

Media Alert

AI to Help Retailers Meet Customer Expectations and Maintain Profit Margins

Intelligent data analysis and automated replenishment can help meet customer expectations and maintain a profit margin, says Blue Yonder

London, 18 December 2017 – Recent research from Blue Yonder has revealed that 79% of global shoppers say they are disappointed when their desired discounted item has sold out, while over half feel let down when the color they want is not available in the sale. In order to maintain brand loyalty and meet customer expectations, retailers must invest in technology to ensure that they have the right products available on their shelves. This is according to Uwe Weiss, CEO at Blue Yonder, the world leader in artificial intelligence and automation for retail supply chain optimization.

Uwe commented: "In today's competitive retail environment, where instant gratification and speed of delivery play a significant role in the consumer experience, having the right level of stock on their shelves can be a key differentiator for any retailers in the market. However, most of the replenishment strategies that the retail industry has used in the past to calculate the impact of external factors on customer demand simply don't work. They are not sufficiently sophisticated and cannot respond quickly enough to fluctuating market conditions.

"Today's unpredictable shoppers want discounts, but they want these deals on their own terms with full availability of their preferred range, colors and size. If a customer finds that the items they want are frequently out of stock, then their loyalty to the brand may start to weaken, and retailers may lose these regular customers to a competitor. Retailers must combine the need to have the right products on their shelves with keeping these shoppers satisfied and retaining their brand loyalty, as well as maintaining a profitable and efficient business. This is where artificial intelligence (AI) and machine learning can play a significant role," Uwe continued.

AI and machine learning can give retailers a competitive edge and insulate them against the fluctuations in the supply chain. Using the vast range of data that

retailers have access to, whether that is weather patterns, past sales data, customer footfall or even if an item of clothing has appeared in a popular TV show, AI solutions can make accurate predictions of customer demand and automate the decisions around replenishment. This can ensure that retailers always have the right levels of stock in their stores, and that shoppers who come in looking for a certain product in a particular size or color are much less likely to be disappointed. When this AI solution is combined with machine learning technology, its customer demand predictions can become accurate as it continues to learn and refine its forecasting models, providing the retailer with better and better replenishment decisions.

Uwe concluded: "Everyone in the industry is aware of the pressures on brick-and-mortar retailers, with online competitors and declining consumer confidence hitting sales. That's why it is critical that retailers give themselves the best possible chance to maximise sales, by always having the products that their customers want on the shelves, and the flexibility to adjust stock levels in line with changing consumer demand."

Blue Yonder Demand Forecast & Replenishment is an AI solution delivers probabilistic forecasts based on hundreds of different variables including weather, promotions, and holidays. This allows the business strategy to automate millions of daily replenishment decisions across products and stores.

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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