

OPTIMIZING STORE INVENTORY AND FULFILLMENT WITH RFID

RFID-enabled store inventory and fulfillment enables retailers to confidently offer flexible fulfillment options that meet today's customer expectations while improving profitability.

Consumers expect to be able to move from online to store, and contact center to self-service, enjoying a convenient, seamless, and satisfying customer experience irrespective of the retail channel. They also expect inventory availability information and flexible fulfillment options that support their busy lifestyles, whether it's shopping online with a view into local store inventory or selecting to pick up their on-line purchases in-store or opting for same day delivery to meet an immediate need. The demand for flexible fulfillment is growing; buy on-line pick up in-store orders (BOPIS) increased 47% in the 2018 US holiday period (Nov. 1-Dec. 19) compared with the same year-ago period.¹

As the customer demand for flexibility and convenience increases, retailers are looking for new ways to optimize their existing assets to satisfy rising consumer expectations. Turning retail stores into fulfillment centers to provide BOPIS and ship from store options is one of the strategic maneuvers retailers are making to meet the demand.

For customers, store fulfillment offers a fantastic proposition. For the retailers, however, it means additional business complexity and potential risk. Retail stores, including store personnel, were not originally intended to operate as fulfillment centers. Store layouts and inventory are not optimized for fulfillment like warehouses. Store associates are not trained to be order pickers like warehouse personnel. The risk for retailers is that the store cannot keep up with fulfillment demands of digital commerce while simultaneously supporting walk-in shoppers, potentially degrading customer service and damaging customer satisfaction. Further, retailers run the risk of diluting margins if store fulfillment operations become increasingly costly.

As growth in flexible order fulfillment options like ship from store continues, retailers should aim to strengthen their store operations to ensure their stores can deliver customer fulfillment promises profitably. Improving store inventory and fulfillment capabilities to enable the store to more accurately and efficiently fulfill on-line orders is crucial to satisfying customers and protecting margins.

With online sales continuing to rise, retailers need accurate, reliable, and efficient store operations to provide alternatives such as buy online, pickup in-store or ship from store.

THE RFID OPPORTUNITY

By tapping inventory in stores, not just in distribution centers, for the fulfillment of on-line orders, retailers will be prepared to meet expectations for convenience and immediacy, while reducing disappointment and lost sales created by out-of-stock situations. The key to offering various store fulfillment options is having near real-time visibility into the availability and precise location of store inventory. With that information in hand, retailers will be empowered to confidently promise customers fulfillment options including specific in-store order pick-up times or same day delivery.

Further, timely and accurate inventory information can be used to optimize in-store order picking processes in retail stores, enabling store associates to find, pick, and prepare orders with the accuracy and efficiency that reduces operational costs while ensuring service level commitments. How can retailers achieve the accurate visibility into store inventory required to efficiently and effectively manage store fulfillment?

Radio frequency identification (RFID) makes near real-time and highly accurate inventory visibility as well improved order fulfillment possible. A study by Auburn University's RFID Lab found that retailers who used RFID technology to optimize inventory management and reconcile product shipments were capable of achieving 99.9 percent order accuracy.²

Imagine a store environment where all inventory items can be automatically tracked anywhere in the store and inventory availability is directly provided to the retailer's commerce systems to ensure the accurate promising of in-store pick-up or same day delivery dates/times. Further, imagine using this inventory visibility to provide store associates with instant views into item location to simplify and accelerate finding available inventory and picking orders for fulfillment. There is no reason to imagine anymore.

MANHATTAN STORE INVENTORY AND STORE FULFILLMENT WITH RFID

RFID data is now seamlessly integrated with Manhattan Store Inventory and Fulfillment (SIF) to operationalize the use of RFID data to improve the accuracy of store inventory availability and the reliability and efficiency of store fulfillment processes. By natively using RFID data, Manhattan prepares merchants to improve the performance of store fulfillment.

Fixed RFID readers mounted across the retail store that continuously read and locate inventory with RFID tags best prepares retailers to manage the fluidness of store inventory. With such a solution, inventory can be located anywhere in the store and any point in time even as the inventory moves, such as a garment now laying on the dressing room floor.

Manhattan SIF solution integrates with IoT store solutions like RFID sensors and software solutions to receive data on inventory with RFID-tags. The electronic product code (EPC) data with corresponding location data (x, y coordinates) is managed by Manhattan to provide retailers with near real-time and highly accurate views of inventory availability at specific locations in the store. With this solution, retailer store inventory and fulfillment processes are simplified and optimized in many ways:

Accurate Promising: Using RFID-optimized store inventory data, Manhattan Order Management helps retailers expose timelier and more accurate inventory availability to commerce channels, improving sales performance.

Enhanced Customer Service: Manhattan Store Inventory with RFID-data helps store associates to find store inventory via a store map on any modern mobile device. This visual representation of inventory reduces the time and effort to find inventory, improving service.

Efficient Order Picking: Leveraging RFID-optimized store inventory data, Manhattan Store Fulfillment provides a visual order pick path to store associates to view on their mobile device. It displays the picking start point and all the pick locations to be traversed. The optimal pick path for store associates is produced in real-time, and considers multiple factors, including inventory location, store associate location (i.e., starting point), distance to travel and more, to help reduce the labor time and improve the accuracy of order picking.

DELIVERING ON THE OMNICHANNEL PROMISE

A satisfying customer experience ends with the customer acquiring their complete order when and where they want it. Retailers with both stores and an on-line presence can profitably leverage their stores as fulfillment centers to meet rising consumer demand for convenience and immediacy. Meeting this demand is not easy. But when store inventory and fulfillment is done right, the complexity abates providing retailers the opportunity to deliver on the anytime, anywhere omnichannel promise.

Manhattan Store inventory and Fulfillment enabled with RFID data can help retailers optimize store inventory and fulfillment to deliver on the omnichannel promise and do so profitably.

For more information

To learn more about Manhattan Store Inventory and Fulfillment, contact us today: **+1 (877) 596-9208**

¹ (January 2019) "Adobe Digital Insights Holiday Recap 2018"

² Auburn University RFID Lab Studies, Project Zipper (Phase 1)