

Why is category definition an important step in category management?

(Category Definition & Segmentation Online Course)

There are several reasons that it is an important step.



It Ensures Clear
Category Definitions

Suppliers, retailers
& data suppliers
must be talking the
same talk.



It Avoids Consumer
Confusion

Consumers will find
shopping easier with
proper category
definitions.



It Avoids Isolated
Solutions

Need to focus on
long-term solutions
with proper category
definitions.

- Manufacturers, the retailer and data suppliers need to clearly understand the category definition. They need to be talking the same talk.
- Strong category definitions avoid confusion for the consumer when they are shopping at the retailer.
- Strong category definitions prevent isolated solutions that will only provide short-term strategies.

Once defined, retailer's category definitions need to be clearly communicated both internally and externally.