



NEXT Case Study

Southern Imperial worked with a major grocery chain to quantify the benefits of using the NEXT System. The following summarizes the reorganization of shelf-space usage and the resulting space optimization.

- We quantified the effectiveness of facing products with the NEXT® Merchandising Trays versus traditional shelving methods.
- We manipulated product placement to facilitate product pack-out or to increase in the number of SKUs in each product category.
- Increases were easily achieved by moving fully stocked trays rather than unloading and reloading product.

download the white paper at www.nextmerchandising.com

Increased Facings by SKU Categories

| Planogram/SKU | Original Number of Facings | Facings with NEXT® Trays | % Change in Pack-out |
|------------------------|----------------------------|--------------------------|----------------------|
| Frozen Potatoes | 59 | 79 | 33.9% |
| Private Label Potatoes | 62 | 85 | 37.1% |
| Frozen Meals | 221 | 332 | 50.2% |
| Frozen Vegetables | 209 | 247 | 18.2% |
| Hot Pockets | 81 | 120 | 48.1% |
| TGIF & Snacks | 58 | 59 | 1.7% |
| Mexican Dairy | 28 | 38 | 35.7% |
| Candy | 190 | 210 | 10.5% |
| Frozen Biscuits | 0 | 34 | * |
| Totals | 908 | 1204 | 32.6% |

| Estimated Increased Sales Potential | |
|-------------------------------------|------------------|
| Median Store Size (Square Feet) | 46,000 |
| Average SKU's per store | 38,718 |
| Square Feet per SKU | 1.19 |
| Median Weekly Sales Per Supermarket | \$384,911 |
| Median Annual Sales Per Supermarket | \$20,015,372 |
| Average Annual Sales per SKU | \$516.95 |
| NEXT® Facing Increase | 296 SKUs |
| Annual Sales Potential | \$153,017 |

Increase based upon number of facings gained and annual sales estimates per SKU.
 Source: "Supermarket Facts - Industrial Overview 2011-2012" • <http://www.fmi.org/research-resources/supermarket-facts>

Comparison Chart

| Features | NEXT Tray System | Competitor System |
|---|--|--|
| The Tray | | |
| Adjustability | From 3.5 - 12" | From 3.5 - 10" |
| Side dividers | Available in metal plates, wire sides, mix and match sides and custom options. | Only available in metal plates. |
| Divider flexibility | Can be used with single dividers per tray. Removing a divider can save .25" space. | Cannot remove dividers. |
| Paddle lock for easy restocking | Yes | Optional |
| Pusher springs | Protected; do not hang below the tray. | Unprotected; hang below tray. |
| Standard paddle | Comes within .25" of front product stop. | Comes within .75" of front product stop. May require a custom paddle to close the gap. |
| Label holders | Rounded-edge | Sharp-edge |
| Adjustable dividers | Stops to prevent over-extending. | Can be over-extended, causing the tray to come apart. |
| For 1" square bar | Yes | Yes |
| Interchangeable trays | Yes | Yes |
| Multiple depth options | Yes | Yes |
| Paddle options | 3 | 3 |
| Multiple product stop options | Yes | Yes |
| Matching colors | Yes | Yes |
| Extruded Plastic for bag/boxed product | 2.5" and 5" heights | 2.5" and 5" heights |
| Spring tensions and mounting | 3 springs on 5" tray | 3 springs on 5" tray |
| Lift-out feature for easy planogram changes | Yes | Yes |
| The Bar | | |
| Safety tab to prevent unintended bar release | Yes | No |
| Closed-door cooler and freezer shelf installation | Fits in both 30" and 30.375" without the need for spacers that are required with some merchandising systems. | Divider mount trays may cause gaps that can result in reduced SKUs in planograms. |