

Automating Retail in the Field

Executive Summary

Retail and merchandising execution are critical parts of the marketing process for both the stores and the consumer brands they sell. Sales and promotion cycles are short, and large amounts of money are invested to maximize retail exposure. Disconnects due to fragmented paths of accountability and poor communication can however put new launches and promotions at risk. Missing even a single day of sales due to poor merchandising execution can have disastrous consequences for a brand. An inferior shopping experience can cause customers to simply stop shopping at a store, leaving retailers financially vulnerable. Often by the time the problem has been identified, the damage has already been done. New technologies, however, are making it easier than ever before to track retail execution and enable efficient reporting and responsiveness without a great deal of complexity or cost.

The Marketing Challenge

Manual retail auditing methods require large teams, fail to provide immediate visibility, and often delay identification of and swift response to issues. For many promotions in peak periods, successful sales require consistent and simultaneous execution across a range of retail locations. Simply providing all those locations with the latest details on a target display execution is a challenging task. Contracted teams frequently help to expand coverage, but adding incremental retail reps to cover peak times can be expensive. Finding new tools to enable reps to quickly record audits and hit more stores in a short period of time drives significant productivity and cost savings.

With reliance on many contractors, whether external merchandising execution teams or mystery shoppers, consistent reporting can be a challenge. Reports aren't always filled out correctly or entirely. Management also doesn't have ways to validate reports. Were stores actually visited? Were they visited at the right time? When did the promotions go live? Too early? Too late? Management needs better tools to confirm compliance with merchandising policies and inspections policies.

Reps are the virtual eyes and ears of a retail organization. As issues are uncovered at stores, they need to be reported immediately for fixes. Retailers and brands can't afford to have issues emerge on a Friday and go unresolved until Monday. Especially during peak sales, such as holidays or promotions, organizations need to address merchandising execution issues immediately. When there are conflicts about merchandising execution, whether with an outsourced execution team or a retailer, brands need strong data to support and resolve their claims. A paper trail leaves plenty of margin for error in documenting and resolving merchandising claims.

Benefits of Handheld Devices

More Productivity

In the past, representatives had to spend a lot of time filling out and submitting mounds of paperwork, limiting the number of stores and tasks completed in any given day. Today's handheld solutions enable fast and accurate data entry, helping representatives enter data and quickly move on to the next task or location. A single handheld device can manage retail audits, track inventory, and accept new orders. With this added efficiency, brand representatives can now more easily maintain retail displays while also better managing inventory.

Automating Retail in the Field

Better Data Reporting

Handheld merchandising tools offer the unique ability to collect and integrate diverse data into reports. Retail audit reports can now automatically include photographic images and time stamps to maintain a record of compliance. Some organizations also utilize these solutions for competitive reporting. Merchandisers can photograph and report on competitive merchandising, enabling management to stay on top of what the competition is doing.

Better Visibility and Control

Immediate and rich reporting with handheld devices also gives managers better oversight of their teams. The same time stamps useful in validating compliance can also track and gauge staff productivity. Reports on audit output can be produced and sorted by individual, groups, full-time employees, or contractors. Up-to-date supporting data enables managers to identify and respond to issues which can impact productivity, sales, or customer relationships.

The advent of handheld devices made a huge impact on retail audit efficiency for the large organizations that could afford them. In addition to providing immediate access to data, each person in the field could visit more customers and better document conditions.

Despite their promise however, many handheld solutions have turned out to be expensive and cumbersome. Off-the-shelf solutions often cannot be fully or easily customized to support changing processes and promotions. The most powerful and flexible handheld solutions, on the other hand, often require large upfront investments. Fortunately, there is a range of new technologies that enable faster and more flexible automation of tracking and reporting for retail merchandising.

The New Enabling Technologies:

Merchandising teams are leveraging many of the following technologies new to improve their auditing and reporting in the field, while also taking on new inventory and competitive tracking tasks.

On-demand software or “software-as-a-service” (SaaS): Instead of purchasing and installing software at your company, SaaS enables you to simply and securely connect through the Internet to another service provider that operates and manages the software. These rich applications can now be utilized in an on-demand model, minimizing the impact on scarce or over-taxed in-house IT resources within your organization. It also makes it easier for partners and contractors, such as mystery shoppers, to collect data to a central aggregated location with exposing the corporate intranet.

Mobile smart client applications: These applications give companies fully customized handheld merchandising solutions for a fraction of the cost and time of previous solutions. Mobile smart client applications are ideal for quickly reporting on changing retail conditions with integrated photographs, time validation, and input from scanners. These lighter applications enable customers to build and customize their own forms without any coding or outsourcing to software engineers.

A new generation of off-the-shelf handheld devices: There is a greater range of affordable devices now available, including BlackBerry and **Windows Mobile®**-based

Automating Retail in the Field

devices. Your retail teams—and even mystery shoppers—may already have these devices. With improved compatibility, it's easier to find and develop applications that will work on multiple off-the-shelf devices. This gives organizations and users more flexibility in device choice, and less risk of devices being discontinued or no longer supported. You can also get reasonably-priced bar code scanners that turn devices into lightning-fast lead capture and reporting tools.

In addition, recent breakthroughs in **wireless networking** provide better and more cost-effective mobile data access options. With higher transmission speeds and more consistent coverage, customers can count on the network always being nearby. As anyone in retail knows, there will always be out-of-coverage spots, whether it's on retail wi-fi or a cellular network. Every handheld solution still needs to have offline capabilities.

Best Practices - Putting Solutions in Place Today

All of the aforementioned new technologies are being put to use today to improve merchandising execution and flexibility without expensive upfront costs or internal IT involvement. While automation can seem intimidating, it's easy to get started. Here is a list of advice and best practices to consider as you start off.

Get started now

It's hard to fully understand the potential benefits of automating your merchandising reporting until you try it. Even at the initial steps of reviewing the sales process, you are apt to find that handheld access can bring a great deal of efficiencies. You may also find that there are other steps in the retail execution process, such as inventory tracking and new order entry, which could be initiated from handhelds.

Find a flexible solution

Selecting a mobile solution that is flexible to meet the changing needs of your organization is very important. When considering a solution, you should consider the following questions:

- Can it run on multiple types of devices?
- Can I easily change forms or the type of data collected?
- Can the service be easily accessed by vendors and contractors outside my firewall?
- Can I run the service across multiple data networks?
- Can I continue to use the solution while devices are offline?

As your business and the market evolve, so will your merchandising process. Your mobile solutions must enable you to maintain efficiency.

Avoid common pitfalls

In addition to being flexible, it's also important to avoid many of the common shortcomings of past approaches to automating merchandising reporting:

- **Web browser-based solutions** are difficult to use on handheld devices because of slow network connections. Forms are also usually not available without the network—especially deep in retail locations.
- **Cradle-based synchronization** requires a handheld device be attached to a laptop to access the internal back-end reporting system over the Internet or VPN. While this is important to have as an option, you do not want it as the only

option. You'll also need to be able to transfer data over the air. This is a faster process that doesn't require managing extra sync code on desktops.

- **Hard-coded, off-the-shelf-solutions** are easy to start using, but unless your products, promotions and process never change, you're apt to run into a need for customization down the road, which might be expensive or impossible to do.
- **Hard-coded, custom solutions** are expensive and time-consuming to create and difficult to change without ongoing expense.
- **Not getting up-front user feedback** is a challenge for many mobile merchandising implementations. It's important to get all stakeholders involved to understand needs and get feedback, participation, and ultimate buy-in to the solution.
- **Not monitoring usage and iterating** becomes a challenge after implementation. Business processes evolve, and you need to ensure that the solution is getting the job done. Remember, if it helps your workers, it helps you. Track usage, get feedback, and improve.
- **Over-engineering** is common for new technology and new business processes. Start off your handheld merchandising tracking project with a few basic steps. Focus on the steps and scenarios that give the biggest benefits. This will prove the solution, encourage use, and get your field teams thinking about other ways to leverage handheld automation to help them improve retail execution overall.

Conclusion

With automated merchandising, you get retail audit efficiency, well-executed merchandising campaigns, better visibility into performance, and faster response times. New technologies now make these solutions accessible with minimal upfront costs. Many solutions offer easy pilot programs with little risk—often on existing devices. It's that easy. To get started, set some simple goals, benchmark existing processes, and assess the benefits around productivity and processing speed. Involve the right users, focus on tangible benefits, set clear and simple expectations, and design a flexible solution as a starting point. Make this your competitive advantage today.