

Increasing Productivity and Sales with Multi-Channel Retailing

Accelerators – Part 1

Global Retail Products was losing both revenue and market share to competitors. The company felt confident that its products offered the best value in the marketplace. It was less certain, however, that its product management processes allowed it to efficiently track and manage the flow of products all the way from its suppliers to its customers. GRP's research confirmed that customers were frustrated by conflicting product information and pricing between its stores, catalogs, kiosks and Web site.

GRP had once been known as an innovative leader in the retail industry, and had steadily deployed new software and IT systems that allowed it to stay ahead of the competition. The company now found that its product management systems did not have the integration or flexibility to allow it to efficiently leverage the Web and other emerging sales channels. GRP had to maintain separate systems to support its Web site, retail stores, kiosks, and call centers. And in addition to the various software packages the company had deployed, GRP was forced to use spreadsheets, email, and other manual processes to manage the flow of products throughout its value chain. Also, the company used handheld scanners to track merchandise, which was both time consuming and error prone, and led to costly inaccuracies as merchandise flowed through GRP's systems.

The solution GRP decided on allowed the company to unify and integrate its various sales, distribution and product management processes. To eliminate the errors caused by manual scanners, GRP implemented Radio Frequency Identification tags. However, just applying RFID tags to merchandise was not enough to reap the benefits of this powerful technology. GRP automatically linked the product information stored on the tags to a product information repository that was accessible by its manufacturers and retailers. Since this product information typically required further editing, GRP also implemented an enterprise product information management solution. This ensured consistent product information within all enterprise systems and applications, such as inventory management, ordering, shipping, enterprise resource planning, and the Web.

GRP's product management solution allowed the company to use a single platform to support their retail stores, Web site, call centers and kiosks. This platform not only provided customers with a robust, personalized shopping experience, it also allowed GRP's product managers to manage the platform without IT involvement. Managers could now quickly and easily run promotions, offer discounts, create coupons, and implement offers such as cross-sells, up-sells and bundles. These special offers needed to be entered into the system only once and were then presented on a consistent basis to both customers and employees at the Website, call-centers, kiosks and retail stores.

The solutions GRP implemented have helped the company increase its sales by over 20%. GRP's Web conversion rates have gone up significantly, and the average Web sales transaction has risen by 10%. In addition, the company has been able to reduce inventory by 15% and reduce labor related supply chain costs by over 20%.

GRP's customers are once again pleased with the service they receive, and the company has been able to both increase revenue and reduce costs. GRP is now able to get the right information to the right customers at the right times, and the company is once again known as an innovative leader in the retail industry.