

Media Alert

Thought for Food: How can AI help supermarkets to keep food fresh?

Intelligent data analysis and automated replenishment can reduce food waste and shelf gaps, says Blue Yonder

London, 04 December 2017: Every retailer will understand the importance of carrying the right level of stock, knowing that if they have too many gaps on their shelves that they run the risk of consumers defecting to their rivals, and that if they over-order then they will have huge piles of wasted food. If they are to avoid either of these sub-optimal outcomes, retailers must invest in technology to help them analyze and automate their replenishment processes. This is according to Uwe Weiss, CEO at Blue Yonder, the world leader in artificial intelligence and automation for retail supply chain optimization.

A [report](#) in the London Evening Standard in 2016 estimated that the UK's biggest supermarkets donate or throw away 240,000 tonnes of surplus food every year. This clearly shows that major retailers still have not found a solution to the challenges posed by fresh food replenishment. While consumers may consider themselves lucky when they find a great bargain on the 'reduced to clear' shelf, selling stock at a significant mark-down can have a serious impact on a retailer's bottom line. Conversely, if retailers do not have enough stock, and gaps start to appear on their shelves, customers may get frustrated at not being able to find the products they want and switch to another retailer.

Uwe suggests that technology may play a crucial role in reducing food waste and providing the best customer experience: "It is clear from the amount of food that UK supermarkets are wasting that the current system of fresh produce replenishment is not working. Up until now, most forecasting and replenishment models have been based on fixed rules, which cannot necessarily accommodate unknown influences on consumer behavior.

"From a sudden heatwave to a major football match, there are thousands of factors that can shape when and why people buy certain products. And with the limited shelf-life in fresh food, this sector can present the biggest opportunity for winning

or losing the margin contest. Too much and the reduced to clear section is stacked high once more; too little and potential customers go home empty handed," he said.

Uwe concluded: "Given these complexities, AI can provide grocery retailers with a more flexible way to manage fresh food replenishment. Sophisticated algorithms are capable of not only processing a much greater volume of data than even the most talented human being, and at much greater speed; they can model many more possible scenarios, to provide retailers with an accurate forecast based on what is happening in real-time. Moreover, AI replenishment solutions will be able to automate decisions, to ensure that the right number of products are dispatched to each and every store, with minimal risk of overstocking. Not only is this a more efficient and effective way to manage fresh food replenishment, but AI solutions are also self-learning, which means they grow stronger over time."

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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