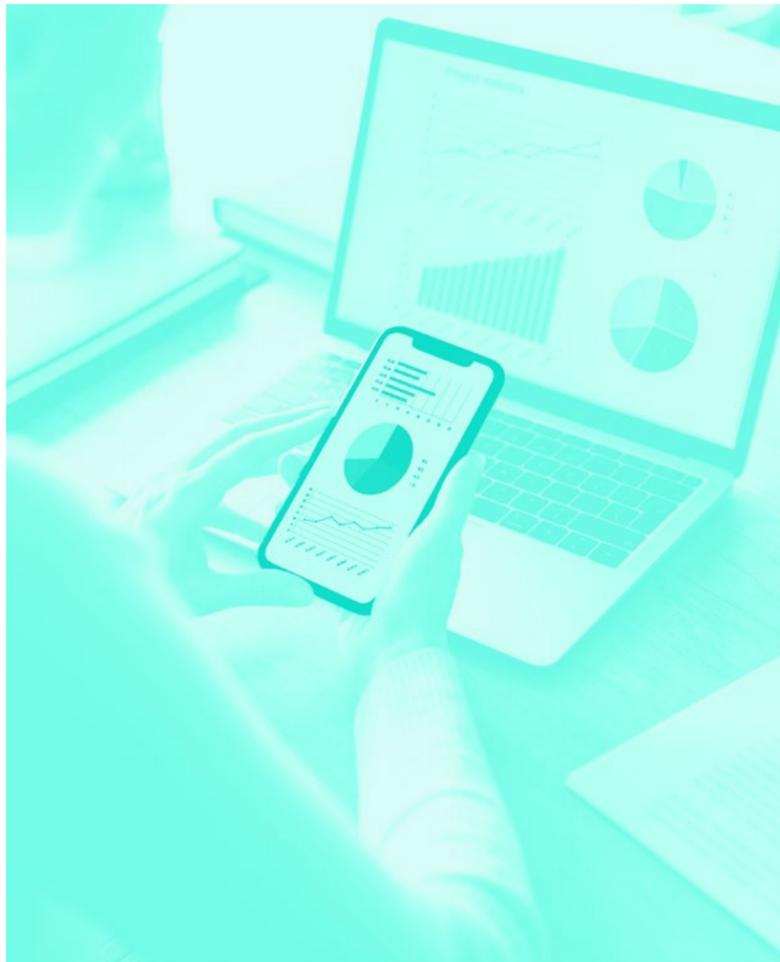
Respondents who say they feel capable of meeting their retail execution goals for the coming year



For complete data, refer to Figure 6 in the Appendix.

**57% more respondents than last year say they plan to increase their investment in RetEx technology.**

# Priorities, Challenges, and Investments



When we asked respondents about their areas of focus, retail execution and operations was the clear winner, with 39% of respondents listing it among their top three priorities [Fig. 10].

**Consistency is key**  
Consistency in in-store experience to drive sales remains a top priority for CPGs.

## Retail execution and operations are top of mind

It's no surprise that CPG leaders are focused on effective execution, given how critical it is to generating sales, ensuring supply chain efficiency, creating positive customer experiences, and enhancing brand reputation. On the flip side, poor retail execution has major consequences. As much as 25 percent of lost sales are due to poor retail execution practices<sup>1</sup>. And in the current economic environment, every sale counts. According to McKinsey<sup>2</sup>, consumers are cautious about their spending going into 2024, due to inflation and lingering economic and geopolitical uncertainty. In a recent study, 77% of consumers reported taking a trade-down action like switching to a lower priced brand or reducing pack size. The last thing CPGs need on top of this is poor execution—out of stocks, botched displays, misplaced SKUs, etc.—pushing customers toward their competition.

## Sales, relationships, and inventory management are the top three retail goals

Driving In-store sales consistently emerged as the top retail priority for CPG brands and retail service companies this year, with 29% identifying it as one of their top three goals for 2024 [FIG. 4]. There is also significant focus on building stronger retailer relationships, with 22% citing it in their top three. Managing inventory and keeping shelves full is next, at 15%, suggesting that supply chain issues, which many noted as a major concern last year, haven't disappeared completely.

## A diverse mix of challenges face CPGs this year

While companies appear more aligned on their goals this year than last, there's less uniformity when it comes to challenges and obstacles. Hiring and maintaining field teams, capturing up-to-date data from the shelf, and on-shelf availability are the top three, but by a relatively small margin over the other challenges we asked about, including increased competition, and capturing and maintaining customer loyalty. From a technology standpoint, this means that brands will need to look for solutions with the versatility to address multiple pain points.

<sup>1</sup> Replsly, Poor Retail Execution Can Cost You Plenty. <https://www.replsly.com/blog/poor-retail-execution-cost-you-plenty>  
<sup>2</sup> McKinsey and Company, "An update on US consumer sentiment: Caution heading into 2024". <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/the-state-of-the-us-consumer>

### TOP GOALS IN 2024

Goals cited by respondents as among their top three

- 01 Driving in-store sales
- 02 Strengthening retailer relationship
- 03 Managing inventory / keeping shelves full

For complete data, refer to Figure 4 in the Appendix.

McKinsey & Company

**Consumers are cautious about their spending going into 2024, due to inflation and lingering economic and geopolitical uncertainty.**

An update on US Consumer sentiment. Caution heading into 2024.

### Companies are leaning hard into retail execution technology

Good Retail Execution (RetEx) technology empowers teams to do the kind of execution that keeps products flying off the shelf and getting replaced without missing a beat. It can also boost efficiency and productivity of field teams, to help counteract the challenges of labor shortages and free up staff for building those all-important relationships with retailers.

The CPG leaders we heard from this year clearly understand the power of RetEx to help them tackle their retail goals and challenges: of the respondents with access to budget information, 95% say they plan to keep or increase their level of investment in RetEx technology in 2024 [FIG. 7]. Those planning to increase their investment cited reasons including increasing sales, improving management of field teams, and improving productivity and efficiency, pointing to the diverse uses of RetEx tech for supporting performance.

**Good Retail Execution technology empowers teams to do the kind of execution that keeps products flying off the shelf and getting replaced without missing a beat.**

#### TECHNOLOGY INVESTMENT



95% of respondents with access to budget information said they plan to keep or increase their level of investment in RetEx technology this year.

#### IMAGE RECOGNITION ADOPTION



46% of respondents say they either currently use IR or are actively exploring its implementation.

**Winning at the shelf**  
Integrated RetEx technology helps reps ensure that the right products are in the right place at the right time.



# Tapping and Measuring the Value of Field Teams

Respondents recognize the impact their teams make, particularly when it comes to merchandising, relationship building, and customer engagement.

## For CPGs, the value of in-store work is clear

Whether it's a featured display or a standard stretch of shelf, good merchandising is fundamental to CPG retail success. So it's not surprising that when we asked CPG leaders which of the in-store work delivered the most return and/or incremental sales, the top answer (32%) was merchandising and product placement [FIG. 11]. People skills matter, too: building relationships is another area where respondents say their field teams are delivering significant value (30%) followed by on-site customer engagement and experience building (19%) [FIG. 11]. CPGs can free their teams up to do more of this kind of high-value, high-impact work by arming them with technologies like AI Image Recognition that help them perform more routine tasks like shelf audits more quickly and accurately.

## Revenue is the key metric for evaluating field teams

To optimize your team's performance, you have to be able to measure it. The majority of respondents say they do this by looking at sales and revenue growth (27%). On-shelf availability and planogram compliance were the metrics cited next often, at 15% each [FIG. 12]. This suggests that CPGs are tuned in to both the big picture results of effective retail execution, as well as the tactics that drive it. Respondents can't totally agree on the right frequency for assessment, although most (by a small margin) are looking at it weekly, followed by monthly.

But obstacles to measuring and improving the ROI of field teams remain. Quality and accuracy issues with data and a lack of standardized measurement tools were two of the top issues respondents cited. But they're taking action: 34% of respondents say they plan to invest in retail or sales analytics within the coming year [FIG 8].

## Training, analytics, and tech can take ROI to the next level

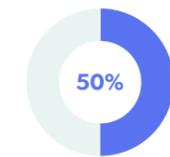
There's always room for improvement. The CPG leaders we heard from believe that enhanced data analytics and reporting tools, improved training and development programs, and strengthened collaboration between field teams and headquarters are the best strategies for enhancing field team ROI. Investing in technology is another key tactic, judging by what we heard from those planning to invest more in RetEx tech: the top two reasons respondents gave for upping their investment were increasing productivity and efficiencies and improving field team management.

### INVESTING IN ANALYTICS



34% of respondents say they plan to invest in retail or sales analytics within the coming year.

### BUILDING FIELD TEAMS



50% of respondents who don't currently have a field team plan to create one in the coming year.



# The Powerful Potential of AI Image Recognition

More and more CPG leaders are realizing the competitive advantage of AI-powered Image Recognition technology for in-store audits.



**The picture of productivity**

With Image Recognition, reps can perform accurate audits more quickly, so they're free for higher value work.

**The visual revolution is here**

Image Recognition (IR) technology is suddenly everywhere—and the world of CPG retail is no exception. Nearly half of respondents said they have either already invested in IR technology or are actively looking to do so in 2024 [FIG. 17]. The main reason cited for investment by a large margin (38%) was a need for more accurate data collection [FIG. 18]. This is consistent with what respondents told us about their challenges in other areas, including measuring field team performance.

The other main impetus for IR investment, cited by 19% of respondents, is a desire to redirect field teams towards higher value work: more time building relationships with stores and engaging customers, less time sorting and tagging images [FIG. 18]. CPG leaders already using IR, meanwhile, are leaning into its applications primarily for shelf management and planogram compliance and visual merchandising and product placement (20% each) [FIG. 19].

**Today's Image Recognition is just the beginning**

The evolution of IR technology is advancing at a breakneck pace. While today it can take hours to days for images to be processed and recommendations to be generated, it won't be long until it takes seconds to minutes. With near-real time information and insights, reps will be able to take corrective actions in the store, in the moment. We predict even higher levels of adoption next year.



**"The global market for CPG Image Recognition technology, valued at 2.08 billion as of 2022, is expected to reach 10.23 billion by 2030."**<sup>3</sup>

Global Image Recognition in Consumer Packaged Goods (CPG) Market – Industry Trends and Forecast to 2030

<sup>3</sup> Data Bridge. "Global Image Recognition in Consumer Packaged Goods (CPG) Market – Industry Trends and Forecast to 2030". <https://www.databridgemarketresearch.com/reports/global-image-recognition-in-consumer-packaged-goods-cpg-market>

# Conclusion

## Time to rev up your revenue.

2024 promises to be an exciting year for CPGs, marked by a keen focus on getting retail execution right, a firm grasp of the obstacles, and an enthusiasm for investing in technology that will improve data and analytics and empower field teams.

**KEY STRATEGIES** To get the most return on that investment, we recommend that leaders consider these key tech-driven strategies.

- 01 Ensure that your field team and their HQ counterparts are equipped with a fully integrated retail execution platform.
- 02 Leverage data analytics and reporting dashboards in your platform to track the KPIs that matter most.
- 03 Bring sales data into your retail execution platform for a clearer view of how merchandising compliance, inventory management, product availability, and other key metrics correlate with promotion performance and overall sales.
- 04 Lean into evolving technologies, including IR, to increase accuracy of data and boost the efficiency of your field teams.



At Repsly, we're committed to helping our clients meet and exceed their retail sales goals in 2024 and beyond. Find out how real-time insights and analytics and smarter merchandising, promotion, and sales execution tools can help you get the most value out of your field team.

[CONTACT US](#)

# Survey Data

Key data and findings from our Q4 2023 survey of CPG and Retail Services professionals.

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FIG 1  
What is your company's annual revenue?



1. Less than \$25M      3. \$500M - \$1B      5. More than \$10B  
 2. \$25M - \$500M      4. \$1B - \$10B

FIG 2  
Which industry do you work in?



FIG 3  
Which department do you work in?

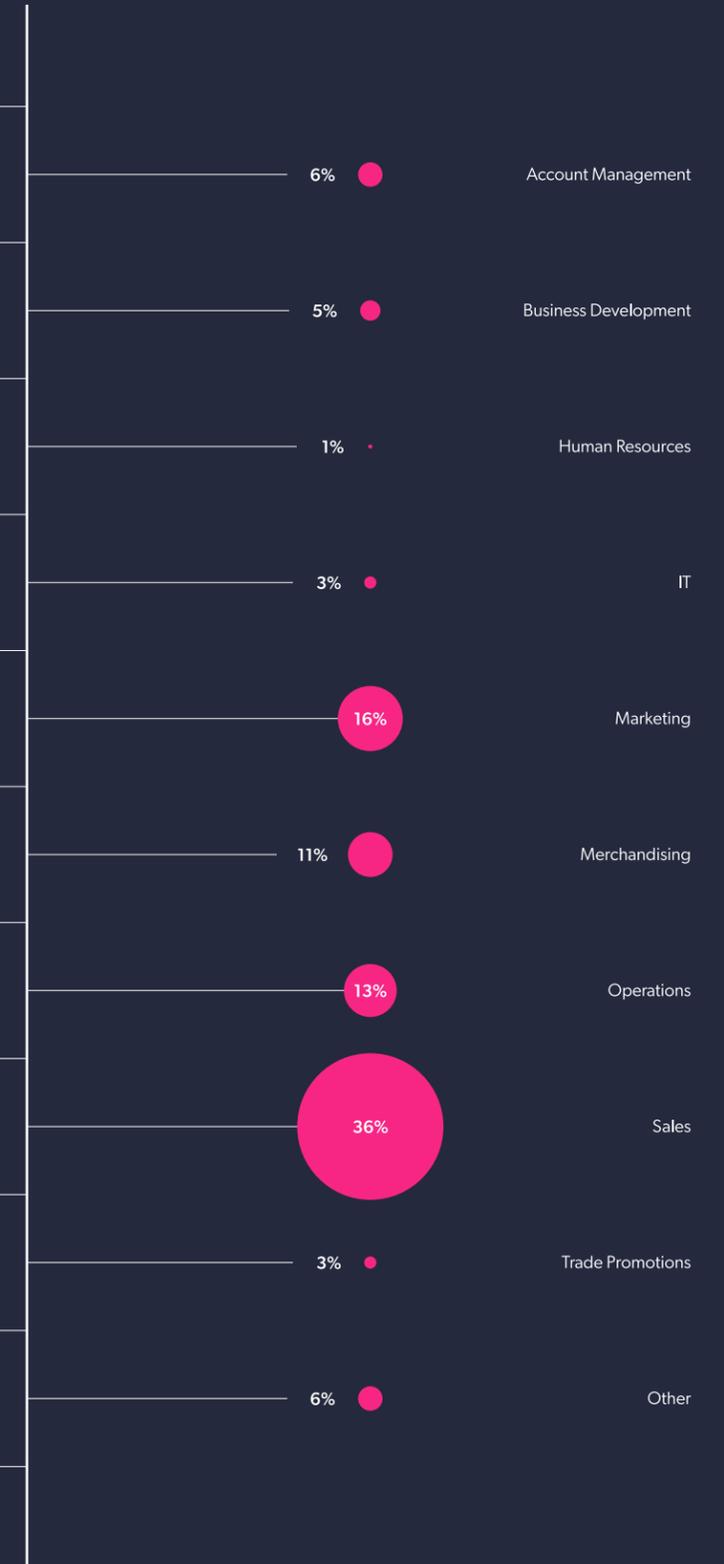


FIG 4  
Thinking of the retail channel, what are your organization's top three goals or outcomes it wishes to achieve next year?



FIG 5  
Please pick the top three challenges your company faces in retail execution.



FIG 6  
Is your company able to fully meet its retail execution goals?

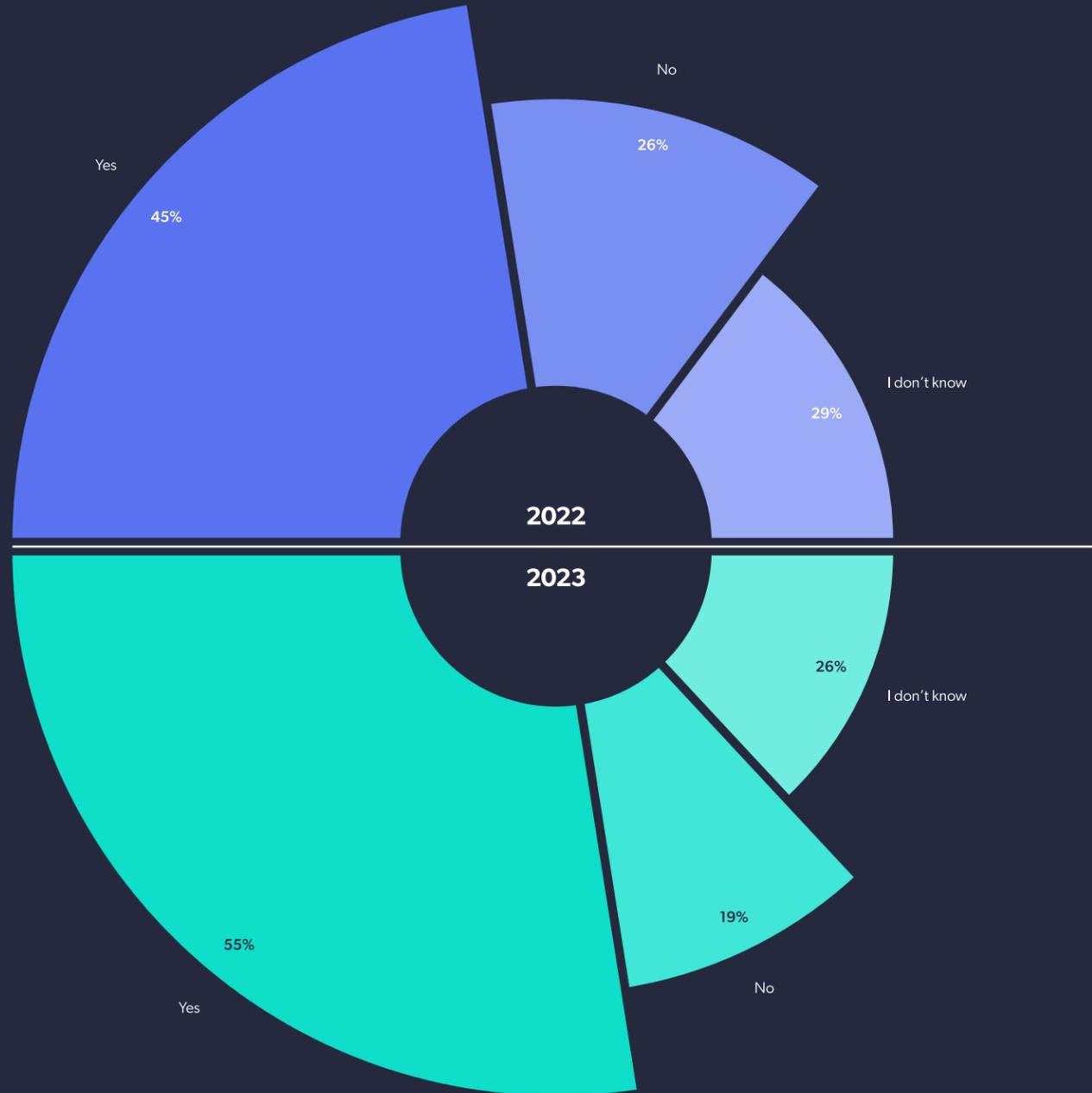


FIG 7  
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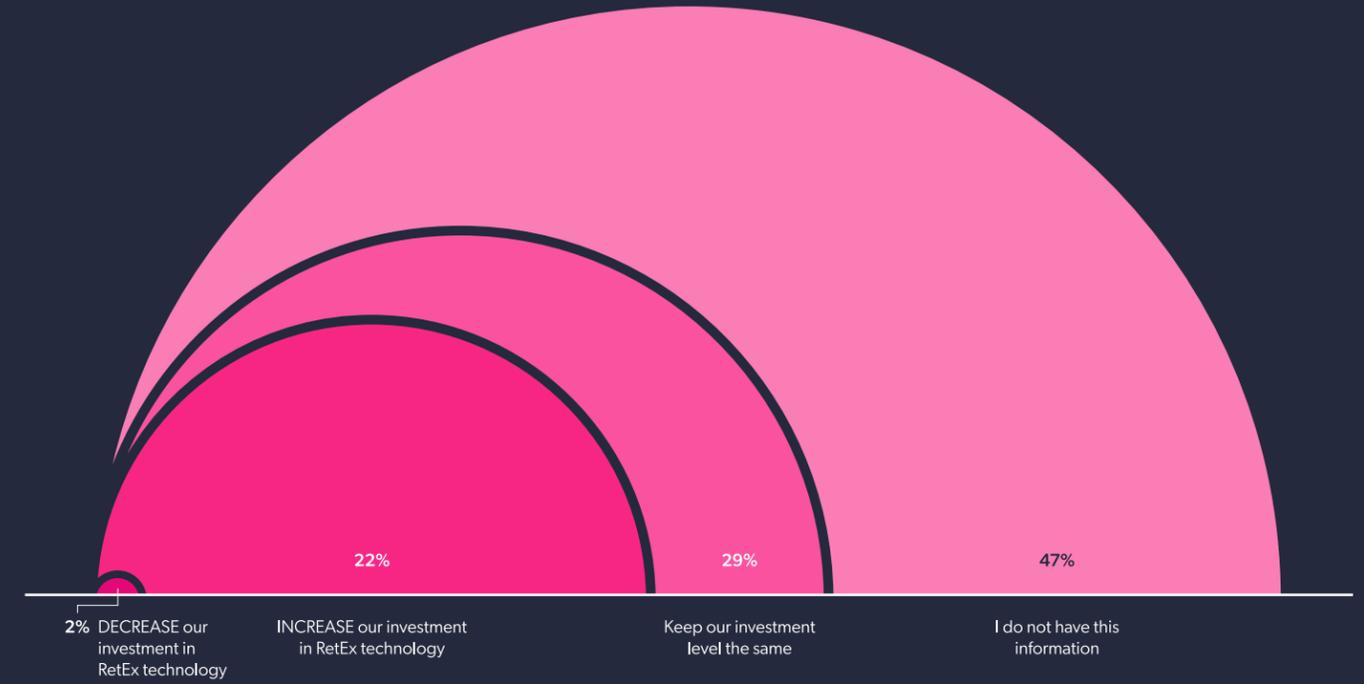


FIG 8  
Do you plan on investing in Retail or Sales analytics?

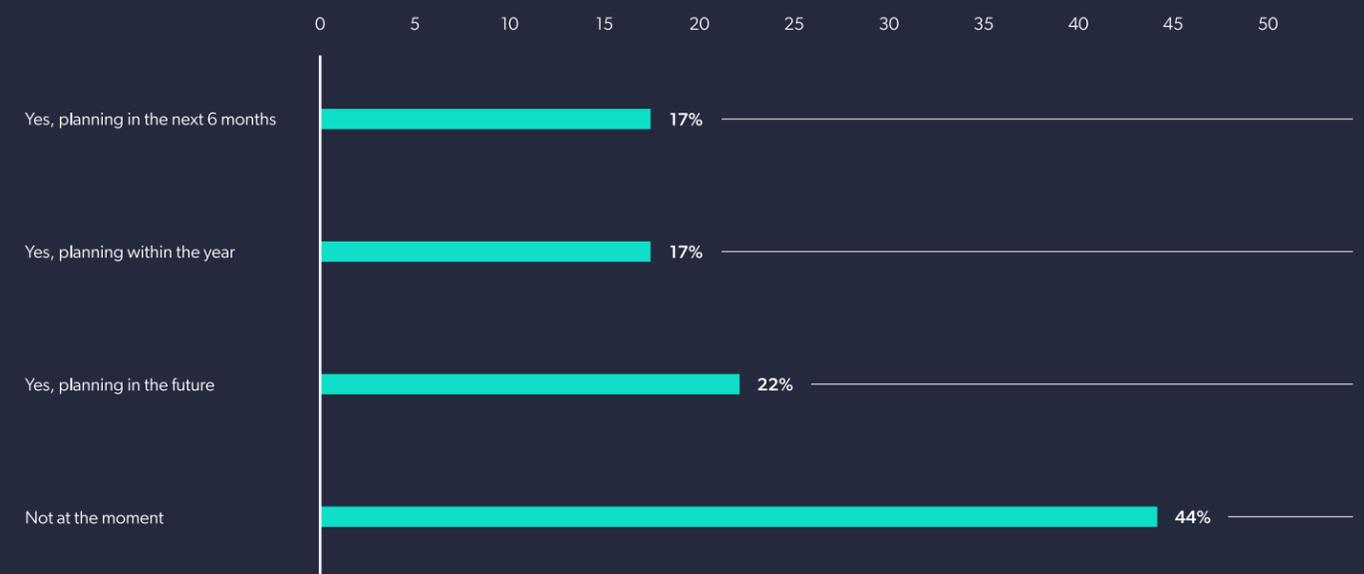


FIG 9  
Why do you plan to increase your investment in RetEx technology?

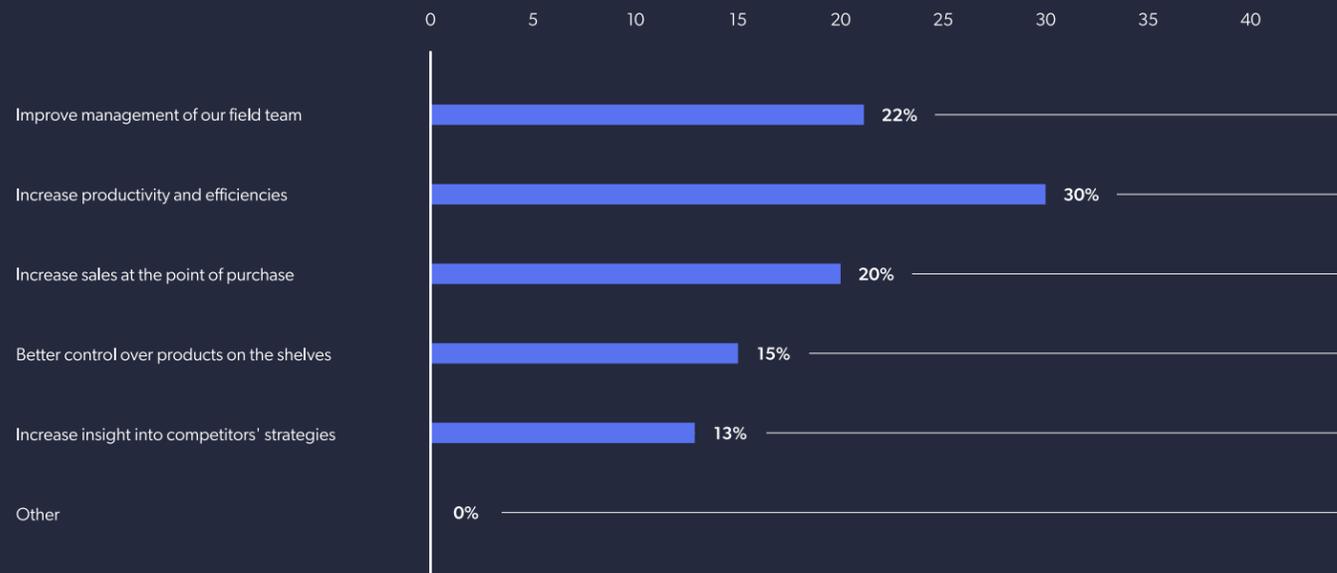


FIG 10  
What are the priority areas of focus for your Company going into the next year?

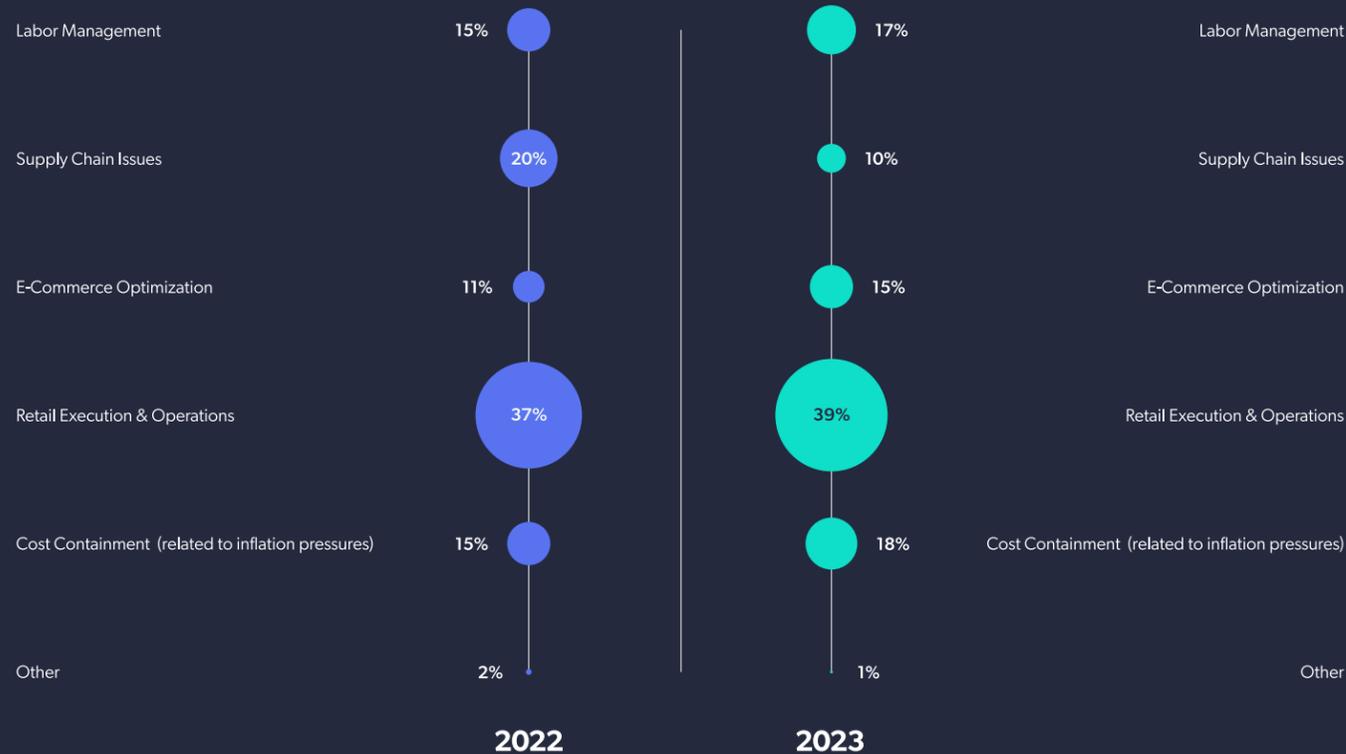


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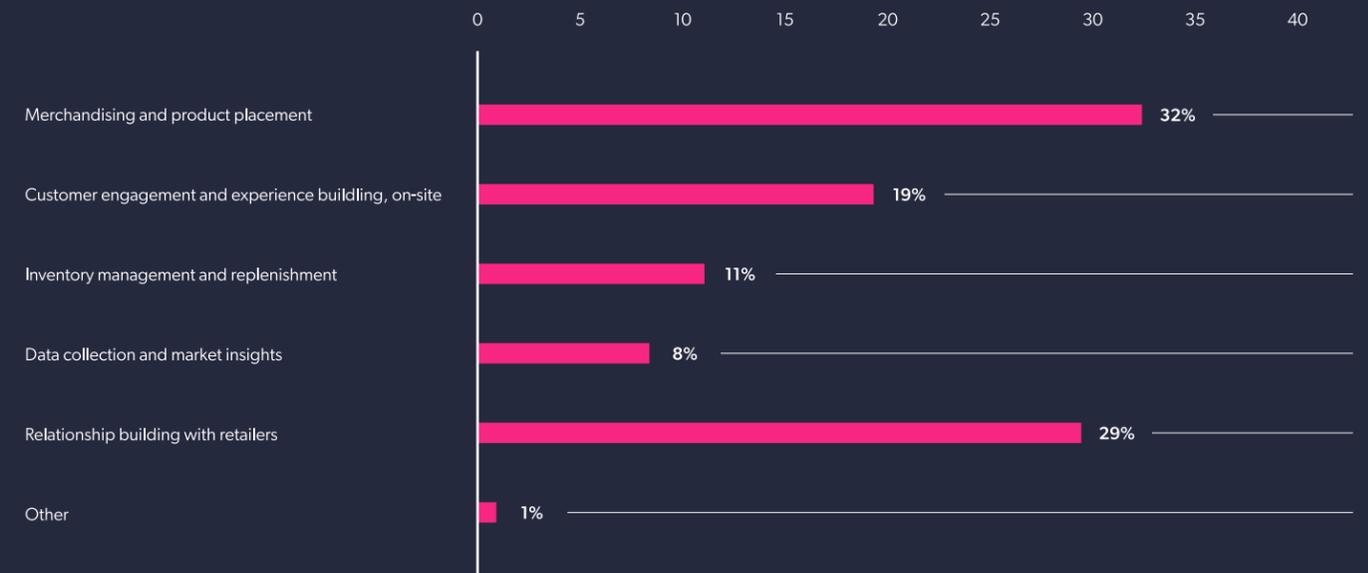


FIG 12  
What KPIs do you currently use to measure the effectiveness and impact of your field teams?

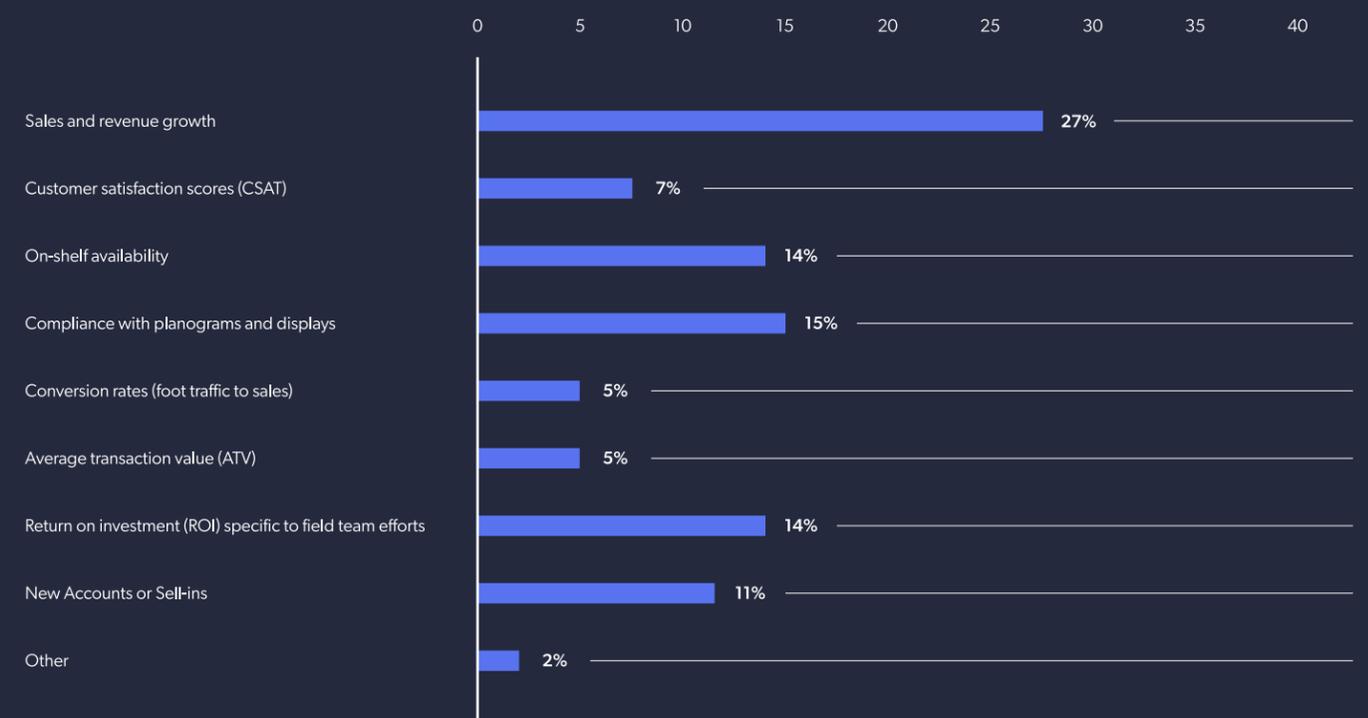


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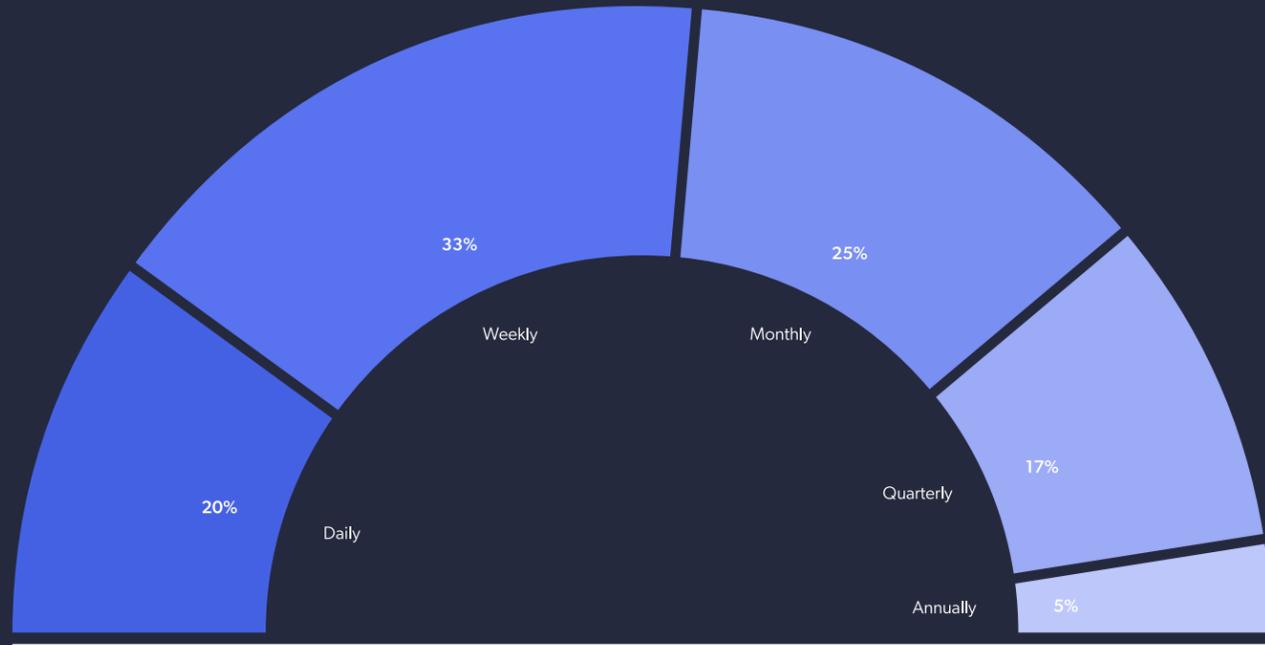


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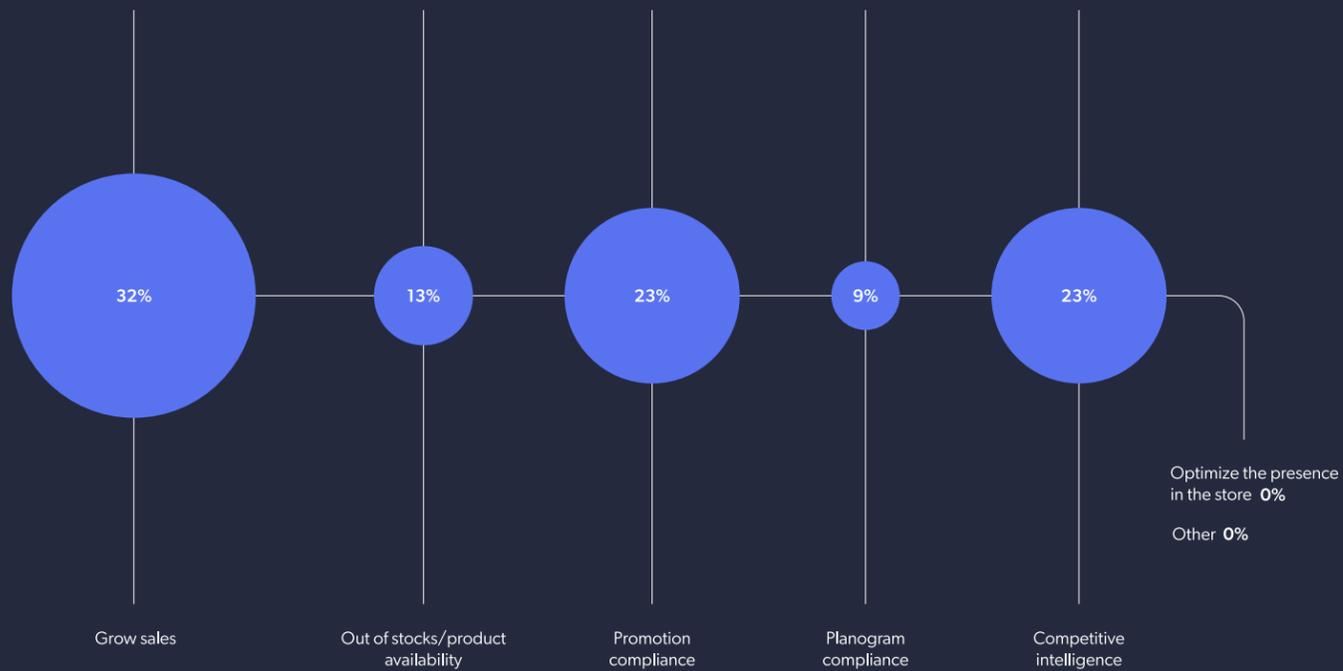


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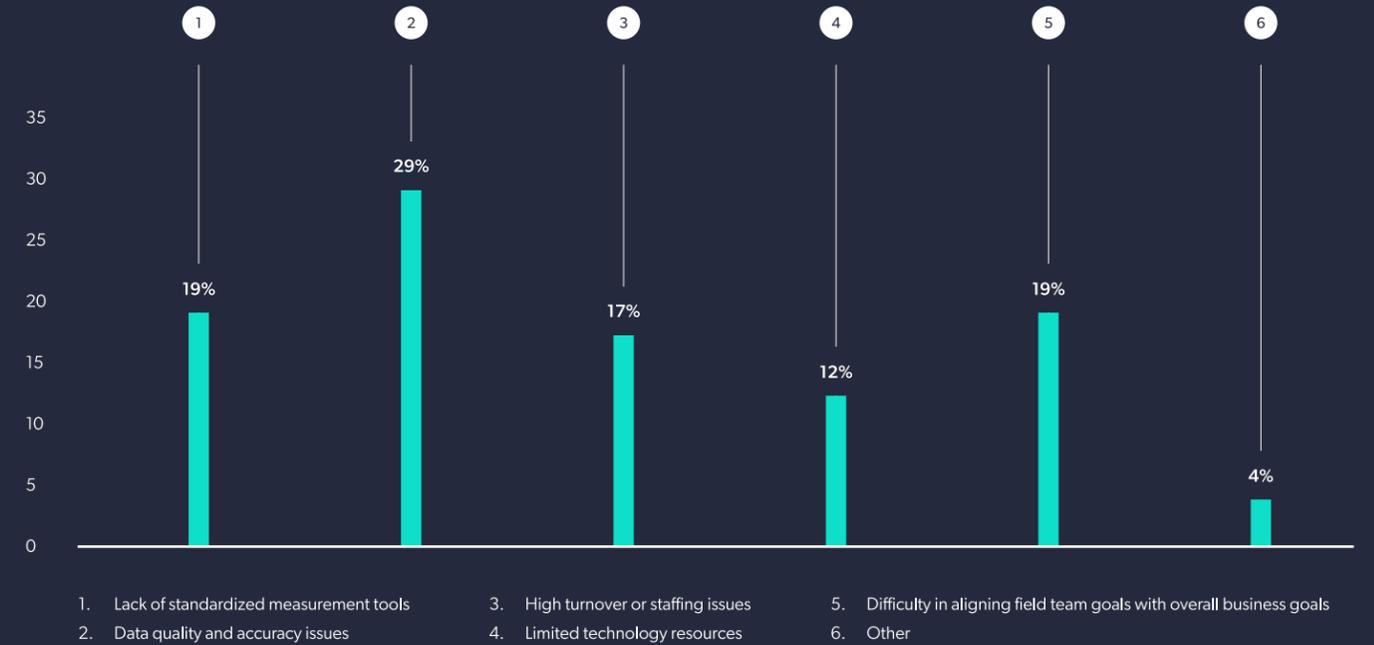


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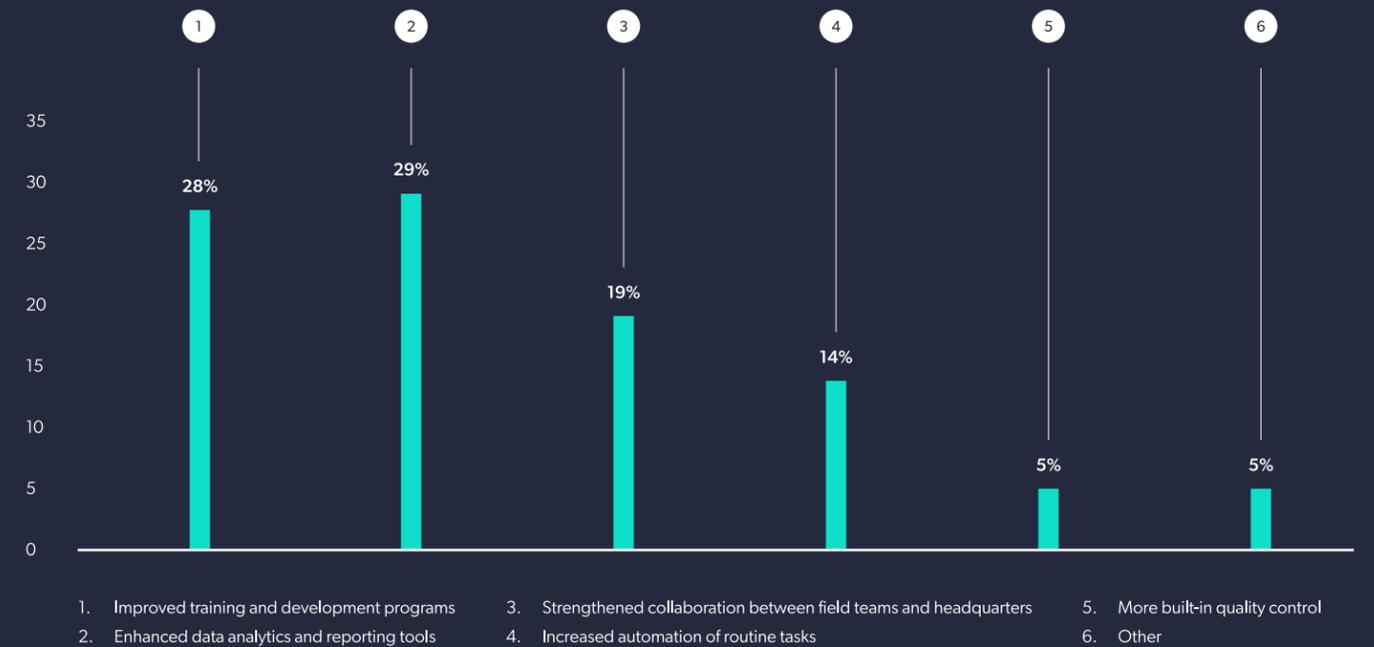


FIG 17  
Is your organization currently utilizing Image Recognition technology to enhance your retail execution processes?

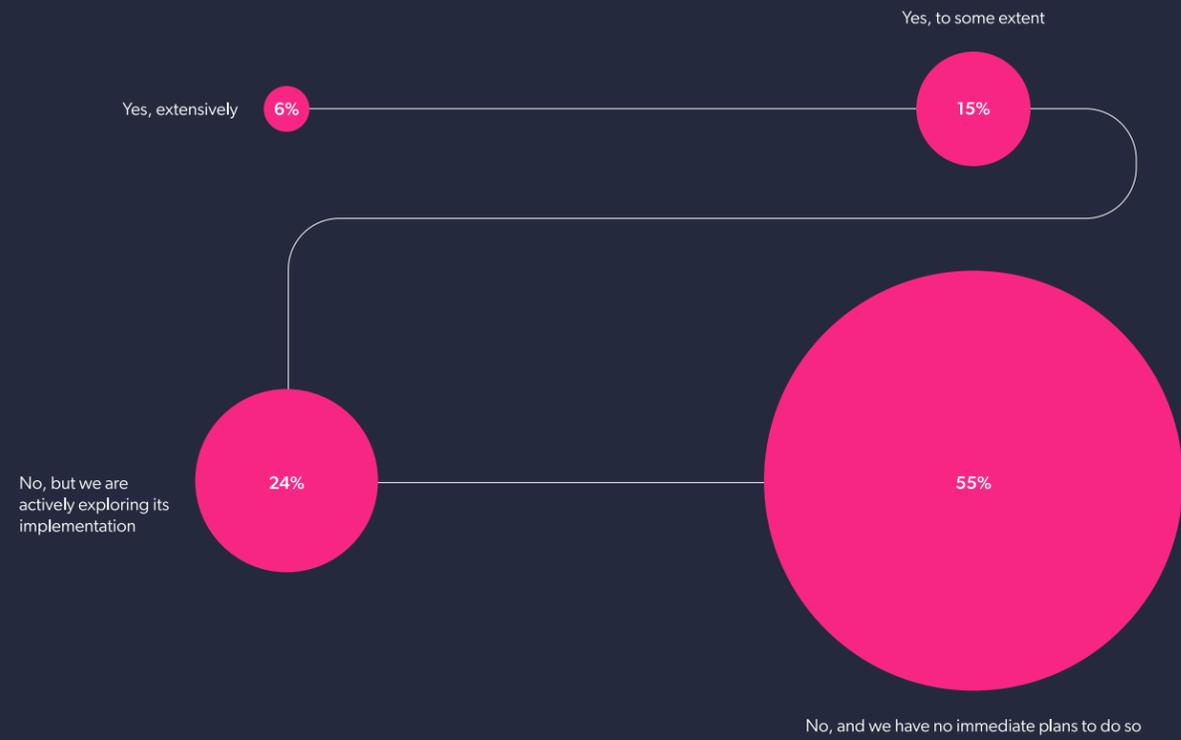


FIG 18  
What is the primary goal of adopting Image Recognition for retail tech?



FIG 19  
If you are using Image Recognition in retail execution, which areas of your operations are benefiting the most from this technology?





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