Accurate, Efficient Inventory Management is Essential in the New Next

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The past few weeks have seen unprecedented shifts in the industry as retailers and consumers alike have adapted to the situation at hand. Consumers who'd never previously placed online orders are clicking 'add to cart' without hesitation, and brands have rapidly shifted to new models to meet evolving customer demands.

What's to come in the weeks and months ahead is still unknown and will vary significantly from one retailer to the next and by location. Yet, retailers must find ways to make their inventory work for them during this time and as they prepare for reopening. Many retailers will awaken "dark stores" by offering outside/curbside pickup, click and collect or ship from stores to fulfill online orders. Others may redistribute inventory between stores and warehouses to prepare for staggered reopenings.

Oracle Retail Store Inventory Operations Cloud Services gives retailers a competitive advantage with real-time, accurate, and accessible store-stock data. This enables retailers to execute a seamless brand experience through consistent, efficient, and effective in-store processes and procedures. With it, retailers can take on a combination of strategies to make their existing inventory work for them, such as:

- **Appointment-based retailing:** Borrowing a practice from luxury retailers, sometimes known as 'clienteling,' some retailers are opting for shop-by-appointment models, which offer shoppers personal attention and guidance while reducing the volume of guests in the store. Rather than shoppers selecting goods off the shelf, this guided selling approach relies on inventory accuracy so that store associates can sell specific items that are either in-stock at their location or available to ship from another store.

- **Holding inventory:** Inventory that was once flying off the shelves may no longer be relevant to customers as stores begin to reopen. In response, retailers are deciding to pack and hold seasonal inventory for next year. Alternatively, they can choose to markdown or sell through other channels. Regardless, they'll need to understand what is in stock, and where, to properly allocate warehouse space and shipping resources. While they may know that 200 units were sent to a given region, understanding how many were sold and the number that remains in each store will be paramount.

- **Focusing on Essentials:** With consumer demand uncertain and more difficult to forecast, some retailers have canceled orders for seasonal goods to focus on the basics. For those scaling back seasonal items to focus on core offerings, maintaining optimal stock levels will be critical. With a limited assortment, stockouts will be a more significant challenge than ever. Retailers will need to understand with precision what's available, and where, so that replenishment and allocations can be correctly routed to maintain inventory levels.

- **Trending Demand:** Other retailers have found themselves running low on unique items that are selling beyond expected demand. In the face of changing consumer buying patterns, retailers need to move with agility to make trending inventory available. If formerly slow-moving product lines like trampolines are now in high demand, retailers must assess where this inventory currently resides, across all stores and warehouses, so they can redistribute it to peak-selling locations or make it available to fulfill online orders.

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- **Redistributing for Optimal Store Assortments:** As retailers prepare for the phased reopening of physical locations, following local requirements, they'll need to ensure stores maintain an optimal in-stock position to meet anticipated consumer demand. Dependent on stock levels before the store was shuttered, retailers will need to rework assortments or replenish stock to ensure the right mix is on hand. Brands may choose to pull inventory from stores that won't reopen until later to restock those that will open their doors first. The latest buying patterns may also mean that redistributing some items may drive higher revenues, but that is only possible if you know exactly what's in stock in every location.

Accurate and real-time inventory visibility is crucial to delivering these strategies. By using the Store Inventory Operations solution, retailers can gain real-time access to store data across the organization to ensure business decisions are based on current and accurate information. Retailers can also leverage added technologies to boost efficiency and accuracy, such as:

- **RFID:** Once a retailer knows what inventory is in a given store, finding it becomes the next challenge. Between the shop-floor, warehouse, and misplaced items that need to be sorted, finding the last item in a given size and color combination can be time-consuming, potentially eating into margins. Store Inventory Operations is equipped to work with RFID technology, which can pinpoint the location of a given item within the store. Whether every item is tagged with RFID or only select merchandise, retailers can gain a more granular view of inventory locations and save associate time and operational costs.

- **Artificial Intelligence (AI):** The current situation is uprooting typical patterns of customer demand, making core practices like taking stock counts difficult to schedule. AI tools in the Oracle Retail Science Cloud Services can help retailers identify the opportune times to take 'smart counts' of stock based on criteria like volume thresholds, sales spikes or dips or by tracking problematic items to identify patterns.

- **Mobile:** Retailers may be bringing a smaller number of associates in the store at a given time to help maintain social distancing and help associates stay safe. With fewer workers in the store, equipping associates with mobile devices, with intuitive inventory management capability enables them to efficiently perform inventory-related tasks and provide them the flexibility to multitask.

Webcast Series
Make Your Inventory Work for You
Lara Livgard, Senior Director, Oracle
Danny Beltran, Master Solution Consultant, Oracle
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In this dynamic environment, maintaining accurate store inventory will be critical for retailers to succeed.
Those with more accuracy and insight into their inventories will be able to more quickly pivot to meet customer demands, whether that's in-store, outside/curbside, or on other channels, and will win out in shoppers' minds and spending alike.

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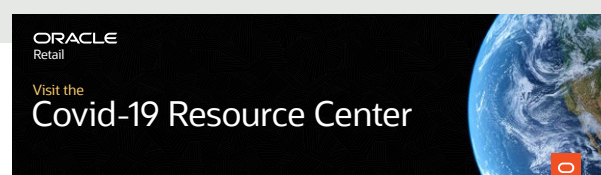
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