Internet of Things SL
Sensing Assets

LANDSCAPE

- Several retail stores
- Multiple warehouses
- Disparate IT systems
- Seasonal merchandise

BUSINESS DRIVERS

- Reduce out of stock
- Increase sales
- Real-time product breakeven analysis
- Reduce labor costs and eliminate errors in receiving, put-away & pick operations
- Reduce shrinkage at front and back doors
- Improve demand visibility for better forecasting

CHALLENGES

- Shrinkage of low & high cost products
- Visibility of multi-store shopper traffic, sales, inventory
- Inefficiencies in store & warehouse inventory, receive and put-away processes
- Shoppers arrive in groups, presenting challenges to real time buying pattern resulting in OOS and lost sales

RETAIL INVENTORY TRACKING AND EAS
AN RFID USE CASE

A regional retailer with multiple warehouses and several outlets sought to reduce high costs associated with "lost sales" and "out of stock" situations. The retailer's unique business model created uneven bursts of demand with a large percentage of business from one-time shoppers. Having the right product stocked and displayed when shoppers arrive was a key business driver.

HIGHLIGHTS

With RFID deployed at the item level to cover 100% of the products carried in stores, linked to the IoT demand-based inventory replenishment system, out of stock situations on the sales floor were eliminated.

The RFID tags also doubled as Electronic Article Surveillance (EAS), serving as a theft deterrent, providing increased ROI. With the IoT software platform, depletion of inventory from shelves was instantly visible, ensuring prompt restocking.

Strategic placement of RFID readers in stores and warehouses resulted in real time inventory visibility throughout the store – from the shelf to fitting room to the back room. This enabled pick slips to be generated for back room and warehouses to move inventory to the sales floor based on demand – Demand-based Inventory Replenishment. This resulted in an increase in sales and profits by eliminating out of stock situations as well as minimizing shrinkage.

Inefficiencies in the manual stocking process, locating in-stock merchandise at the store, and the lack of real time visibility in store inventory and sales resulted in excess stocking, higher inventory carrying costs and lower profits. With RFID, tracking merchandise movement across checkout counters and doors offered real time analytics of store performance.

OUTCOME

Our clients are very pleased with the value delivered from our deployment of item-level RFID tagging within the company. They are expanding their use of this technology and the management analytics it affords.

The visibility and operational efficiency now available is essential to their continued growth and profitability.