

# Intelligent Dynamic Store Merchandising Solution Cuts Losses on Perishables and Raises Brand Awareness

The solution ensures retailers proactively balance customer demand and store inventory in real time.



Electronic shelf signs dynamically change price to reflect a new promotion.

Imagine giving retailers the ability to track real-time demand for perishable items in each store, and automatically adjust prices and promotions to prevent spoilage, while also protecting margins. In the case of grocery stores, this technology can recover 25 percent or more of the six percent of total sales lost, on average, from perishable sales and perishable waste. With the dynamic store merchandising (DSM) solution<sup>1</sup> from Toshiba\*, reducing loss and turning it into profit is actually happening. This software runs on Intel® processors, which deliver the computing performance and graphics capabilities needed to power this highly analytical, multi-faceted solution.

The solution utilizes a retailer's existing intelligence on customers, their buying patterns and product performance to optimize the return-on-inventory investment across all product categories. The results are increased sales, maximized margins, reduced inventory distortion and the elimination of losses arising from perishable waste and shrinkage.

## Reduce losses on perishables

DSM provides real-time inventory and demand data on all the items in the store, not just perishables. It compares the sales trends against the inventory situation for every single item, allowing retailers to act in real time by initiating pricing actions and promotions that respond to what's actually happening in that store during the day.

## Respond to unpredictable demand swings

The solution helps retailers forecast demand based on a large number of factors, including historical sales data, and the impact of weather conditions and holidays. This capability enables retailers to be better prepared for large upward swings in demand by getting alerts to replenish shelves more frequently and revise the schedule for in-store produced items, like bakery and delicatessen foods.

## Minimize out-of-stocks

DSM monitors item level sell-through rates in order to predict when an item will go out-of-stock, triggering a proactive replenishment alert to store management, thereby avoiding empty shelves. In those cases where the item truly isn't available in the store, DSM uses the in-store communications capabilities to advise the customers of the out-of-stock situation and recommend an alternative item.

## Optimize in-store promotions

Retailers can more easily cross-sell full-priced products to offset discounting since DSM interfaces with retail analytics to recognize affinity relationships used to identify suitable cross-sell items. For example, a promotion may offer a discount on a shredded cheese product - near its sell-by date - when it is purchased along with other products (e.g., pasta and tomato sauce products) at regular price.


## Learn more

To get more details about this solution, download a full length Solution Blueprint at <http://www.intel.com/content/www/us/en/retail/intelligent-dynamic-store-merchandising-solution-blueprint.html>.

For more information on intelligent retail solutions, visit Intel's Intelligent Retail Web site: [intel.com/retailsolutions](http://intel.com/retailsolutions). Follow us on Twitter at [@RetailerInsight](https://twitter.com/RetailerInsight).

<sup>1</sup>Dynamic Store Merchandising is provided by Toshiba Global Commerce Solutions\* under license from ImpulseLogic\* Limited.

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