

CATEGORY MANAGEMENT: IS IT THE ANSWER TO GLOBAL COMPETITION IN THE FOOD INDUSTRY?

A. Ben Oumlil, University of Dayton, Ohio
Rebecca Wells, University of Dayton, Ohio
Steffani Scheurich, Nestlé, U.S.A.

ABSTRACT

The evolution of alternative format stores has attracted consumers by offering larger package size and the one-stop shopping approach. The grocery industry must remain on top of all trends in order to compete. Specifically, Category Management is a concept that has been adopted by firms in this industry to gain a competitive advantage not only at the national level, but at the global level as well.

Category Management allows the grocery industry to determine the proper mixture of products that provide consumer value. Consumers will buy products that they perceive to be of value. Therefore, profits will come to the grocers that put consumers' needs first.

The food industry uses Category Management to ensure category profitability. Category management allows the grocery industry to compete in a changing world. The grocery industry uses Category Management studies to determine what the consumer wants and how to service the consumer's needs in a changing era.

The aim of this paper is to outline the concept of category management. Specifically, the paper will discuss the following:

- 1) The components of Category Management
- 2) The Process of Category Management
- 3) The advantages and disadvantages of Category Management Process
- 4) An example of the implementation of category Management within the context of a global company.