

# Category management as a model for demand management in retailing

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**Abstract**—With the purpose of a more efficient demand management modern retailers along with other members of their own supply chain perform category management. This process approach to managing product categories as strategic business units enables retailers and their suppliers a significant impact on the demand of end customers. Demand management through category management is carried out through a series of strategies and tactics aimed largely at the retail assortment. In this way, category management processes become the intersection, but also the starting point of marketing and supply chain activities of retailers. The paper aims to stress the importance of category management to demand management activities in the retail supply chain management through the theoretical analysis of the category management process. Also, the paper emphasizes the need for cooperation between retailers with other members of the supply chain in category management, namely involvement of supply (upstream) side of chain in order to successfully manage the demand of end customers. It is also the precondition for effective demand management throughout the supply chain. The paper also points to the potential problems in certain areas of demand management in retailing.

**Key words**—category management, demand management, retailing, assortment.

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