

# How Healthy is Your Assortment?

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BY DATAWEAVE

In 2021, both consumers and retailers seek better health.

The pandemic has inspired consumers and retailers to take better care of their physical fitness and e-commerce fitness, respectively. As shopping habits have shifted over the past year, retailers now face increased pressure to quickly adapt their e-commerce assortments with in-demand health and wellness products to improve the online customer experience.

Let's see how leading retailers are keeping consumers – and their own bottom lines – healthy by responding effectively to market trends to drive online sales and market share.

## Health & wellness influence the product mix across categories

Consumption habits have changed dramatically during the pandemic. Studies show that 59% of consumers report that they are now shopping more health consciously. In addition, nearly three in five consumers now seek better-for-you snacks and meals more frequently than they did before the pandemic.<sup>1</sup>

The influential health and wellness mega-trend spans diverse retail channels, including grocery, pharmacy and mass. It also extends across categories like:

- Food and beverage (natural, organic, vegan, plant-based)



- Health and personal care
- Beauty
- Cleaning products
- Fitness equipment
- Electronics like health wearables.

Today's health movement is so powerful and compelling that retailers have revised their business strategies to serve health-conscious consumers and fit in to their lifestyles. For instance, drugstores are reinventing themselves as health care destinations. CVS and Walgreens are expanding beyond prescriptions, personal care and beauty, as consumers now rely on these retailers to schedule a coronavirus test or vaccine appointment.<sup>2</sup> Similarly, Lululemon is evolving beyond yoga apparel with its Mirror devices to compete against fitness brand Peloton now that more consumers are working out at home.

As the retail sector migrates online, more shoppers now make purchase decisions within a few minutes using a few clicks rather than physically visiting brick-and-mortar stores. Traditional retail paradigms and processes are quickly becoming obsolete as consumers are now savvier and more empowered and informed than ever before. As such, retailers need efficient new approaches to ensure their assortments are agile and relevant to attract online consumers, outplay rivals and fuel online sales.

## Retail's survival of the fittest moves online

To stay strong and flexible, more retailers are now embracing data insights to adjust their assortments to reflect consumer demand for health and wellness products.

According to McKinsey & Company, data insights have emerged as a major retail trend that the pandemic has turbocharged.<sup>3</sup> That's because retailers no longer have the luxury of merely guessing how to

approach their e-commerce strategy. Now they need the accuracy, clarity and efficiency of data insights to guide their assortment and pricing decisions to outmaneuver competitors, maximize sales and win market share as shopping evolves online.

Among its 2021 retail best practices, Bain & Company recommends retailers lead with superior assortments that use a customer-centric lens to reduce complexity and increase space for the products customers love.<sup>4</sup> Insights can help retailers discover the optimal mix of national brands, private labels, limited-time offers and value-added bundles.

***“Lead with superior assortments ...***

## ***“increase space for the products consumers love”*** **~ Bain & Company**

Determining the optimal mix of products also includes bestsellers and unique items that help retailers distinguish their offerings. Assortment insights can help retail executives track competitors' assortment changes and spot gaps in their own product assortment to adapt to emerging consumer trends and in-demand products.

To avoid supply chain bottlenecks, inventory shortages and out-of-stock scenarios, retailers strategically use data insights to anticipate fluctuations in demand and proactively plan how to manage disruptions that could affect their assortments.

For variety that satisfies consumers' diverse product needs, some retailers are using data insights to determine whether to collaborate with nimble suppliers to promptly fill any gaps, as DataWeave CEO and co-founder Karthik Bettadapura recently shared in [The Robin Report](#).

To further strengthen their assortments' attractiveness, retailers are also using pricing analytics to offer the right product at the right price. Pricing analytics help retailers know exactly how they compare to rivals' pricing moves with near-real-time data so they can keep up with market fluctuations and stay competitive by earning consumer engagement, sales and trust.

Like nourishing habits that improve consumers' health, data insights improve retailers' e-commerce health. Assortment and pricing analytics help retailers make better decisions faster to boost their agility, outmaneuver rivals and fuel online growth.

1 Pearson, Bryan. 4 Covid Shopping Trends That Will Outlive The Pandemic. Forbes. November 23, 2020.

2 Hensel, Anna. Drugstores are accelerating plans to reinvent themselves as health care destinations. Modern Retail. February 17, 2021.

3 Kopka, Udo, Eldon Little, Jessica Moulton, René Schmutzler, and Patrick Simon. What got us here won't get us there: A new model for the consumer goods industry. McKinsey & Company. July 30, 2020.

4 Cheris, Aaron, Darrell Rigby, Suzanne Tager, Michelle Paratore, and Stephanie Puzio. Ten Resolutions to Ring in the Future of Retail. Bain & Company.

### **- DataWeave Marketing**

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