

RETAIL OUTLOOK

# Retail Execution for a Competitive Edge



# CONTENTS

<b>CHAPTER 1</b>	
Introduction	2
<b>CHAPTER 2</b>	
Key Insights	3
<b>CHAPTER 3</b>	
Top Priorities and Challenges	5
<b>CHAPTER 4</b>	
Optimizing the Consumer Experience	7
<b>CHAPTER 5</b>	
The Drive for Data and Analytics	8
<b>CHAPTER 6</b>	
Image Recognition Technology	10
<b>CHAPTER 7</b>	
Conclusion and Recommendations	12
<b>APPENDIX</b>	
Survey Data	13

## 01

# Introduction

*In our annual Retail Outlook Report, we use our research to shine a light on how brands plan to meet their goals and gain an edge in the current retail landscape.*

## Insights for success in 2025

For CPG brands and retail service companies that want to keep pace with their competition, it's vital to understand how other companies plan to optimize their in-store presence in the year ahead.

That's why each year at Repsly, we take the pulse of the retail market, surveying hundreds of CPG and retail services professionals about their priorities, challenges, and goals. In our annual Outlook Report, we use that research to shine a light on how brands plan to gain an edge in the current retail environment. It's a vital part of our mission to help companies empower their field teams, optimize their retail execution, and win market share—no matter what the economic landscape, or how fierce the competition.

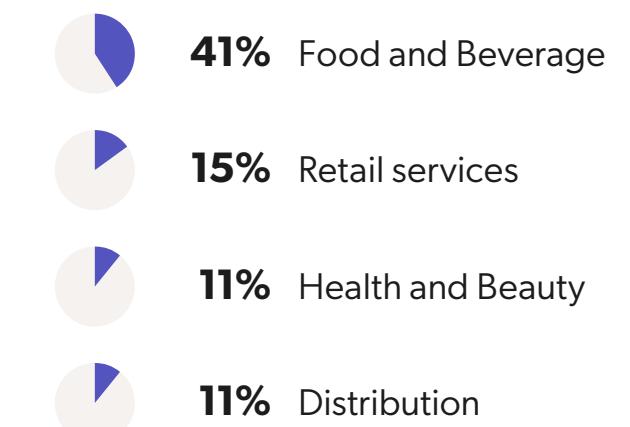
This year, we heard from more than 170 individuals across a wide range of verticals and functions. Our research dug into topics ranging from AI image recognition technology investment to field team ROI to emerging retail trends. In these pages you'll see how CPGs are responding to a retail environment that's more competitive than ever—where they're focusing and what they're doing to stand out and win.

## WHO'S IN THE SURVEY?

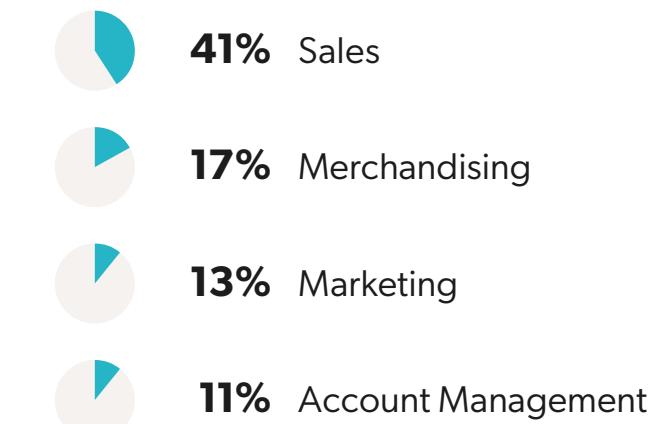


In Fall 2024, we invited a broad range of CPG and retail services professionals to participate in this study. We received survey responses from more than 170 individuals.

### 01 INDUSTRY



### 02 DEPARTMENTS



### 03 COMPANY REVENUES



# Key Insights

*In a fiercely competitive retail environment, brands are doubling down on execution excellence.*

## Goodbye uncertainty, hello competition

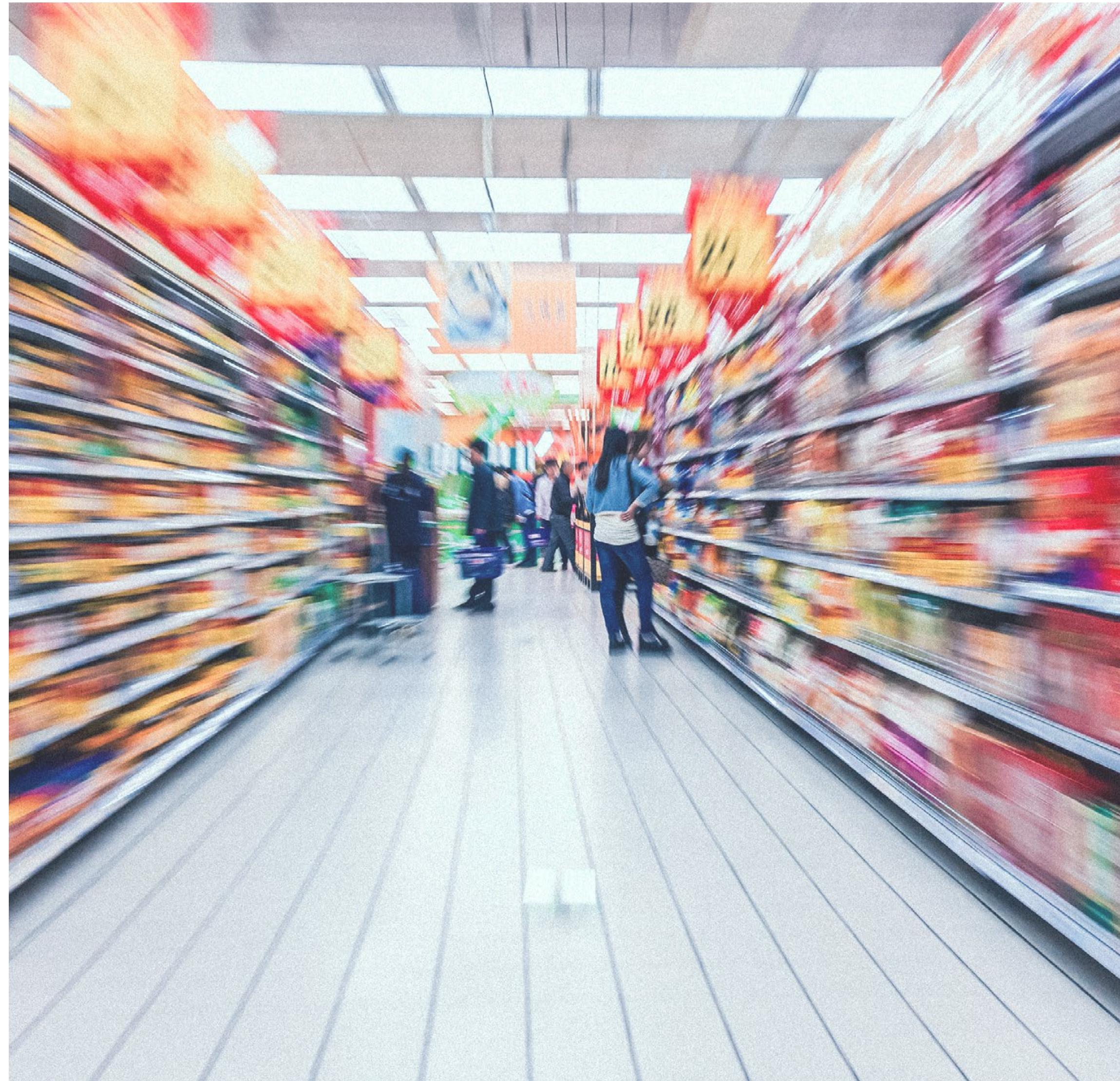
With the chaos of supply chain disruptions and fears of recession fading in the rearview mirror, retailers and brands were optimistic going into 2024. The National Retail Federation predicted that retail sales in 2024 would increase between 2.5% and 3.5% to between \$5.23 trillion and \$5.28 trillion<sup>1</sup>. And while the share of ecommerce sales continues to edge upward, particularly when it comes to holiday shopping, more than 80%<sup>2</sup> of retail sales are still happening in-store.

So it's no surprise that the brick and mortar environment is more competitive than ever. In spite of decelerating inflation, consumers are still feeling the pinch, especially when it comes to food and beverage and health and beauty purchases. Price is a major factor in their buying decisions, and many are choosing private label products or trying lower-priced brands.

1 NRF. NRF Forecasts Retail Sales to Reach at Least \$5.23 Trillion in 2024. Available at <https://nrf.com/>

2 Statista.com. In-store and e-commerce retail sales share in the United States from 2022 to 2028. Available at <https://www.statista.com/>





## CPGs are driving hard to stand out and win at the shelf

No longer hampered by the challenges of the pandemic retail environment, brands are bringing their focus back to optimizing their in-store presence, honing their execution, and creating better retail experiences for their customers—from better on-shelf availability to personalized in-store interactions to Instagram-worthy displays. This renewed focus on retail presence is especially shrewd given the competition from ecommerce, including subscription services.

Brands and their service providers are also as committed as ever to empowering their field teams and building better relationships with retailers. The two go hand in hand: when field teams are at the top of their game, better sales are likely to follow—which benefits retailers and brands alike.

## Demand for data and analytics and IR is growing

Our research indicated a clear demand for better quality data. Image recognition (IR) is increasingly recognized as a valuable tool for improving data quality, as well as getting a clearer view of what's happening in-store, and boosting field team efficiency. Nearly 50% of respondents are either currently using IR or planning to explore it in the near future. As the technology continues to advance, it appears to be nearing a tipping point for adoption, with low risk and high reward.

We expect that the push to create better customer experiences through optimal execution will continue to intensify in 2025—and that brands that don't get in on the game risk falling behind.

## → THE UPSHOT

**Brands are bringing their focus back to optimizing their in-store presence, honing their execution, and creating better retail experiences for their customers.**



*We look to Repsly Image Recognition as the ultimate “source of truth” for in-store execution. The Repsly IR eliminates keyboard slips, missed keys and mistakes! Image recognition is 99% accurate when the human takes a good picture.*

VP of Global Sales Capability, Nutrabolt

# Top Priorities and Challenges

*A competitive retail landscape has brands renewing their focus on their in-store presence and pushing to empower their field teams.*

## Pricing pressures and increased competition

As was the case last year, the lion's share of respondents—a whopping 90%—named driving sales as a top goal. Building strong relationships with retailers took second place, as it did last year, at 74%. One notable difference is that brands seem more concerned about increasing competition, with 44% of respondents naming it as a top three challenge this year, versus 40% last year. Meanwhile, 35% named surpassing their competition as a top goal for 2025—up from 30% in 2024. Companies are also keenly aware of the need to maintain customer loyalty in the face of competition, with 38% of respondents naming it as a top challenge.

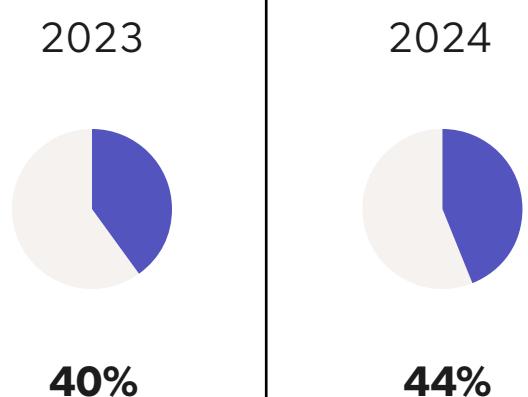
This tracks with the fact that pricing pressures are still very much in play—and consumers are more likely to put price above brand loyalty. According to Nielsen<sup>3</sup>, global sales of private label goods increased 12.6% in 2024 as of Q2. Meanwhile, the Private Label Manufacturing Sales Association<sup>4</sup> reported that in 2023, annual

<sup>3</sup> Nielsen. NIQ 2024 Consumer Outlook. Available at <https://nielseniq.com>

<sup>4</sup> Private Label Manufacturing Sales Association. PLMA's 2024 Private Label Report. Available at <https://www.plma.com/>



## INCREASING COMPETITION



Brands are more concerned about increasing competition this year

## TOP CHALLENGES

- 47%** Hiring and maintaining field teams
- 44%** Competition increasing
- 38%** Establishing and maintaining customer loyalty
- 38%** Capturing up-to-date data from the shelf

**One notable difference is that brands seem more concerned about increasing competition, with 44% of respondents naming it as a top three challenge this year.**



## RECOMMENDATIONS

### EMPOWERING FIELD TEAMS

Greater store team efficiency and impact starts with the right retail execution tools.

- Easy and intuitive—tools they'll enjoy using that require minimal training
- Built with features to ensure quality control by guiding accuracy
- Designed to speed shelf audits, so reps can cover more territory in a shorter timespan
- Able to identify reps who need coaching or have exemplary performance

### BUILDING BETTER RELATIONSHIPS WITH RETAILERS

Retail execution software can help CPGs connect and stay aligned with their retail partners.

- Creates a single historical source of truth for in-store conditions and conversations
- Ensures in-store performance is aligned with planned promotional activities
- Enables data-driven conversations between account managers and retailers around strategic priorities and initiatives

store brand sales reached an all-time high of \$236.3 billion—up \$10.1 billion from 2022. It's clear that CPGs and their service providers will need to keep their foot on the gas this year when it comes to their store presence—and they know it. Retail execution and operations topped the list of priority areas of focus, with nearly 60% including it in their top three goals of the year.

### Lingering labor challenges

While down slightly this year from last, hiring and maintaining field teams remained the number one challenge for respondents by large margin, with 47% of respondents naming it a top-three challenge. At the same time, companies are keenly focused on empowering the reps they have. They believe that improved training and development, along with better data analytics and reporting tools, are most likely to enhance the value of their field teams and their contribution to driving sales and profitability.



# Optimizing the Consumer Experience

CPGs and their service providers are pushing hard to win consumers' hearts and dollars in-store by upping their execution game.

## PREDICTION

**We expect that 2025 will see brands going above and beyond the basics in-store as they fight to attract and engage consumers.**

### The power of positive shopping

Creating better experiences in-store emerged as a strong area of focus for respondents this year. Given the competitive retail landscape, and the challenge of getting price-conscious consumers to remain loyal to their favorite brands, it seems that creating better shopping experiences is one way CPGs feel they can gain an edge.

When asked which in-store activity gave the most return/incremental sales, the number one answer, like last year, was merchandising and product placement—proof that good execution yields better sales. But this year, customer engagement and experience building on-site jumped up a notch to the second most popular choice, swapping places with relationship building with retailers. We expect that 2025 will see brands going above and beyond the basics in-store as they fight to attract and engage consumers.



### Courting customers with the latest retail trends

This year, for the first time, we asked survey takers about which current retail trends they were exploring. Three of the top four trends respondents cited were about connecting more effectively and directly with shoppers: Personalized retail interactions (28%), in-store workshops and popups (17%), and Instagram-worthy packaging and displays (12%).

## TOP RETAIL TRENDS RESPONDENTS ARE EXPLORING

- 28%** Personalized retail interactions
- 17%** In-store workshops and popups
- 17%** Convenience and on-demand products
- 12%** Instagram-worthy packaging and displays

## HOW RETAIL EXECUTION SOFTWARE DRIVES BETTER SHOPPING EXPERIENCES

In a competitive environment, great execution is more vital than ever. Retail execution software can play a pivotal role.

- Makes it easier for teams to stock shelves and displays correctly for ease of shopping
- Helps prevent frustrating out-of-stocks and ensure accurate pricing
- Ensures that promotions and negotiated placements are executed correctly
- Provides data on promotion results so you can fine tune seasonal pushes and key brand moments
- Frees reps to spend more time engaging with customers and store managers



05

# The Drive for Data and Analytics

*CPGs know that data and analytics can make the difference between treading water and taking the lead*

## A hunger for data-driven insights

Since we started publishing our annual Outlook Report, one theme has remained constant: CPGs and their service companies are hungry for data and analytics, and understand their power to improve execution and boost sales. This year, enhanced data analytics and reporting tools were named as one of the top three strategies or changes respondents believe would further enhance their field team ROI. Half of respondents (49%) plan to increase their investment in retail or sales analytics in 2025. Of those, 23% plan to do so within the year.

It's a wise strategy: McKinsey reports that data-driven CPGs are outperforming their counterparts and can increase net sales value by 3 to 5 percent<sup>5</sup>. Digital shelf data, such as price, availability, promotion status, visibility, and competitor activity, when combined with sales data, can deliver a powerful and actionable picture of how retail execution affects sales.

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<sup>5</sup> NIQ. CPG Data Analytics, part 1. Available at <https://nielseniq.com/>

## The need for quality data

For data to be effective, it has to be accurate. According to Gartner<sup>6</sup>, poor data quality costs businesses \$15 million a year on average. Our respondents clearly realize this as well: Data quality and accuracy issues were the number one issue cited as an obstacle to measuring and improving the ROI of field teams, at 28%. Lack of standardized measurement tools and siloed data were also top challenges.

The good news is that tools for capturing, communicating, and analyzing data continue to improve—and brands are taking notice. AI image recognition technology is on a fast track to wider adoption, delivering increasingly accurate shelf data in near real-time. Brands and their service providers know it: they named improved data as one of the major potential benefits of image recognition, and a key reason for their investment in it.

6 Gartner. How to Create a Business Case for Data Quality Improvement Available at [www.gartner.com](http://www.gartner.com)

## THE POWER OF DATA



*With Repsly, we unlocked data that revealed sales go up 35% when our Reps visit Walmart.*

VP of Global Sales Capability, Nutrabolt



*Before incorporating Repsly into our operations, we lacked the ability to generate detailed reports or efficiently share statistics with both our team and clients.*

*However, since adopting Repsly, these capabilities have significantly improved, enabling us to not only access comprehensive data but also streamline communication and collaboration.*

Field Marketing Manager, Saucony

THE UPSHOT

**CPGs and their service companies are hungry for data and analytics, and understand their power to improve execution and boost sales.**





06

# Image Recognition Technology

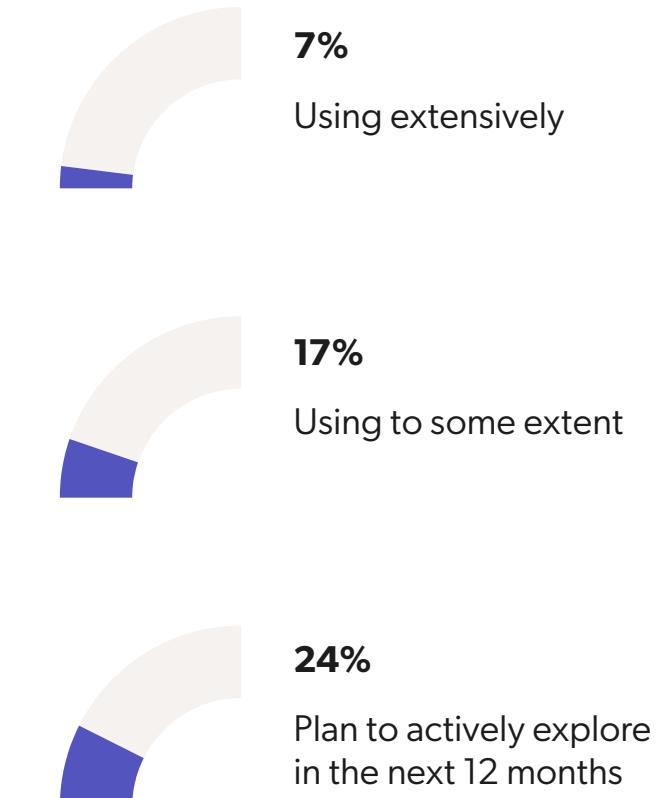
*AI image recognition technology is on the cusp of much broader adoption as CPGs recognize its power to enhance retail execution*

## Approaching the tipping point

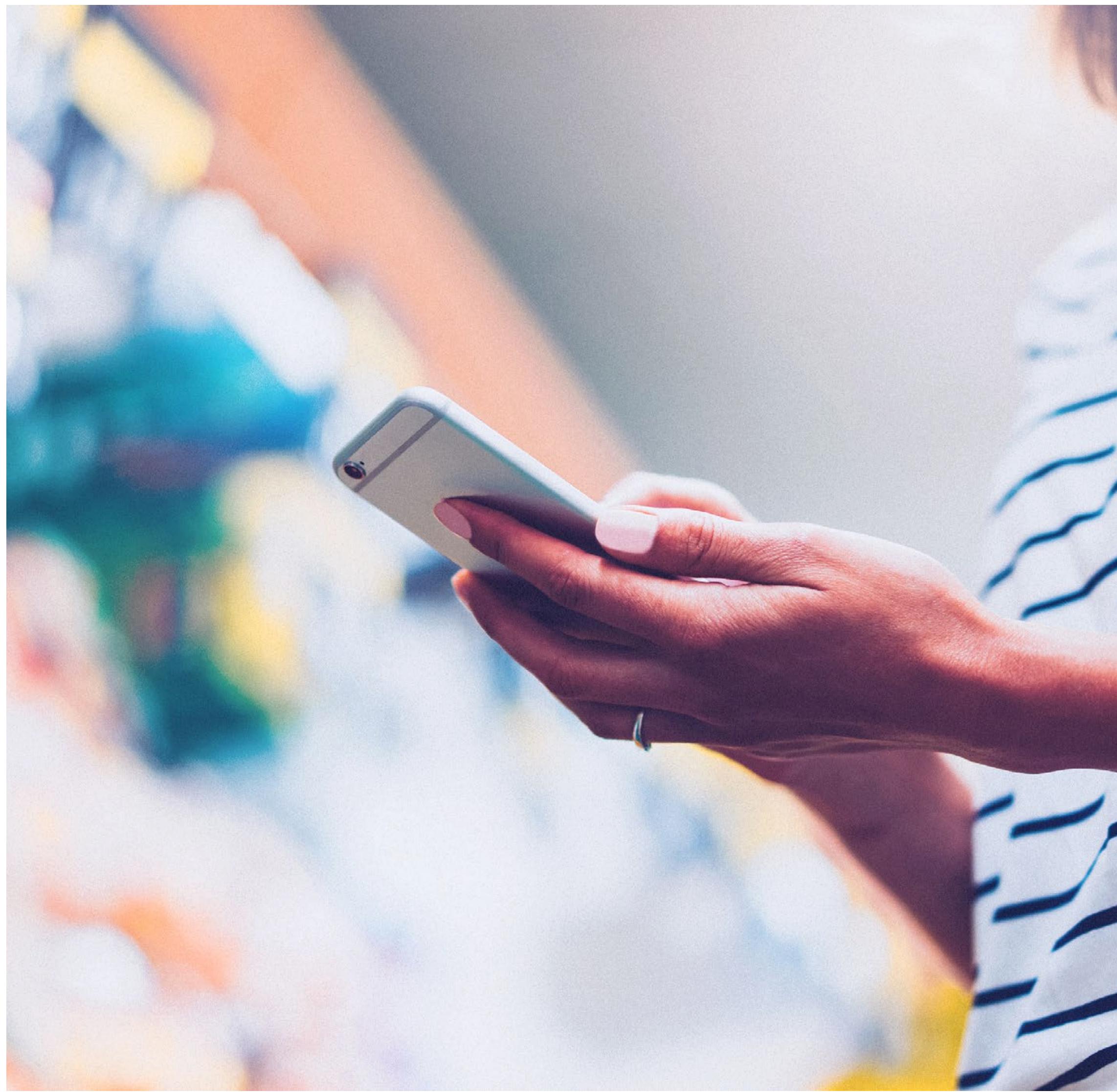
Use of AI image recognition technology is skyrocketing across dozens of industries, from medicine to manufacturing to financial services and beyond. More and more retailers, CPGs, and service providers are discovering the value of IR for capturing visual data at the shelf, to ensure that products are stocked, displayed, and priced correctly. The market for IR in retail is projected to reach \$5.05 billion by 2028, at a CAGR of 20.1%<sup>7</sup>.

Among our respondents, adoption of IR continues to grow steadily. This year, 24% of respondents say they're currently using it in their retail execution—up from 21% last year. Another 24% say they plan to actively explore IR within the next 12 months. The fact that roughly half of respondents say they have no immediate plans to explore IR for retail execution suggests that they may be holding off until the technology has a longer track record of success. They won't have to wait much longer: the accuracy and speed of IR is improving

ORGANIZATIONS USING IMAGE RECOGNITION TO ENHANCE RETAIL EXECUTION



<sup>7</sup> C-Suite Strategy. Harnessing Data-Driven Growth in Consumer Packaged Goods. Available at <https://www.c-suite-strategy.com/>



exponentially, with some IR retail platforms, including Repsly's, are able to deliver 95% accuracy in SKU recognition.

### More than data: The “halo effect” of IR

Those who have already adopted IR or other AI solutions say their primary motivations were to improve data collection (37%) and improve the efficiency of their field teams (33%). They report that since making IR part of their retail execution strategy, they're benefitting from sharper shelf management and planogram compliance, as well as better data-driven insights and analytics.

IR is particularly valuable against the backdrop of ongoing labor shortages. Having fewer workers often results in under-trained staff who are more liable to make mistakes when it comes to auditing shelves, logging inventory, and maintaining on-shelf ability. IR can help them perform better, and provide near real-time data to HQ indicating where additional training and direction may be needed.

#### THE UPSHOT

**More and more retailers, CPGs, and service providers are discovering the value of image recognition for capturing visual data at the shelf, to ensure that products are stocked, displayed, and priced correctly.**

### AN INVESTMENT IN IR IS AN INVESTMENT IN RELATIONSHIPS

Investing in IR to improve retail execution and on-shelf availability is a win for brands and retailers alike.

Repsly customer CoreMark, which recently began using Repsly's Image Recognition capabilities, reported that the retailers responded very positively when they invested in their IR trial with them, seeing it as a “lean into the relationship.”



# Conclusion and recommendations

*In the crowded and competitive retail landscape, CPGs have to be on their A-game to thrive, and can't rely on outdated tactics or subpar technology.*

## Don't get left behind

This year's research makes it clear that CPGs and retail service providers that lean into data and analytics, adopt new tech like image recognition, and make the most of their retail execution software to empower their teams and create exceptional customer experiences will come out ahead in 2025.



At Repsly, we're committed to helping our clients meet and exceed their retail sales goals. Find out how real-time insights and analytics, image recognition, and smarter merchandising, promotion, and sales execution tools can help you surpass your competition in 2025 and beyond.

**CONTACT US** 

## WAYS TO UP YOUR GAME IN 2025

→ Ensure that you have a robust yet easy to use retail execution software solution—one that includes advanced analytics and reporting dashboards that will give you a clear view of the relationship between sales performance and retail execution metrics, including merchandising compliance, inventory management, and product availability. Choosing an intuitive, easy-to use solution will help increase adoption among reps and naturally improve performance through QA features.

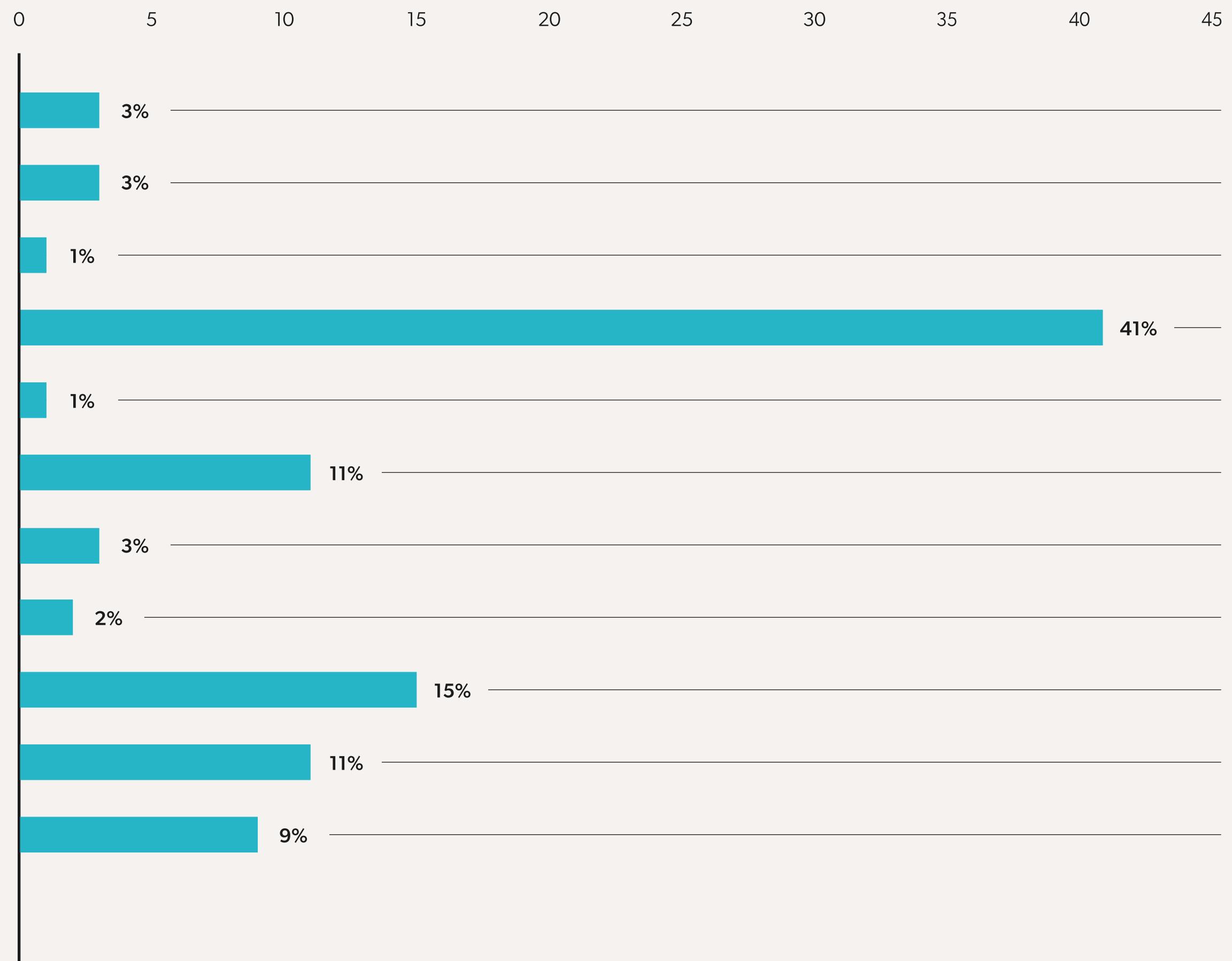
→ Don't underestimate the fierceness of competition at the shelf as brands turn up the heat on in store presence and vie more aggressively for consumer attention. Compelling promotions, planogram-compliant displays, optimal on-shelf availability, and meaningful interactions in-store have the potential to make an outsize difference.

→ Lean into image recognition to increase accuracy and timeliness of your data, improve visual merchandising and on-shelf availability, and boost the efficiency of your field teams—all of which can, in turn, drive sales, strengthen relationships with retailers and deliver better experiences for consumers.

# Survey Data

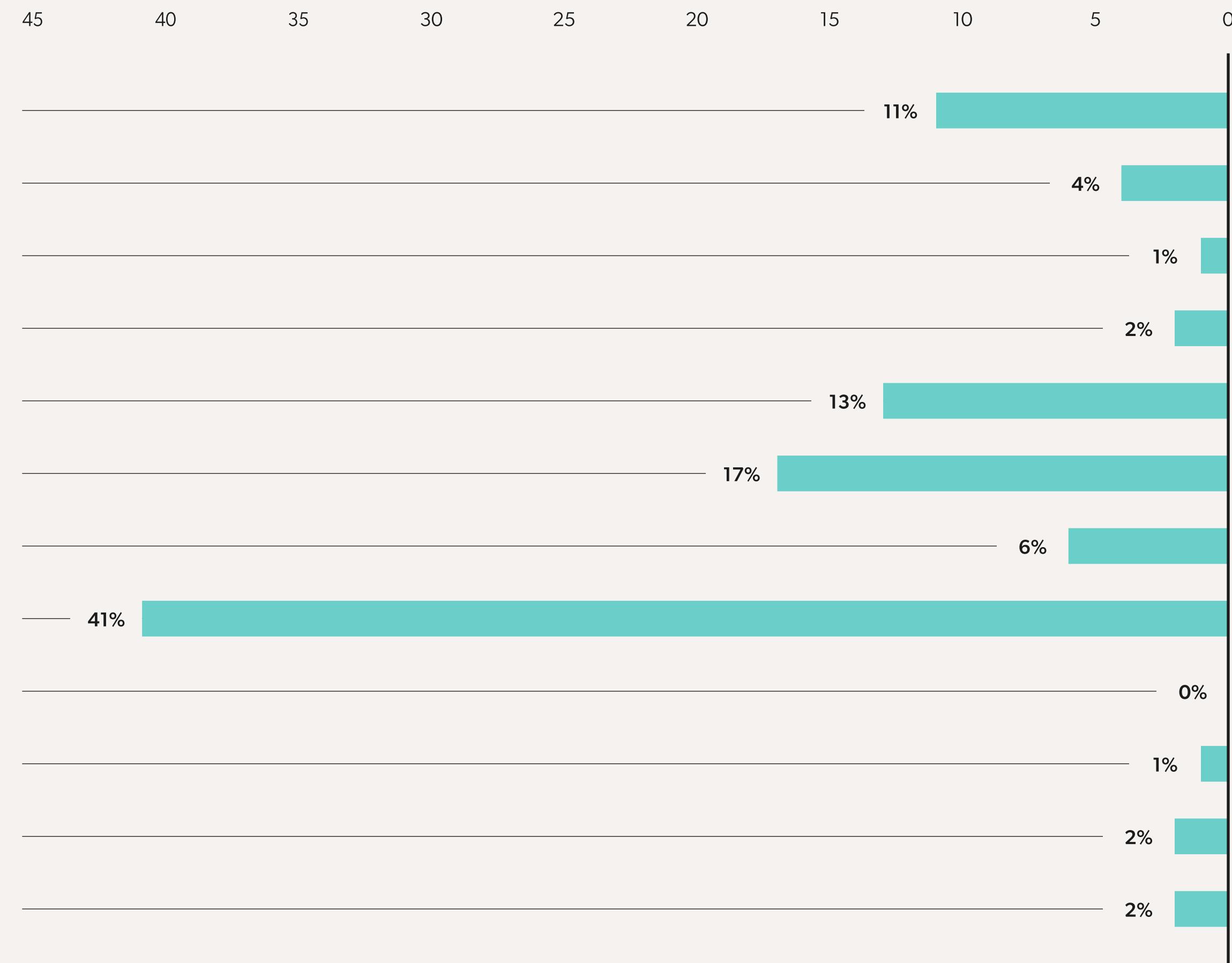
<b>APPENDIX</b>	
<b>FIG 1</b>	15
Which industry do you work in?	
<b>FIG 2</b>	15
Which department do you work in?	
<b>FIG 3</b>	16
What is your company's annual revenue?	
<b>FIG 4</b>	16
What kind of software do you use to manage your retail execution and field team?	
<b>FIG 5</b>	17
Thinking of the retail channel, what are your organization's top three goals or outcomes it wishes to achieve next year?	
<b>FIG 6</b>	17
What are the priority areas of focus for your organization going into 2025?	
<b>FIG 7</b>	18
What are the top three challenges your company faces in retail execution?	
<b>FIG 8</b>	19
What emerging retail trends are you planning to explore in 2025?	
<b>FIG 9</b>	19
Do you plan on investing / increasing your investment in Retail or Sales analytics?	
<b>FIG 10</b>	20
Is your organization currently utilizing image recognition technology to enhance your retail execution processes?	
<b>FIG 11</b>	20
What was the primary goal in adopting image recognition or AI into your retail tech?	
<b>FIG 12</b>	21
If you are using image recognition in retail execution, which areas of your operations are benefiting the most from this technology?	
<b>FIG 13</b>	21
In your experience, which set of field team activities in-store gives the most return / incremental sales for your brand?	
<b>FIG 14</b>	22
What challenges or obstacles have you encountered in measuring and improving the ROI of your field teams?	
<b>FIG 15</b>	22
What strategies or changes do you believe would further enhance the value of your field teams and their contribution to driving sales and profitability?	
<b>FIG 16</b>	23
Is your company able to fully meet its retail execution goals?	

FIG 1  
Which industry do you work in?



- 1. Apparel / Soft Goods
- 2. Beer Wine and Spirits
- 3. Electronics
- 4. Food and Beverage
- 5. Hard Goods
- 6. Health and Beauty
- 7. Pet Products
- 8. Tobacco / Cannabis
- 9. Retail Services
- 10. Distribution
- 11. Other

FIG 2  
Which department do you work in?



- 1. Account Management
- 2. Business Development
- 3. Human Resources
- 4. IT
- 5. Marketing
- 6. Merchandising
- 7. Operations
- 8. Sales
- 9. Trade Promotions
- 10. Finance
- 11. Owner
- 12. Other

FIG 3

### What is your company's annual revenue?

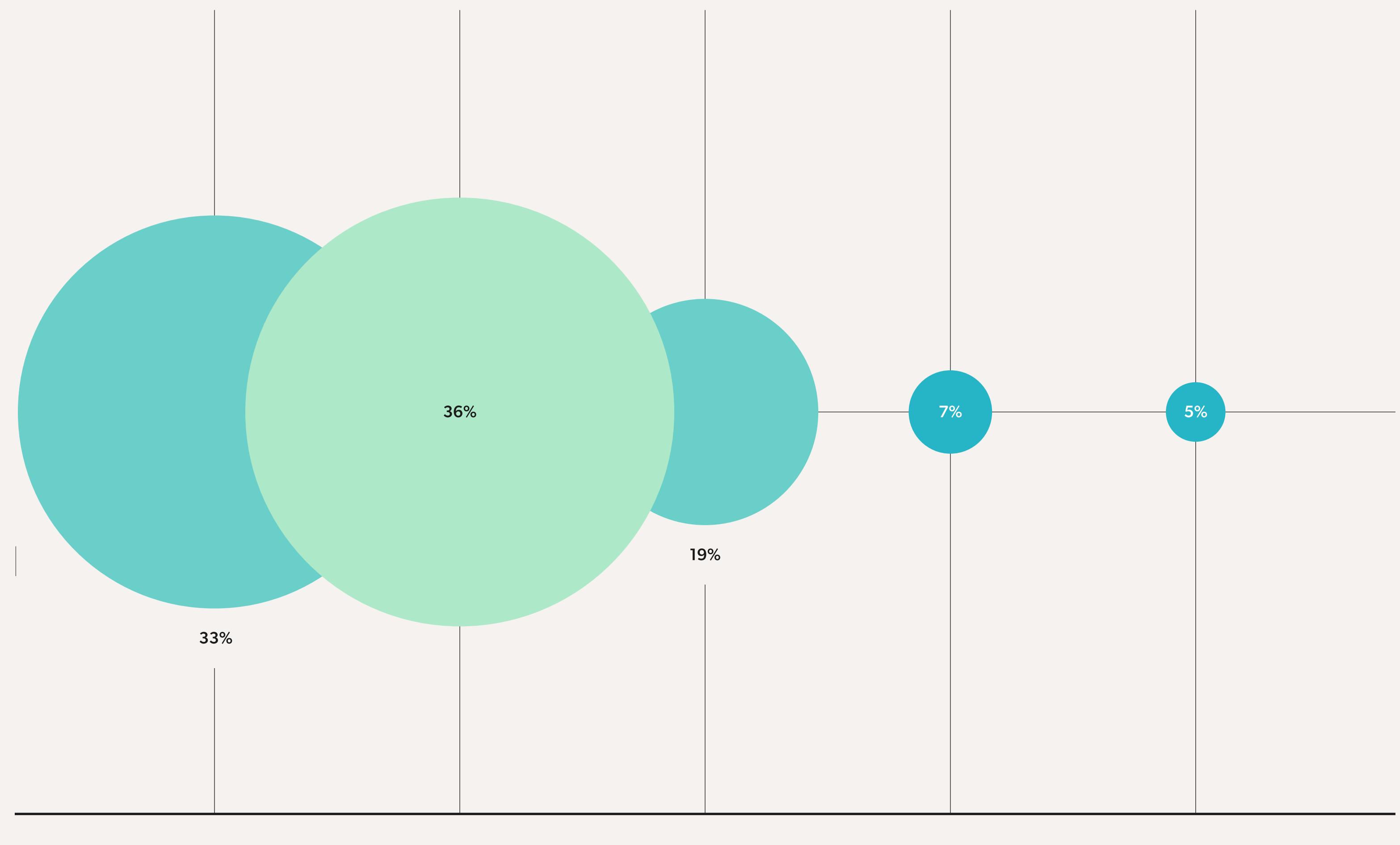
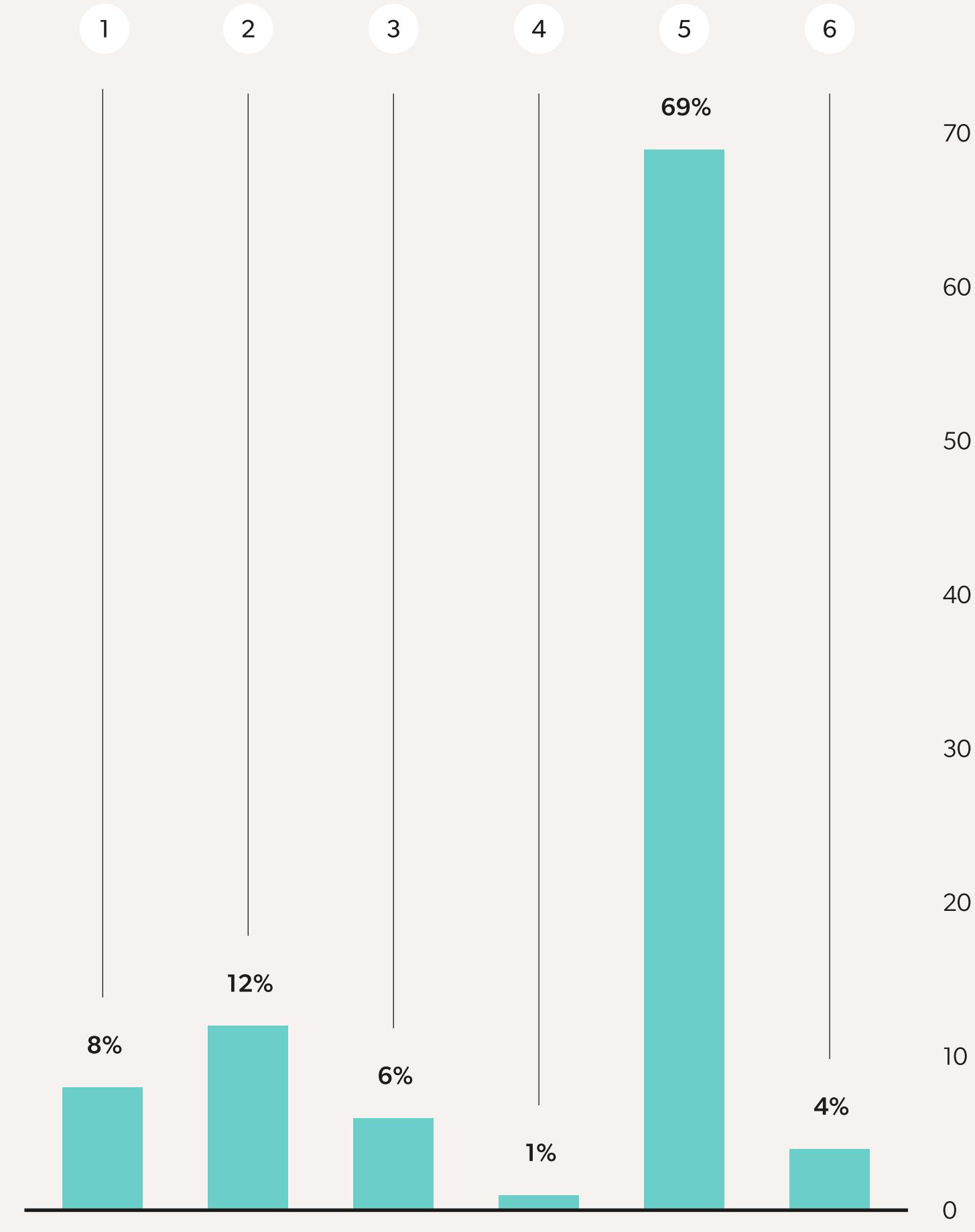


FIG 4

### What kind of software do you use to manage your retail execution and field team?



1. Software built and managed by our IT team

2. Software provided by a 3rd party vendor

3. Excel or a similar program

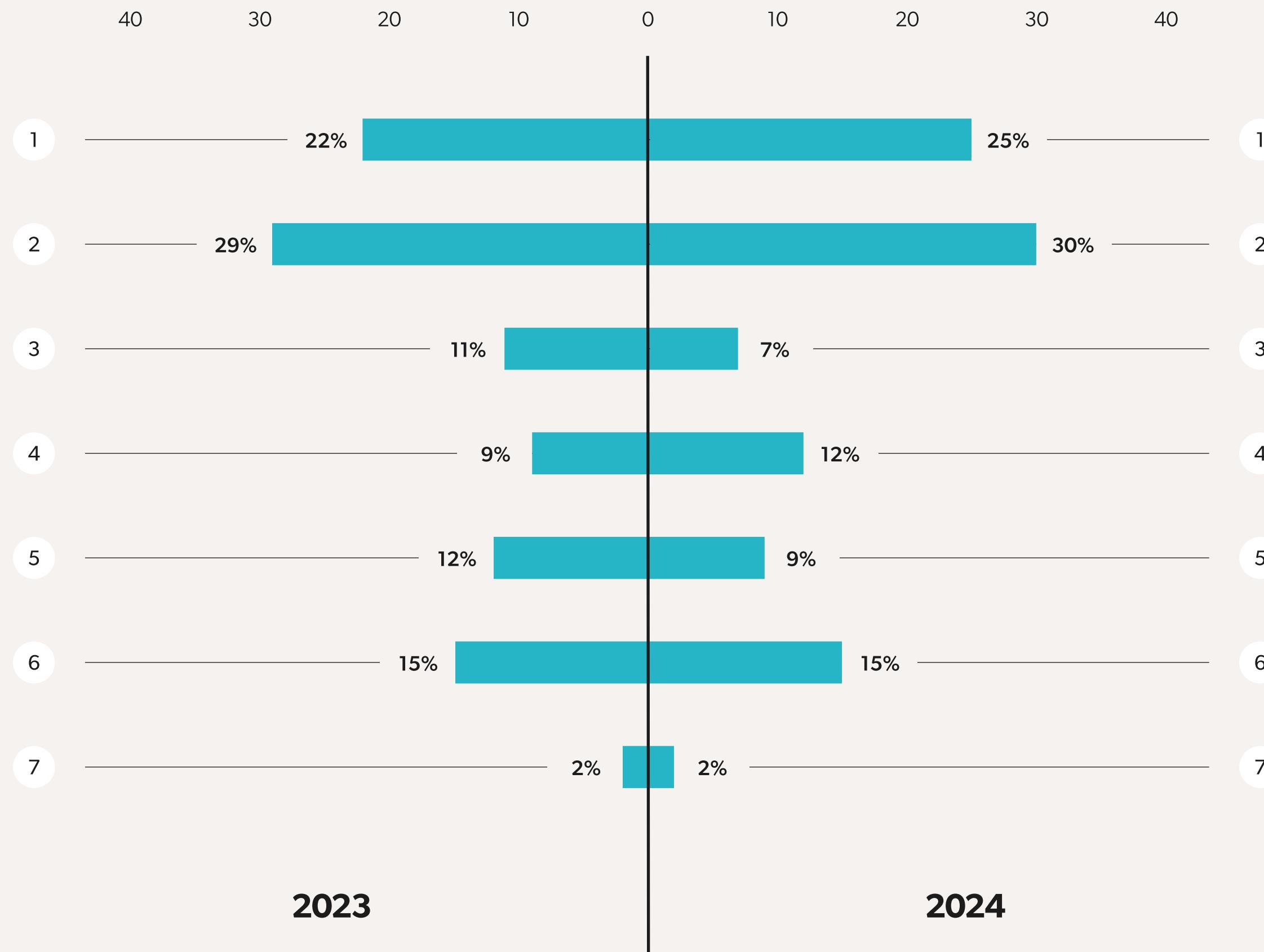
4. No software

5. Repsly

6. Other

FIG 5

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

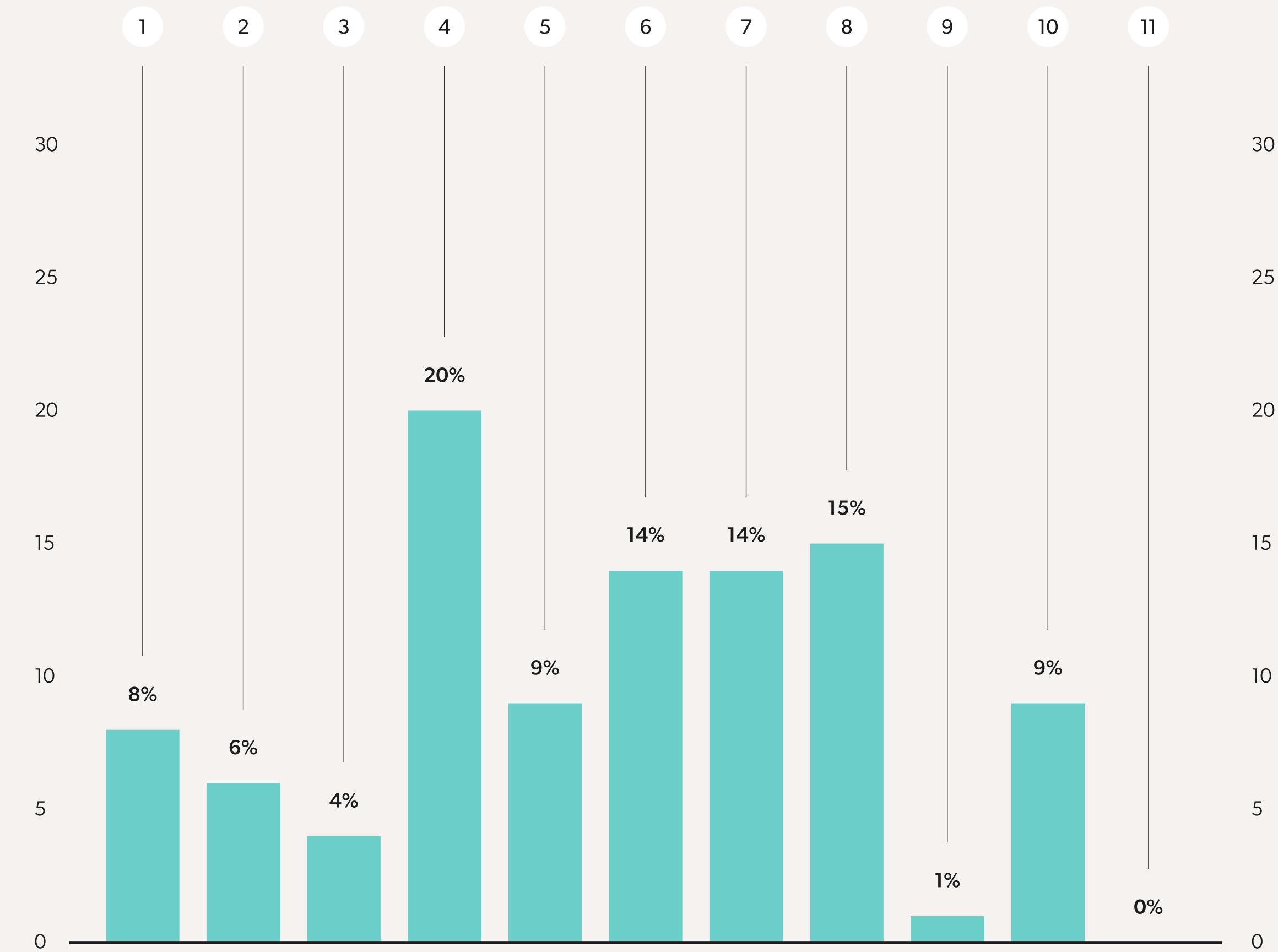


1. Build stronger retailer relationships
2. Increase sales in stores
3. Improve our retailer promotions
4. Surpass my competition

5. Create stronger shopper experiences for my buyers
6. Manage store inventory and keep shelves full
7. Other

FIG 6

**What are the priority areas of focus for your organization going into 2025?**



1. Labor Management
2. Supply Chain Issues
3. E-Commerce Optimization
4. Retail Execution & Operations
5. Leveraging Data - Analytics & Insights
6. Increasing Distribution
7. Building Brand Awareness / Equity
8. Increasing Market Share
9. Cost Containment (Related to Inflation Pressures)
10. Improve Out of Stocks & Product Availability
11. Other

FIG 7

## What are the top three challenges your company faces in retail execution?

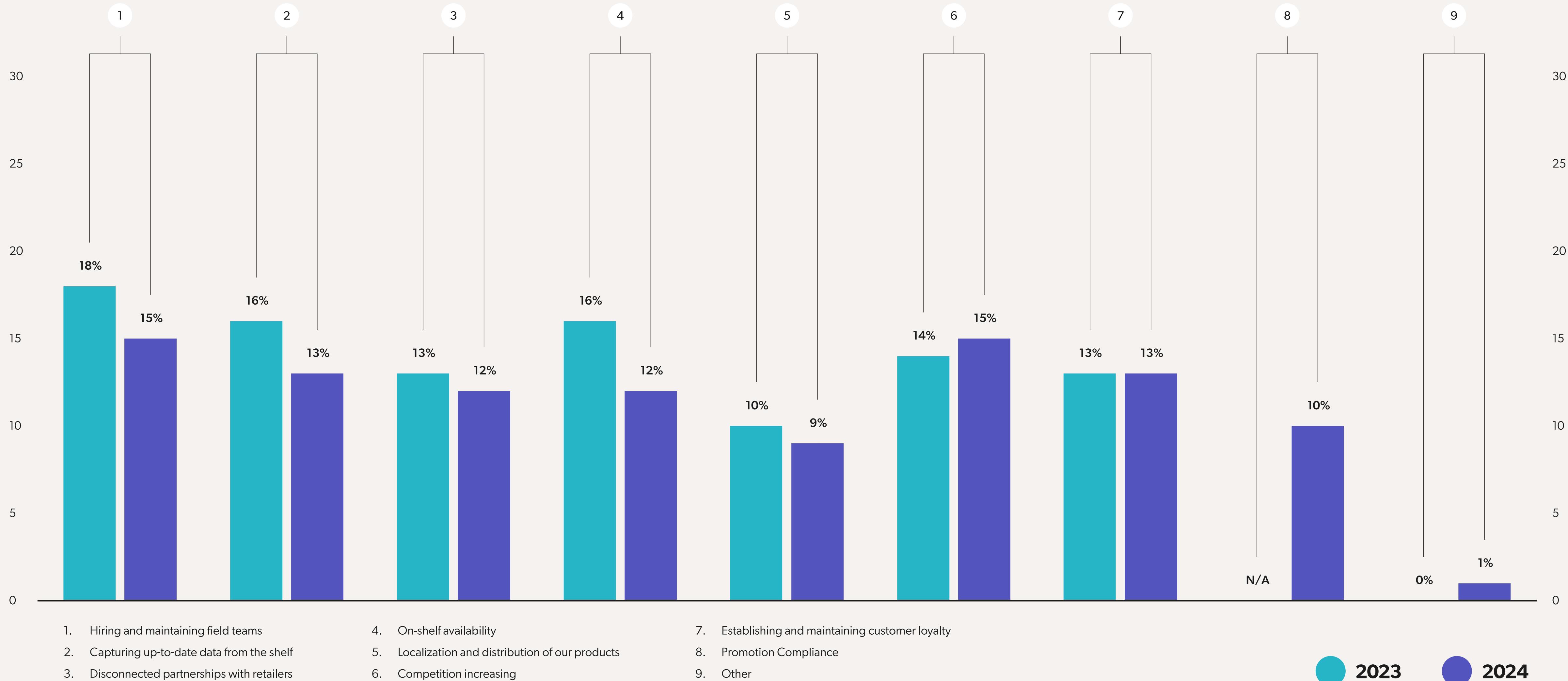


FIG 8

### What emerging retail trends are you planning to explore in 2025?

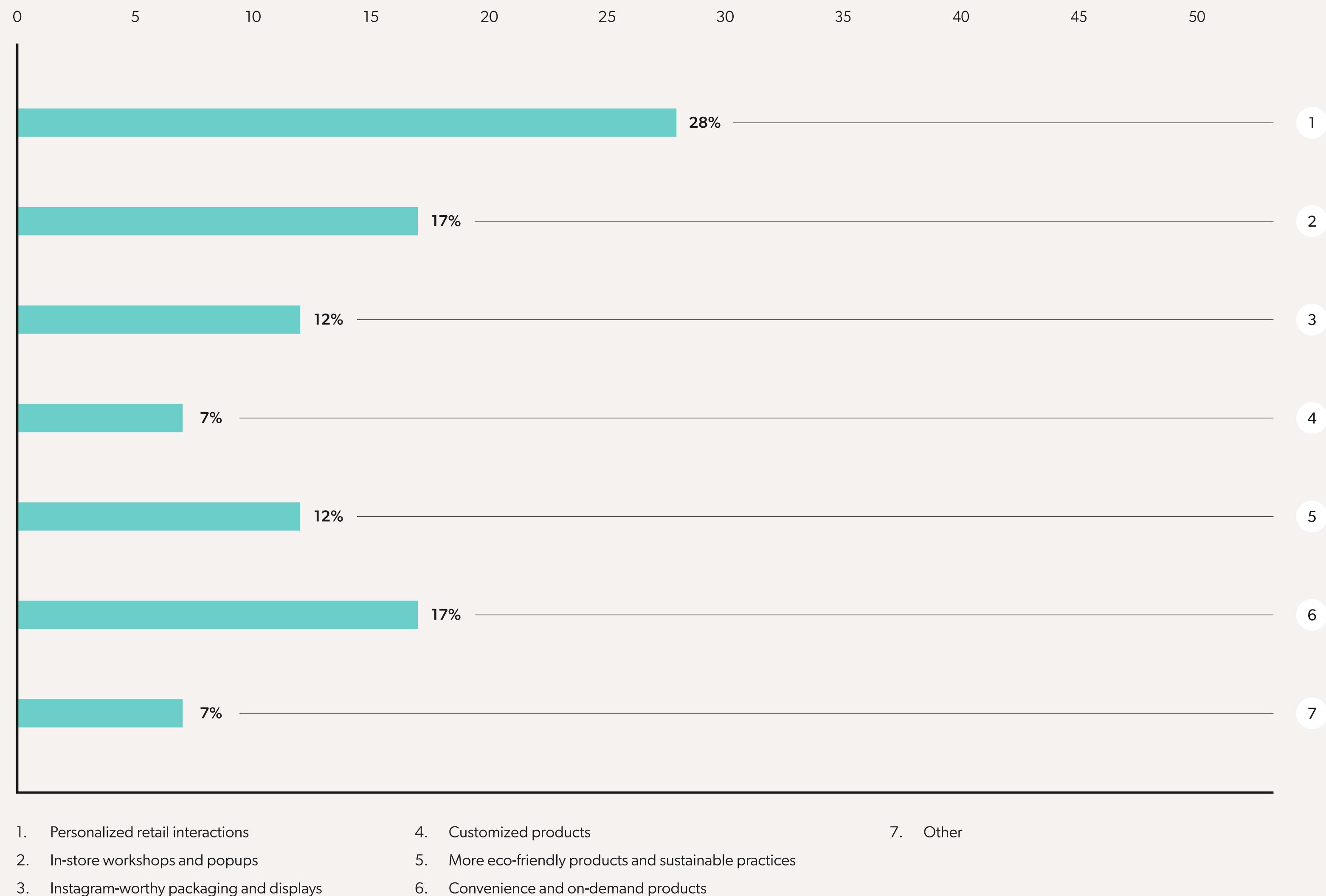


FIG 9

### Do you plan on investing / increasing your investment in Retail or Sales analytics?

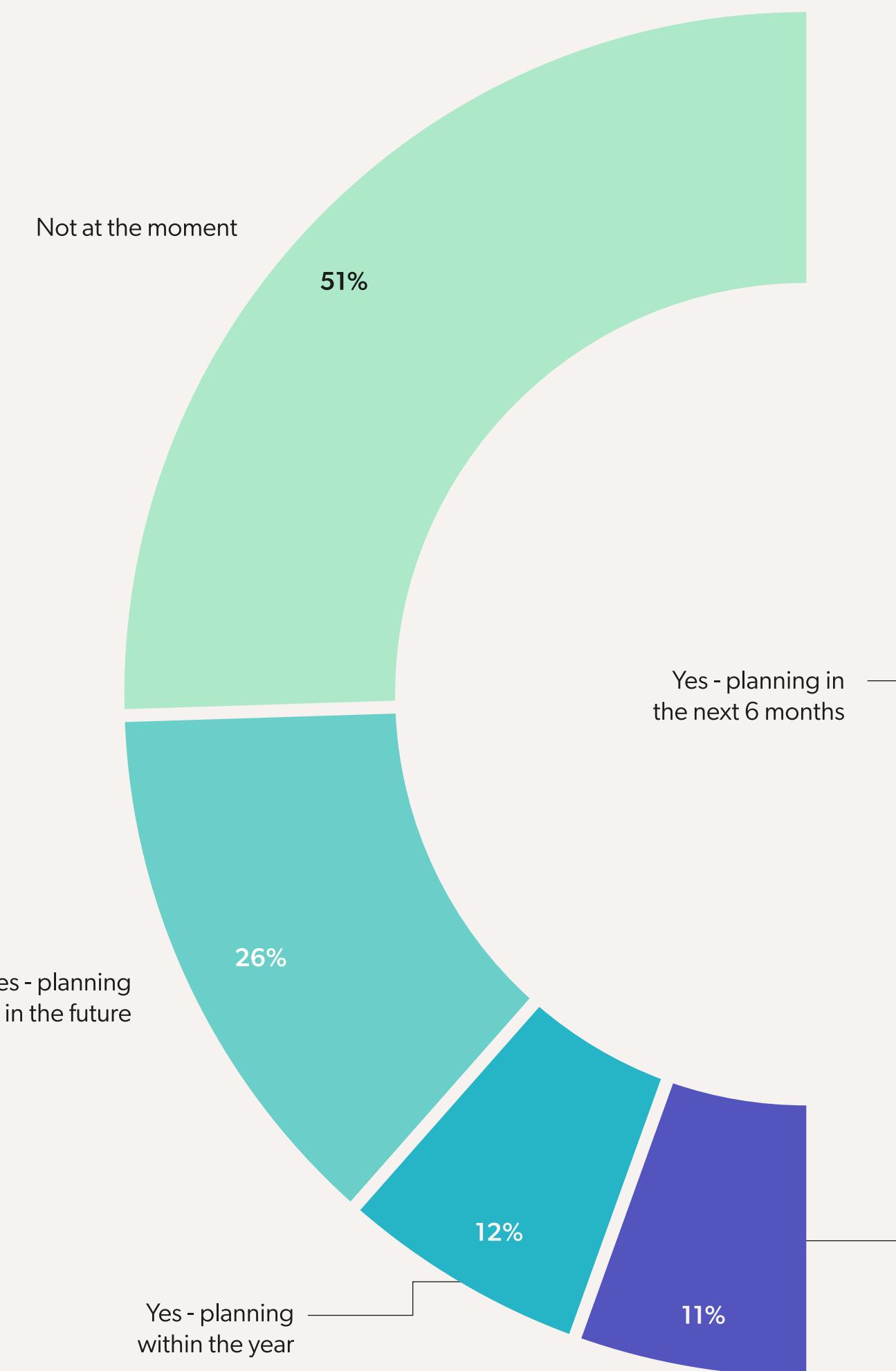
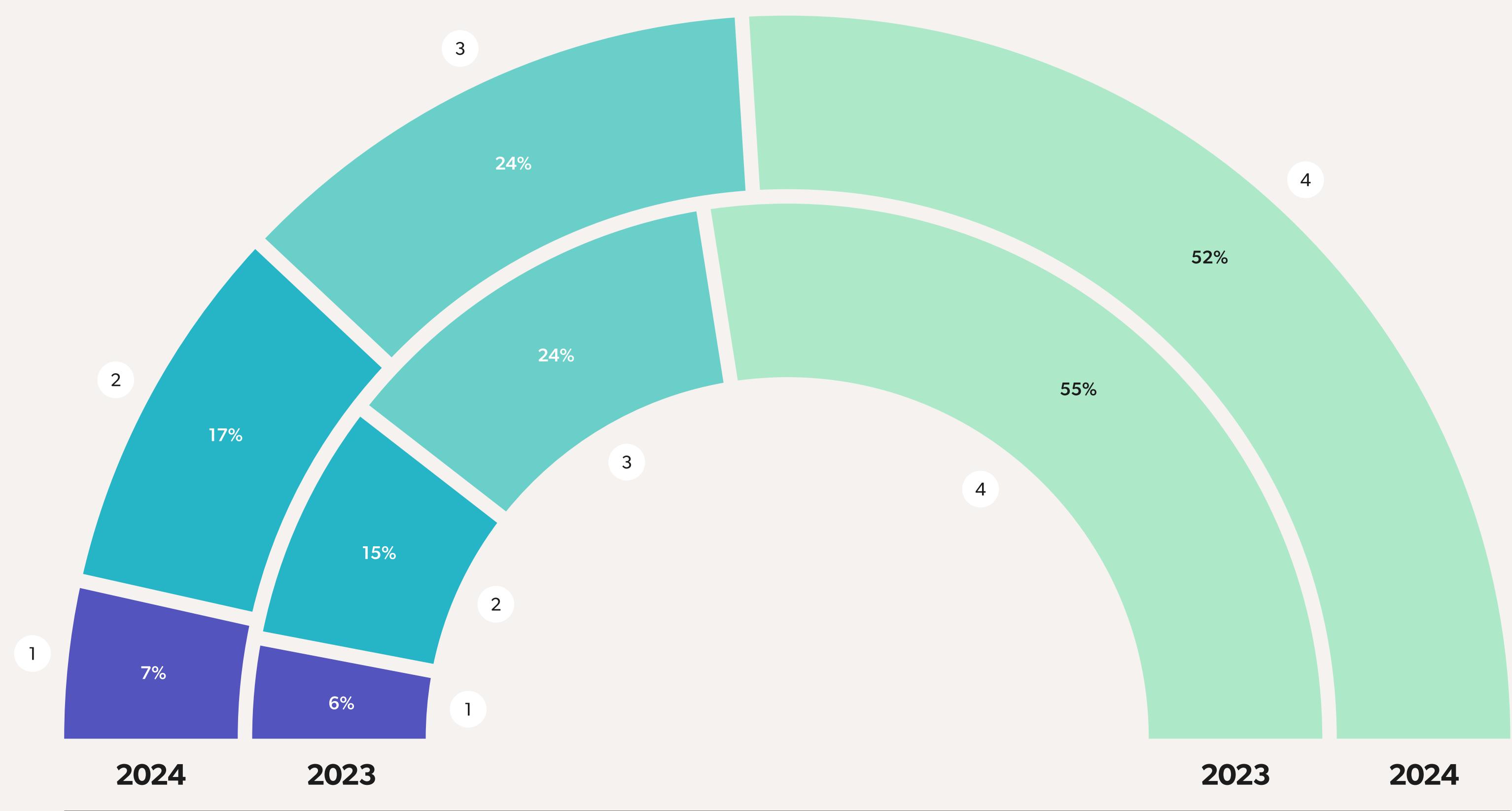


FIG 10

Is your organization currently utilizing image recognition technology to enhance your retail execution processes?



1. Yes - extensively

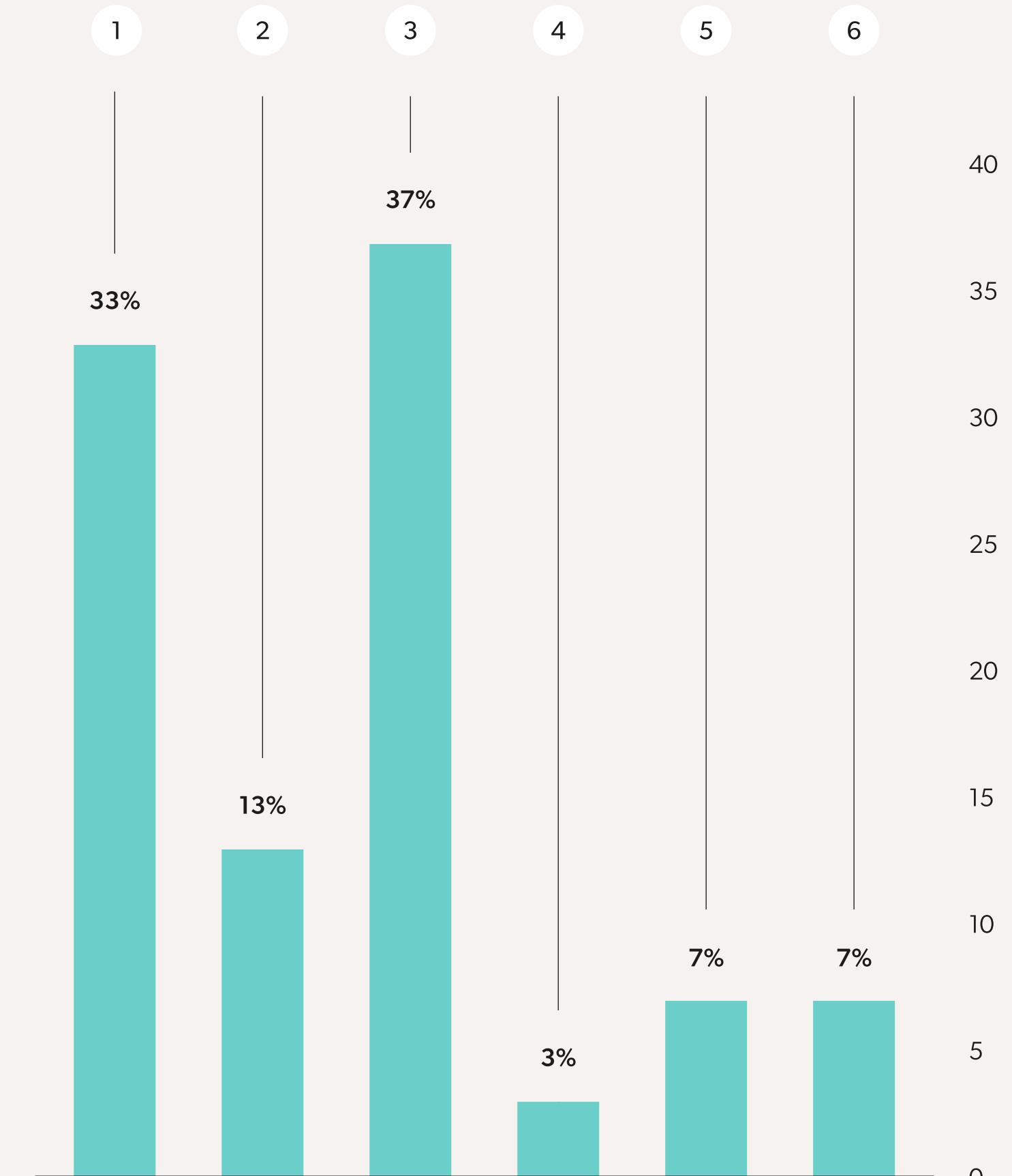
2. Yes - to some extent

3. No - but we are actively exploring it in the next 12 months

4. No - and we have no immediate plans to do so

FIG 11

What was the primary goal in adopting image recognition or AI into your retail tech?



1. Increased field representative efficiency (save time)  
2. Repurposing field reps towards higher value work

3. More accurate data collection  
4. Increased on shelf availability  
5. Better planogram compliance  
6. Other

FIG 12

**If you are using image recognition in retail execution, which areas of your operations are benefiting the most from this technology?**

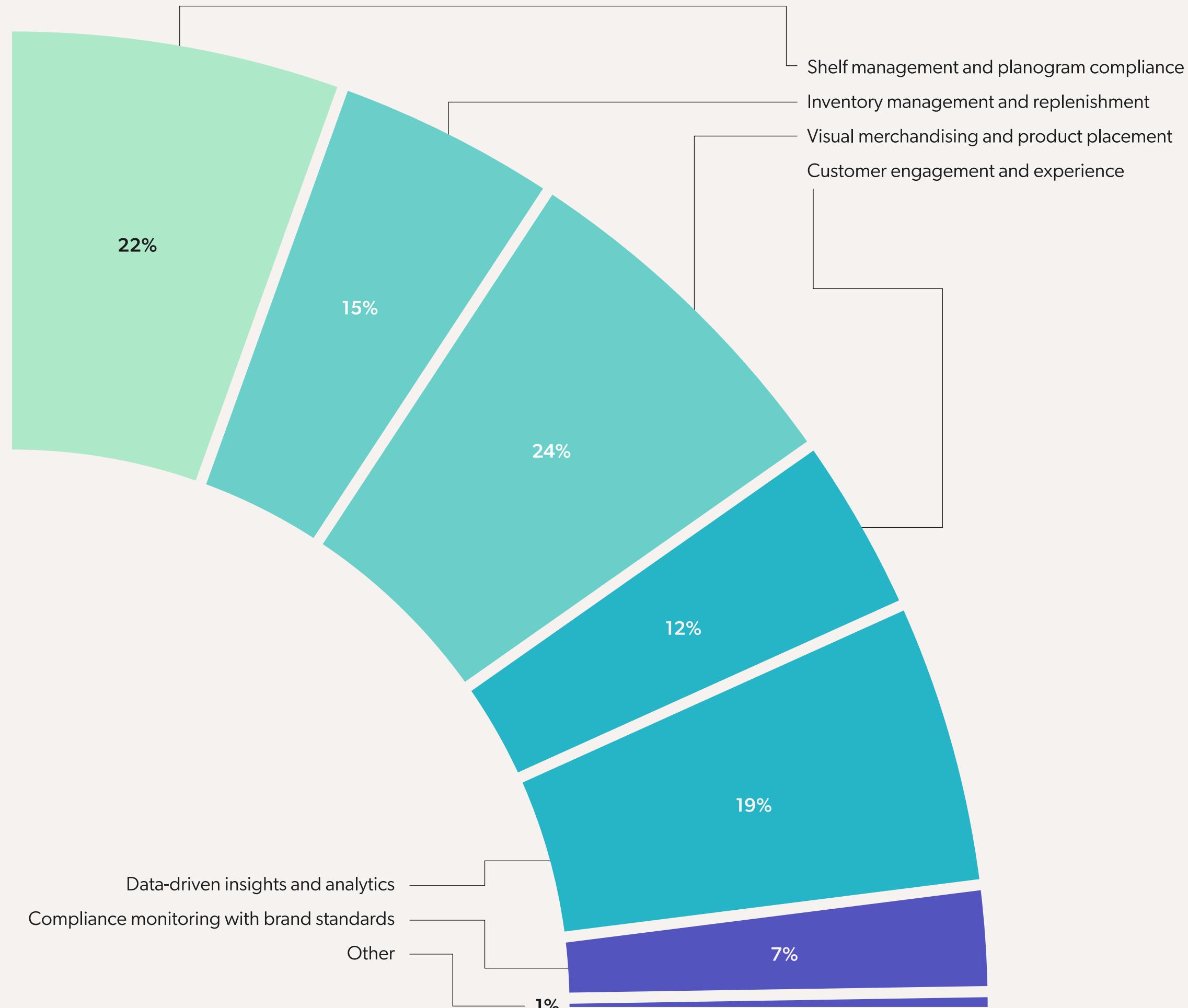


FIG 13

**In your experience, which set of field team activities in-store gives the most return / incremental sales for your brand?**

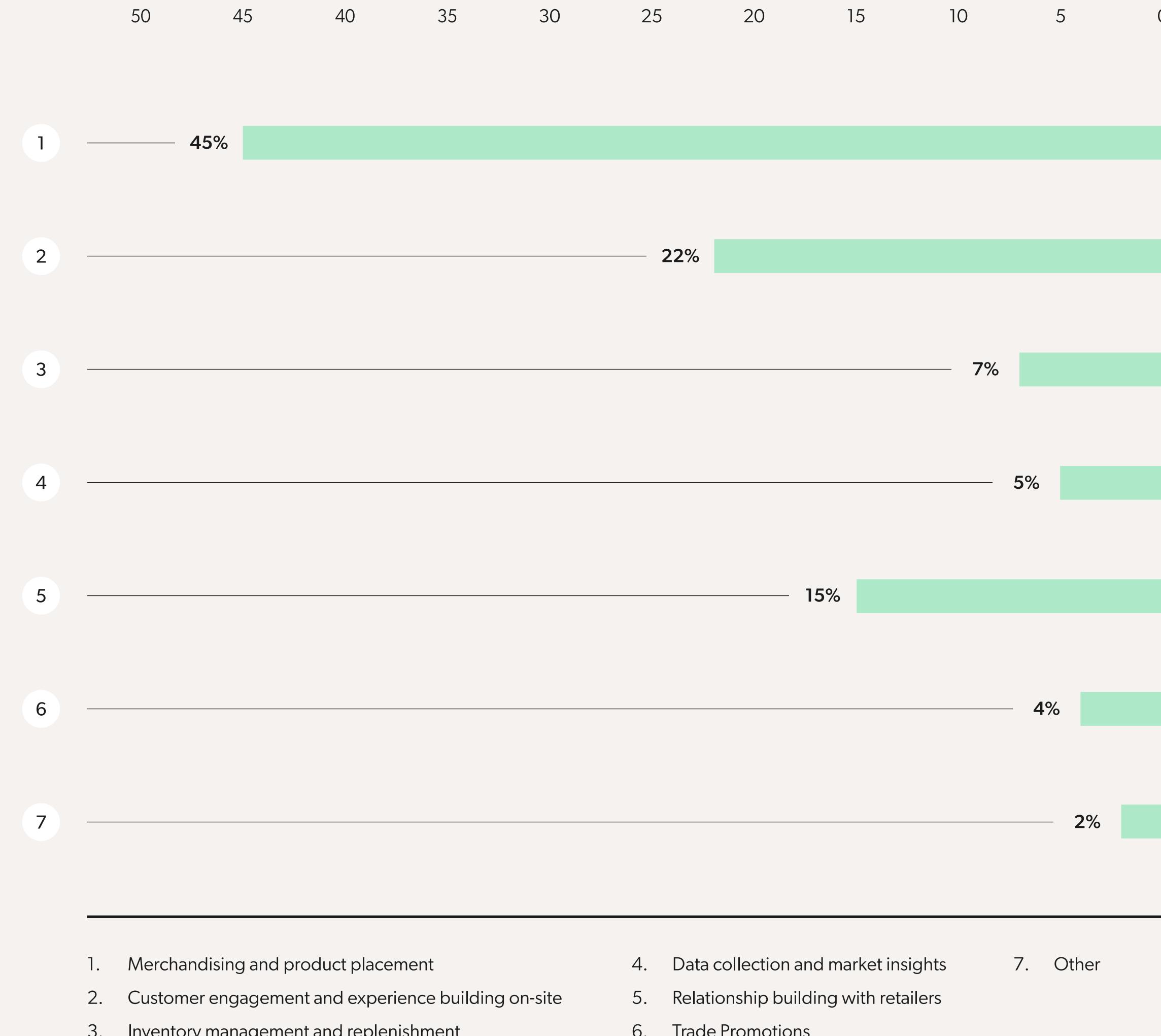


FIG 14

**What challenges or obstacles have you encountered in measuring and improving the ROI of your field teams?**

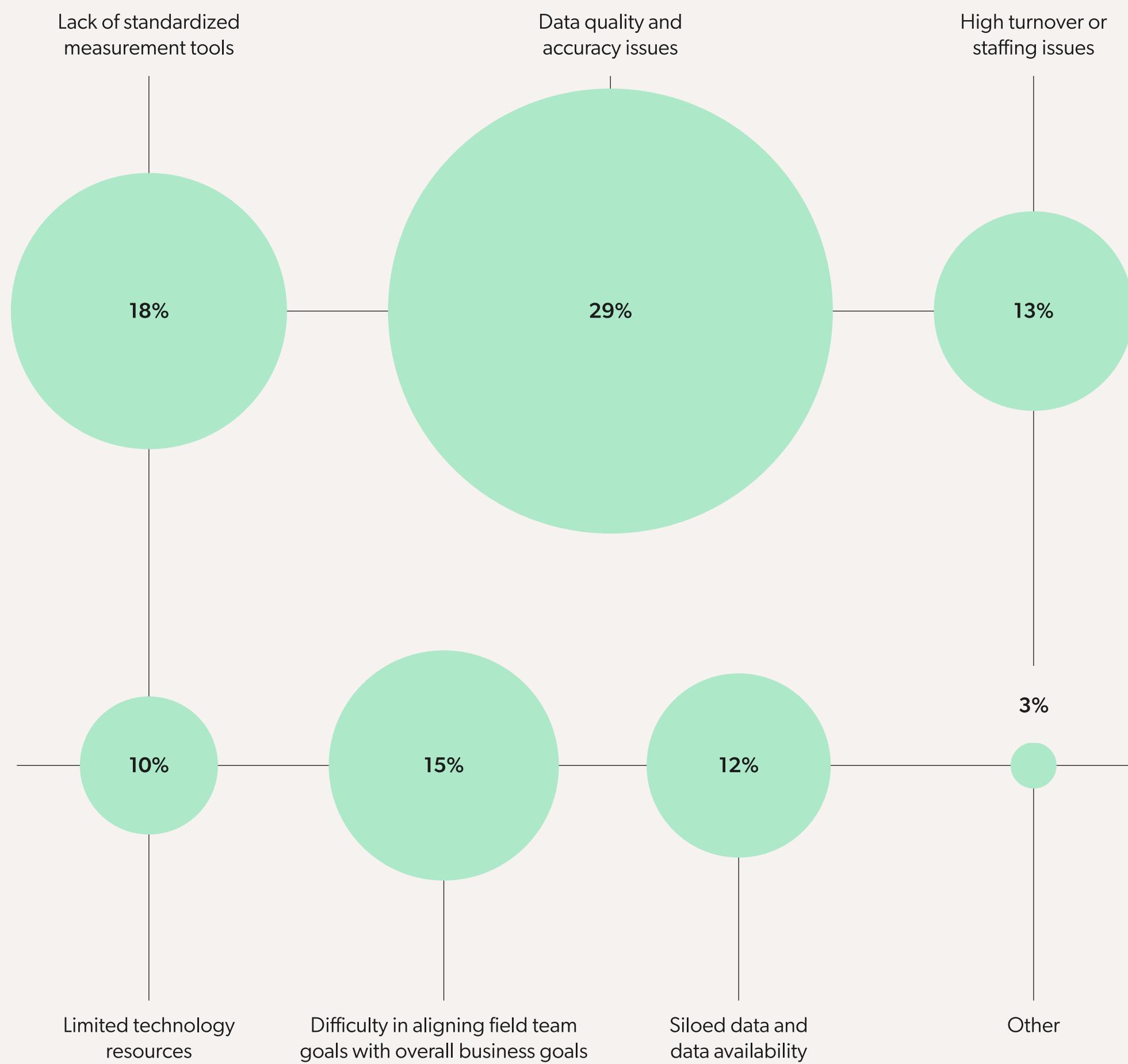


FIG 15

**What strategies or changes do you believe would further enhance the value of your field teams and their contribution to driving sales and profitability?**



FIG 16

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

