



THE  
**Opportunity  
for Retailers**

TO CAPTURE THE BILLIONS IN CONSUMER  
SPENDING THAT'S UP FOR GRABS

[replenium.com](https://replenium.com)

## Retailers and brand manufacturers have learned: adopting the latest and greatest shopping innovation is not a guarantee for sustained growth.

The key to securing customer loyalty and sales growth must be rooted in simple and affordable ways to provide shoppers with what they most desire. A new customer-facing system should not only offer value to a shopper, it must also be convenient and flexible, on an ongoing basis.

Subscription services and product replenishment programs from retailers and product manufacturers provide a host of conveniences for their customers, but there's room for improvement. Where some customers/subscribers appreciate their subscription services and the ability to predictably receive their most-needed products, others feel locked-in in without the ability to fully control their purchase options and frequencies.

The success of Amazon's Subscribe & Save™ (S & S) illustrates the demand for auto-replenishment offerings. In 2020 in the U.S., Amazon sold approximately \$45 billion in total CPG sales, with approximately 40% being processed through its replenishment services. This amounts to about 2.5% of all CPG products sold in the U.S. in 2020.

As Amazon continues to increase these volumes, Replenium's team, having built the core replenishment capabilities at Amazon in its S & S offering, has developed a platform which enables other retailers to capture the remaining tens of billions of dollars in replenishment opportunities. Shoppers are becoming more and more accustomed to auto-replenishment in a multitude of CPG categories (nursery, personal care, household, pet) and with Replenium's Auto-Replenishment Platform, the opportunity encompasses the perimeter store categories as well.

**Our estimation is that \$120 billion worth of CPG products alone is open to auto-replenishment by retailers, with even more in the perimeter.**

## Next-level Innovations

Subscription platforms were developed to suit retailers and direct-to-consumer brands that have favorable shipping economics, due to either higher prices or larger pack sizes. While this works well for Amazon, with their advanced logistics network or for a coffee brand with a \$20+ dollar ring, this model is not feasible for most retailers and grocers.

To address this challenge, the Replenium team built its auto-replenishment system to automate large swaths of purchases into the home, in a mobile-optimized and user-friendly way. Architected on a full solution basis, the Replenium system does the shopping work for a wide range of customers' purchases while enabling retailers to increase profitability through larger basket sizes and improved ecommerce efficiency.



## Optimized Customer Experience Creates Improved Retailer Economics

Replenium's solution functions within a retailer's existing ecommerce system, without adjusting the overall functionality, look and feel of their customer experience. Replenishment items selected are pre-loaded into the customer's basket to allow for ease in further basket-filling shopping. With an intuitive management interface, shoppers easily adjust product selections and frequencies and cancel or delay replenishments as their needs adjust.

Other replenishment systems may offer product recommendations based on past product purchase history or popular replenishable items. Replenium's Auto-Replenishment Platform provides advanced recommendations functionality through an AI/machine learning engine which supplies more personalized and relevant product recommendations over time.

In addition to complementary product recommendations in shopper-personalized pack sizes and quantities, Replenium's customer tools enable easy product replenishment adjustments.



A customer utilizing a typical subscription platform (Amazon S & S for example) for size one diapers must cancel their subscription when their baby grows, and re-subscribe to size two diapers. In contrast, Replenium's platform automatically recommends an easy one-step switch to size two diapers at an appropriate time.

Similarly, with product replenishment frequency recommendations, Replenium's intelligent recommendations are designed to suggest a cadence based on a particular shopper's household size and shopping history. Rather than stating that most households replenish paper towels every two weeks, Replenium's frequency recommendation will be based on whether or not that household is a small, medium, or large household.

Smart recommendations of this nature equate to fewer cancellations over time, less waste, and better order economics for the retailer.

Additionally, when shoppers feel the replenishment system is more intuitive, they can spend less time managing the logistics and more time shopping for additional items and increase basket volume over time.

Through Replenium's harmonization function, products are arranged in logical groupings and shoppers can readily further combine or adjust replenishment items to be delivered or picked up from the retailer, which saves customer time and improves retailers' cost to serve.

## Proven Results

Retailers have embraced auto-replenishment in an effort to provide their customers with this desired shopping functionality. Those utilizing Replenium have quickly learned that their shoppers are replenishing items across the entire store well beyond CPG, with the majority of baskets including fresh and frozen items and increasing in size over time.

Through the successful implementations of Replenium's Auto-Replenishment Platform, retailers are driving volume and offsetting the higher cost to serve native to ecommerce. They are increasing customer retention and improving order size and frequency. Through improved predictability with visibility to upcoming inventory and labor needs, these retailers are saving on operational costs. This all results in a system that produces instant ROI and recurring revenue.





Retain Customers and Improve Ecommerce Economics with  
Replenium's Auto-Replenishment Platform.

Contact us to learn more or schedule a demo.

[www.replenium.com](http://www.replenium.com)