Successful retailers constantly evolve and adapt to the ever changing needs of their customers.

By Tim Brady, Business Development Manager; WiseShelf

McKinsey, in a recent article, identified innovative ways retailers are attempting to reduce shrink, particularly for perishables and short shelf life items, such as bread, grocery, ready-to-eat and ready-to-heat.

COVID, while an abnormal event, should be viewed as an example of the pressures on inventory management and a retailers preparedness via their systems and culture to react to an event requiring more immediacy. Overcoming this challenge presents an opportunity for retailers to further ingratiate themselves with their customers and capture market share from their slower moving and less innovative competitors.

Consumer-focused retailers have for some time been adapting their offer to take advantage of the customers' increasing need for convenience whether that be the means by which they purchase, such as online or in-store; the products they offer, such as ready-to-eat and ready-to-heat; or how customers "collect" their basket such as home delivery, curb-side or in-store.

The impact of convenience on a retailer's product offering is increasingly shorter shelf life of perishable items and an increased exposure to waste and shrink for them.

"Before the COVID-19 pandemic and accompanying economic downturn, shrink consumed 2 to 3 percent of a typical grocer's revenue…Shrink is now rising in some regions and product categories. In ready-to-eat and ready-to-heat, for example, shrink has risen to 5 to 15 percent of revenues, significantly eating into profits."[1] .

How successful retailers are adapting falls into five main categories:

1. Advanced analytics to improve forecasting
2. More dynamic use of displays and shelf space
3. Cryovacing and vacuum packing
4. Apps to clear short-dated products; and
5. Improvements in upstream operations and inbound quality control.

WiseShelf, using their patented light sensor based, IOT smart shelves, has worked with two leading grocery retailers leaders to optimize their perishable orders and optimizing the quantities of every SKU on each shelf to reduce shrinkage and increased sales by.

We welcome the opportunity to discuss how our unique solution can deliver similar results to you.

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[1] Beating the shrink on grocery shelves, McKinsey September 2020