



# ON-SHELF AVAILABILITY SOLUTION



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# What is the on-shelf availability solution?

Every single day, millions of pounds, euros and dollars worth of sales are lost simply because; although the product made it to store, for a variety of reasons, it was not available to be sold to the customer. The customer then has a choice: buy an alternative - or worse - purchase it from one of your competitors.

Electronic Point of Sale (ePOS) systems are incredibly efficient at processing customer transactions and reporting on sales for an individual store. Stock, therefore, is simply what you had in store at the beginning of the day minus sales for the day. Right? Wrong. Within almost any retail store, there a variety of reasons why stock may not be available for purchase by your customers, including:



## Stock in back of store

The stock has made its way to the store from your DC and has been received, but it is now sat on the shelving or on a pallet in the back of store gathering dust until somebody happens to discover the missing items.



## Misplaced stock

The product is in store, but it has been put in the wrong place completely. This could be by staff who have incorrectly unloaded the delivery, or customers who have moved individual styles or sizes to a different shelf or rack.



## Lost stock

Stock may actually be somewhere on the shop floor, but the location is unknown and it is not on the shelf. Garments can fall behind displays and small yet high-value packages, such as razor blades and batteries, can easily drop out of sight.



## Stolen stock

Unfortunately loss of stock through theft is still a major problem to retailers, however, if an item is stolen then your stock system will never report it as a sale - how on earth do you therefore replenish that particular size or variation?

These are some of the key reasons why the stock figures reported by your replenishment systems simply do not balance with the actual stock on the shop floor, and why you probably spend a huge amount of time, effort and cash on performing complete stock inventories once or twice a year in order to understand what you actually have at each location.

To combat these problems, Intellident has developed the on-shelf availability solution, which quite simply has the ability to count every unique item within a store and report back on what it has found. It is essentially providing you with the benefits of a complete stock check, but rather than waiting once or twice a year you get it every single day!

This unique solution is made available through the use of sophisticated, low-cost product tickets containing a powerful Radio Frequency Identification (RFID) tag.

## Who can benefit from accurate on-shelf availability?

If you retail products that are of medium to high value, have ranges that look similar in all but size, operate fast-moving stock, want to maintain your existing customer-base, or want to gain new loyal customers, then you will benefit from implementing the solution.

## Who is using the on-shelf availability solution today?

A wide range of retailers around Europe are now taking advantage of the on-shelf availability solution to increase sales and provide an overall better customer experience. These range from hyper-markets, to book sellers and clothing outlets.

**available, adjective**  
*present and ready for use*

**availability, noun**  
*being at hand when needed*



# The benefits of accurate on-shelf availability

The on-shelf availability solution has been designed to offer a range of functional benefits to meet most common requirements, and some that are very specific to particular sectors. This design philosophy allows the system to provide a range of key benefits, such as:

### Sell more product

The key to the solution is its ability to have the right stock on your shelf when and where the customer wants to purchase it. This simple philosophy has allowed our existing customers to see double-digit improvements in sales, which has been directly attributed to the introduction of the solution.



### Sell more peripheral products

Through understanding the purchasing habits of consumers, our customers have determined that having the right products in stock of one item has directly affected sales of another. A customer entering your store to buy a formal suit for example may, subject to the suit being available, also purchase matching shirt, tie and cufflinks. If the size and colour of suit is not in stock then trends suggest he will leave.

### Best possible shelf appearance

Having the right product in the right place not only allows your customer to find the product they want quickly, but also provides a welcoming and organised environment for them to shop.

### Interactive information

Through the use of smart kiosks or shelving (furniture with embedded RFID electronics) you can understand the buying habits of the consumer in much more detail. You can also offer interactive merchandising - the action of picking-up a running shoe could, for example, trigger a pre-recorded video of a sports star using the equipment (see our product selection solution).

### Combined security

The RFID label is not only used to uniquely identify your products, but is also a powerful security device, providing the same functionality and benefits as existing Electronic Article Surveillance (EAS) systems. Attaching a single label to your product reduces the actual and attachment cost of providing a security solution.



	Audio / visual / gaming	Beauty and cosmetics	Books and periodicals	Clothing and fashion	DIY and maintenance	Electrical and appliances	Food and drink	Home and furnishing	Jewellery and watches
Date-life circulation							•		
Effectiveness of shelf position	•	•	•	•	•	•	•	•	•
Incorrect shelf location	•	•	•	•	•	•	•	•	•
Interactive displays	•	•	•	•			•		•
Location on shelf (current)	•	•	•	•	•	•	•	•	•
Location in store (current)	•	•	•	•	•	•	•	•	•
Movement of stock position	•	•	•	•	•	•	•	•	•
Order on shelf	•	•	•	•			•	•	•
Seasonal stock circulation		•		•	•		•	•	
Security / alerting	•	•	•	•	•	•	•	•	•
Size / style		•		•				•	•
Type and variation	•	•	•	•	•	•	•	•	•
Quantity at location	•	•	•	•	•	•	•	•	•

### Better use of in-store space

More efficient and frequent use of stock information will allow your entire supply chain to become much more streamlined, with stock arriving into store and directed straight to shelf. No longer will you have to keep additional sizes and variations in the back-of-store as a precaution. The net result - more store space that can be used for retailing rather than storage.

Each of the specific benefits that can be derived from the implementation of the on-shelf availability solution are discussed in full on the Intellident website. For more information please visit [www.intellident.co.uk/on-shelf](http://www.intellident.co.uk/on-shelf).

# Case study : Marks & Spencer

Marks and Spencer (M&S) is one of Europe's leading high-street retailers, providing a range of exceptional-quality clothing, food and household products to over 450 stores in the UK and an additional 150 stores located in 30 countries around the world.

**The problem** - M&S pride themselves on their extremely high levels of customer service and were disappointed whenever they were unable to offer their customers the garments they wanted in the style, colour and variation that they desired. Although customers could order garments that were out of stock from another store, very few customers took advantage of the service, preferring to take the garment away the same day. As Marks and Spencer explained "our customers want full availability of product in the store, and if we are not able to offer that to them then they will potentially leave without buying anything."

Like most retailers, M&S operate a sophisticated Electronic Point of Sale solution, however, the stock accuracy on the sales floor was very rarely correct, meaning that garments were not ordered for delivery and replenishment into store. The result was out of stocks on the shelf and customers who were choosing to make their purchases elsewhere!

**The solution** - The standard swing-ticket label attached to garments across a range of clothing categories has been replaced with an intelligent Radio Frequency IDentification (RFID) ticket. Although almost identical in appearance, the ticket can be read quickly and automatically, and without the need to locate and read a barcode.

To read the tickets, over 200 M&S stores, located around the country, have been provided with mobile RFID reading equipment that allows staff to perform a complete stock inventory once a week - ensuring the absolute accuracy of stock figures for each store. This ability to ensure sales floor accuracy has led to:

**Significant increase in sales**

As a result of the project, M&S has seen a significant increase in sales across every category where the new RFID tickets have been deployed. This has proven that if the product is on the shelf, customers will buy it. In addition to a direct relationship between tagged garments and sales, M&S has also seen an increase in sales of other peripheral items around the store - such as men's accessories.

**Better customer satisfaction**

Customers to M&S can now find the garments they want in the size and colour they want. Shelves look fuller and, together with new store refurbishments, the sales floor is a pleasant and inviting place to shop.

**The results** - This project proves that not only are M&S now a major force in pioneering new technology, but that the solution works - having led to a significant increase in sales and hugely satisfied customers. Following a series of changes within the company, M&S are now back amongst the major global retailers and are consistently reporting desirable results year-on-year.



See the video case study online at [www.intellident.co.uk/on-shelf](http://www.intellident.co.uk/on-shelf)

*"The intelligent label project shows how Marks and Spencer is using new technologies to improve customer service."*

- James Stafford, Marks and Spencer



*"The overall impact of intelligent labelling for our customers has been not in the technology, but in the massive increase in availability that they have seen on the sales floor."*

Sacha Berendji  
Marks & Spencer



Project summary	
Garments tagged	+ 100 million
Stores enabled	Over 200
Length of project	3 years
Major benefits	Shelf display + inc. sales Customer satisfaction

# The Total Supply Chain

The on-shelf availability solution is part of a suite of application systems available from Intellident that are designed to improve operations at various points within the supply chain. Each module has been developed individually to provide maximum benefit at each stage, however, many customers are also able to benefit from combining multiple 'point solutions' within their supply chain.

To help understand where each point solution is capable of delivering benefit, we have developed the model to the right, which illustrates at each point within the supply chain the range of solutions that can be applied to increase efficiency and ultimately improve bottom-line performance.

## Production

The initial point in the supply chain where products and components are made, packed or assembled ready for direct sale or further processing down the line.

## Transit

The movement of product from Production to Distribution Centre. Typically product will be shipped in large quantities and potentially over long distances at this point.

## Distribution Centre

The initial receipt and consolidation of product from the supplier. At this point bulk product is usually broken-down into smaller units suitable for picking and delivery.

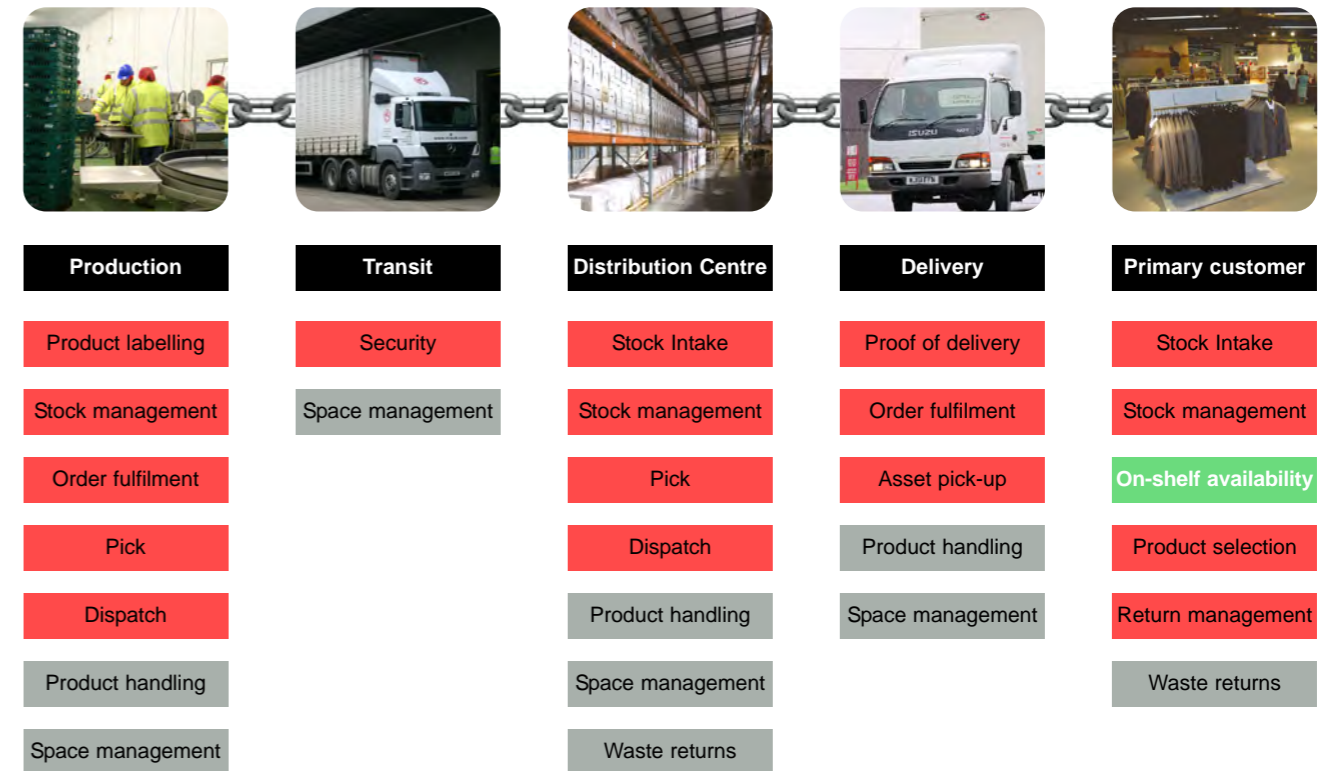
## Delivery

The movement of product in smaller and more defined orders from the Distribution Centre to the primary customer. This is usually the last movement of goods and is typically over much shorter distances, certainly within the same geography.

## Primary customer

The recipient of the finished product from the primary supply chain. With fresh food this will be the retail outlet, where product is distributed direct to shelf. For the automotive supply chain this will be the manufacturing line.

Importantly the solutions can be adopted in many areas across this supply chain, but deliver very different benefits. In this case, on-shelf availability is utilised at the Primary customer stage, however, the pick and intricacies of delivery will likely be different.



The point solutions provided by Intellident form part of the Total Supply Chain offered by LINPAC Allibert. The model above highlights those solutions provided by Intellident (in red and green) and those complimentary products that are available from within the group (gray).

## Offering a different and unique approach to asset and item tracking...

Through offering a range of point solutions that accurately control the movement of objects at unique stages within the supply chain, we can therefore effectively monitor the movement of the items across the entire supply chain - but not in the traditional sense of asset tracking. For example, if we know what has accurately been produced and dispatched from a supplier and what has been received at DC intake, we can build up a powerful set of information relating to the movement of items.

The benefits of each point solution are discussed in detail in the individual solution brochures, which are available in hard copy or PDF from the Intellident website. For more information please visit [www.intellident.co.uk](http://www.intellident.co.uk)

## Utilising the latest technologies

Core to the on-shelf availability solution is the power of Radio Frequency Identification (RFID), which can provide dramatic differences in the speed and accuracy of information processed across the supply chain. Some of the significant benefits that RFID can provide include:

### Wireless identification of objects

The real power and versatility of on-shelf availability can be maximised when utilising the extensive capabilities that RFID offers. As the name suggests, RFID uses invisible radio waves to communicate with 'intelligent labels' applied to items in order to determine what the item is, where it has come from and where it is going. This wireless method of communication means that the label does not need to be seen to be read, therefore allowing complete pallet stacks of items to be detected and integrated.

### Ultra-fast read speeds

Unlike barcodes, hundreds of RFID labels can be read simultaneously and within a fraction of a second, which can provide significant benefits in terms of volume of throughput and capacity of a supply chain. Companies using RFID have demonstrated up to 400 per cent improvements in dispatch and intake time compared to those using barcode technologies.



### Secure, mobile content

Each label contains a unique identification number. In addition, information can also be stored directly on the label itself, which allows intelligent systems to query the information directly and without the need to interface to other systems in the supply chain. For example, using nothing more than a hand-held scanner, a box or tray can be read and the operator will know immediately the details relating to the content.



### Accuracy of information

Information pertinent to the item or asset is stored on the RFID label in digital format at the point of attachment or filling. This information is then retrieved at various points across the supply chain, again in digital format, and fed directly to a range of systems. Importantly, at no point does any human intervention prevent this secure data from being mis read or mis represented in any way - providing the ultimate in supply chain accuracy.

### Packaging the tag

The enormous benefits that RFID can offer are only tangible if the label is capable of being read. In its raw form a label can be designed of sufficient robustness to last a single trip (on cardboard for example). Alternatively, the label can be packaged to a much more durable degree and attached to a returnable asset for the life of the container. Being part of the LINPAC Allibert group of companies, and having deployed over 8 million RFID-enabled returnable assets, gives Intellident unparalleled experience in this area.

### What technology choice to make?

If you need to ask yourself which technology to purchase then you are either in the business of buying technology or you are not working with the right solution provider. The intricacies of the technology and how it is configured is largely irrelevant to the application and the benefits that can be derived from it. The important questions to ask should therefore be "does the technology conform with global industry standards?" and "does it deliver benefit in areas where I currently have problems?"

### Global adoption and support

RFID is now being adopted around the world in a range of industries and, not surprisingly, has warranted the development of international standards to ensure global compliancy and consistency of data. For many industries EPCglobal is the most convenient and logical numbering system, which is an extension of the widely adopted and utilised EAN barcode system.

EPCglobal is coordinated by the GS1 organisation, and provides member organisations with the confidence that RFID tags can not only be read, but also understood by supply chain partners regardless of systems or geography.

As part of our commitment to standards and industry adoption, Intellident are long-serving members of both GS1-UK and EPCglobal, allowing us to deliver 100% EPC-compliant solutions to our customers.



## About Intellident



Intellident are Europe's leading provider of control systems based on the use of Radio Frequency IDentification (RFID) and barcode-technologies, with experience that extends across multiple vertical markets and solutions.

We specialise in supplying complete systems, which provide our customers with immediate benefit and rapid pay-back on their investment.

Together with our supply chain solutions, Intellident also provide a specialised barcode print, apply and verification package; a sophisticated document management solution, and are the UK's leading provider of RFID-based self-service solutions to public, academic and private library sectors.

Our philosophy is to offer our customers a complete end-to-end service, which is why we have dedicated and qualified staff capable of assisting at every step, from pre-sales advice all the way through to project management and after-sales support.

In October 2003, the company joined the LINPAC Allibert group, a global organisation with core business interests in the provision of returnable plastic packaging and material handling equipment to the retail and automotive sectors - a perfect fit for Intellident. LINPAC Allibert has an annual turnover of over €1.7 billion, manufacturers in all five continents, has over 11,000 employees and sells products in almost every single country in the world.

[www.intellident.co.uk/on-shelf](http://www.intellident.co.uk/on-shelf)