

Case Study



Operates: North America

Stores: 200+

Banners:

Highly competitive 40-60,000 sq ft supermarket with a high fresh and high service content.

Suburban supermarket trading in 15-20,000 sq ft.

Discount supermarket

10-15,000 sq ft.

Middle to Upper market

Supermarket format

grocery and food service wholesaler

Retail Express provides a seamless collaborative solution across the Merchandising, Marketing and Category Management horizon to support retailers' go-to-market processes. The Retail Express Merchandising suite lets the business plan, analyse, fund and optimise activity around Prices, Promotions, Supplier Deals and Advertising; it manages and is the place of record for all merchandising customer touchpoints, helping to gain deeper insights and achieve business goals.

The Retail Express Merchandising technology provides AI/ML analytics and demand modelling to support forecasting, simulation, what-if, optimisation and sales and profit impact analysis. Supplier Collaboration links the Supplier directly with

the retailer's planned activities to negotiate deals and trade funds which are tracked and managed through the solution. Resulting in fundamental improvements in Pricing and Promotional outcomes, driving sales and bottom-line profits, improvements in process, collaboration and aiding 'digital transformation'; with typical project ROI's 30 to 60 times the investment.

Retail Express provides a single collaborative solution for all stakeholders; sharing processes, common data, workflow, analytics, automation, planning and execution tools to deliver better outcomes; improving go-to-market plans and their implementation; using predictive analytics driven by our world-class AI Machine Learning technology.

"We've really been able to change the way we go to the customer and that's in part because of Retail Express, they have helped us re-engineer our business."

Director of IT

Initial business challenges

1. Operating 200+ retail stores across very diverse banners. The highly manual process of flyer production meant all they could manage to create individual banners was redesigning the title on the top, this resulted in an inability to engage effectively with their customers in the different regions, and demographics areas.

2. Without Workflow functionality there was considerable re-work and confusion in the flyer production: The flyer production process created two different flyers which they named 'correct' and 'on the street'. It took a considerable amount of manpower to ensure the prices were correct. They had checkers, then double checkers, this process was unstructured and required the prices to be transferred from merchandising and pricing systems to marketing.

3. Store Level Merchandising Execution: the store's systems forced them to have fixed price zones, trying to apply local prices meant taking pricing groups from other demographic areas such as urban locations and applying them to small country towns. Changing and creating store zones for more profitable pricing required the involvement of IT staff, this not only wasted manpower but was an ineffective and lengthy process.

4. There was a lack of management and visibility of pricing decisions across the organisation

5. Pricing issues – the response to competitor price changes: the group did competitor price checks in an unstructured manner, and sometimes it was too late for a suitable reaction. The prices were not readily available for the decision-making processes, resulting in managers having great difficulty in determining what a competitor's price was. They needed access to the competitor's prices so that the right decisions could be made at the right time.

6. Manual Forecasting: The retailer carried out promotional forecasting manually; in fact, it seemed everyone within the company was doing forecasts – all differently. The promotion model within the Group is complicated; they support an extensive loyalty card program, with over 2.4 million loyalty customers; offering points, point redemptions, and point programs mixed with price programs. The organisation needed a way to systematically work out what the sales were going to be on an item under the promotion model.

7. The inability to price at the store level by exception, they needed the ability to price at higher levels of the location hierarchy and have the lower levels inherit them automatically.

8. Merchandising and Promotion planning – the retailer needed the ability to plan more than one week at a time, they needed to see multiple weeks.

9. The capability to produce multiple different flyers with multiple versions effectively and yet be able to react swiftly to changes. This complex process required tight control, but at the same time, they wanted flexibility for their staff to be able to make last-minute changes if required.

The Retail Express solution

The Retail Express Merchandising Suite manages pricing, promotions, creation of ads, management of competitor information, marketing plans and the operational category management and analytics to provide forecasts and simulation for offer and category impact analysis to see if the mix of ads, prices and offers are right.

In addition, they use Retail Express to forecast demand for replenishment purposes at the SKU store item level as well as the summary levels all behind the firewall.

Being a highly competitive business, competing with the likes of WalMart; it is highly promotional in its behaviour, utilising a loyalty card to provide discounts at the till on the whole bill and provides a method of delivering better prices to loyal customers, it has a substantial number of promotional offers and price reductions in store supported by flyers, regional advertising through newspapers and posters in store.

The Retailer has around 50-60,000 SKUs and makes around 8,000 price changes per week. These are predominately to do with prices coming on and off temporary promotional prices and or items going in and out of ads. This coupled with the loyalty card discounts makes the company able to target different customer segments and different marketplaces by organising themselves into 16 different micro market pricing differently for each and overlaying them with different ad groups allowing them to target versions of their flyers to particular micro markets within their overall business areas.

The Retailer would have one flyer targeted at one town or against an area depending upon the competition or the demographics of those areas. The Retail Express Merchandising Suite enabled the Retailer to place different items in different versions of the flyers and have different prices for the same item in different fliers or a combination of the two. The Retail Express Merchandising Suite supports all those activities seamlessly and provides the analysis tools to enable the category managers, buyers, stock people and pricing analysts to understand the overall impact of individual item prices, promotions and ads (as well as cannibalised items) ahead of implementing them in their stores allowing them to decide whether they have the correct mix.

The Retailer doesn't believe it can run its very promotional environment without the tools from Retail Express, most of the processes discussed were done manually, and as a result of transferring to the Retail Express Merchandising Suite, the Retailer was able to radically increase the number of versions of its flyers and the diversity of its pricing which it wanted to do in order to be able to compete with a range of different competitors.

The Retailer is a highly profitable company and has stated that the Retail Express solution have allowed them to continue to grow their business while improving their profitability and remaining very competitive.

Before Retail Express, processes were based on Excel, taking seven different IT systems to manage the advertising, pricing, promotion and marketing environments these were all replaced with the Retail Express solution and the use of spreadsheets was radically reduced. Now there is one common system of records across all these different user environments and one version of the truth. This has halved flyer creation time leading to substantial cost reductions. The introduction of Retail Express's Workflow tools allows the tracking and notification of activities, and key milestones and ensures the timely completion of ads and flyers, allocating tasks to users in the different departments based on their role and their security access. The system tracks the progress and completion of tasks as detailed by the workflow schedule and can automatically initiate change control processes to manage the integrity of completed work.