

White paper
Inventory Management

Why Inventory Accuracy is Key for Omnichannel Retailing

How to enable Omnichannel retailing using Inventory Accuracy

“We are looking at solutions such as ‘Buy Online, Pick up in Store’, Same Day Delivery and Nedap is building the foundation for us to be able to, with a high degree of confidence, implement these solutions for what our customers are wanting.”

“When we look at inventory accuracy, it’s more than just a percentage. Our target is perfection. We are looking to be at a 100% and anything short of that we understand as at the jeopardy of our customer’s experience.”

Nate Peterson, Vice President of Supply Chain –
Outdoor Voices.
outdoorvoices.com

Omnichannel is the holy grail within the retail space. Brick & mortar retailers are combining e-commerce efforts with their assets in the offline world. We see online retailers opening both stores, and urban fulfillment centers to offer the best customer experience and service possible. Omnichannel concepts like ‘Ship-from-Store’ and ‘Buy-Online-Pickup-In-Store’ (BOPIS) are becoming common ground and are adopted by some of the largest retailers out there. However, inventory accuracy remains a challenge that retailers need to overcome in order to optimize those omnichannel concepts. In this white paper we will connect those dots, explain how inventory accuracy easily enables omnichannel and why RFID is key to that success.

Ship-from-store

There are a variety of different motivations for retailers to fulfill their online orders from the store. the most common are:

1. Expanding the range of available merchandise by virtually unifying the inventory of all physical stores.
2. Reducing shipping times by fulfilling from a

store location close to the customer instead of a centralized distribution center, often further away.

3. Optimizing shipping by combining all items in a multi-item order from one location with all available items

But regardless of your motivation to move to ship-from-store an accurate stock information is key. When introducing ship-from-store with a low stock accuracy this either leads to a lot of cancelled orders or the need for a safety stock. Cancelling orders or bouncing them around from store to store will lead to an unhappy customer with the order being delayed or not delivered at all. Operating with a safety stock will exclude a range of the available products, which is combatting why you introduced ship-from-store in the first place.

Buy-Online-Pickup-In-Store (BOPIS)

As written in the report ‘20/20 In 2020 – Inventory Accuracy Takes Center Stage’ by JP Kamel, M Kay and K Munroe, customers are interested in BOPIS. According to this report, many retailers are reluctant to add BOPIS until they have improved their inventory accuracy.

Regardless of your motivation to move to ship-from-store or BOPIS, accurate inventory information is critical. Introducing these omnichannel concepts while having a low inventory accuracy will lead to a lot of cancelled orders or the need for an increased safety stock. Cancelling orders or bouncing them around from DC to store will lead to an unhappy customer with the order being delayed or not fulfilled at all. Operating with a safety stock will exclude a range of the available merchandise and will result in missed sales, which is combatting why you introduced omnichannel in the first place.

RFID to increase Inventory Accuracy

Many retailers have implemented RFID to increase their inventory accuracy. Retailers like Lululemon, Nike, Outdoor Voices, River Island, Macy’s and Adidas are examples of this (source RFIDJournal.com). RFID technology makes it possible to automate your in-store inventory management by frequently scanning inventory, resulting in optimal merchandise availability for your customers and an in-store inventory accuracy of over 98% and thereby creating the foundation for omnichannel initiatives like Ship-from-Store and BOPIS.

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We invite you to meet the Global Leader in RFID-based Retail solutions at the NRF Big Show. Find out about our intuitive RFID solutions that help retail brands to unlock their full omnichannel potential, create perfect inventory visibility and learn how we successfully deploy RFID within your organization.