

## Media Alert

# AI will enable supermarkets to survive and thrive in the grocery war, says Blue Yonder

## Intelligent analysis and automated replenishment processes reduce costs and maximize profit

**London, 16 November 2017:** According to the latest research from [Kantar Worldpanel](#), low cost supermarket chains Lidl and Aldi have both increased their market shares to an all-time high, growing their sales by 18.9% and 17.2% respectively. To remain competitive and fend off these new entrants into the market, the traditional 'big four' British supermarkets must reduce their costs and improve the customer experience; optimizing the supply chain will play a critical role in achieving this. This is according to Uwe Weiss, CEO at Blue Yonder, the world leader in artificial intelligence and automation for retail supply chain optimization.

The UK retail market is facing a period of almost unprecedented pressure. In addition to the rising popularity of discount retailers such as Lidl and Aldi cutting into the traditional incumbents' profit margins, Brexit, interest rate rises, and the resulting depreciation of the pound has put immense strain on retailers' supply chains. All these factors mean that it is more important than ever that retailers optimize their supply chains, to reduce product wastage and ensure that they always have the right stock on the shelves, ultimately improving the customer experience.

Uwe commented: "The rise of Aldi and Lidl has proved to be one of the most disruptive forces in British retail. This year's research from Kantar Worldpanel confirms how the market has changed, with Aldi overtaking The Co-operative and Lidl supplanting Waitrose. Innovative technology and the optimization of the supply chain will be critical to ensuring that the UK's big, traditional retailers remain profitable and arrest the decline in their market share.

"One of the most significant costs on a retailer's balance sheet is wasted stock, and products that they cannot sell. Every item of food that is wasted is a potential sale lost. Alternatively, if supermarkets cannot guarantee that they will always have the

right products on the shelves, they may lose customers to their rivals. Either way, retailers cannot afford to have a less than optimal supply chain, and it is here that where artificial intelligence (AI) and automation can help retailers gain a competitive edge.

Uwe concluded: "Retailers generate vast quantities of data from across their business, through their online channels and in-store points of sale. On the one hand we can combine this with existing data such as past sales patterns, customer footfall and product pricing, and external information, such as public holidays, to help a retailer to make informed replenishment decisions. But on the other hand, when this data is integrated with advanced AI technology, stock replenishment is much more accurate and is optimized to customer demand. Forecasting and replenishment solutions can automate stock level decisions, across thousands of product categories and hundreds of stores. Based on the business strategy, retailers can manage their stock with greater agility and reduce their costs, helping them to maintain their position in the market and grow their sales."

Blue Yonder Replenishment Optimization is a machine learning solution that allows automated store replenishment to efficiently reduce waste. The solution utilizes a wide variety of data points to create accurate and granular forecasts of customer demand, balancing both waste levels and product availability to take automated decisions and make the burden of making manual interventions on retailers unnecessary.

## About Blue Yonder

Blue Yonder enables retailers to take a transformative approach to their core processes, automating complex decisions that deliver higher profits and customer value using artificial intelligence (AI).

With AI embedded into their supply chain and merchandising processes, retailers can respond quicker to changing market conditions and customer dynamics, boosting revenues and increasing margins.

Developed by one of the largest teams of PhD-level data scientists in retail, our solution delivers 600 million decisions daily to international grocery, fashion and general merchandise retailers.

Blue Yonder was founded in 2008 in Karlsruhe, Germany, by former CERN scientist Professor Michael Feindt. The company has been awarded the Gartner Cool Vendor Award 2015, the Experton Big Data Leader Award 2016, the IGD Award for Supply Chain Innovation 2017 and the BT Retail Week Technology Award.

Blue Yonder. Best Decisions, Delivered Daily.

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