

Inventory Everywhere! Secrets to Predicting Demand

PLACE GOODS WHERE THEY'RE NEEDED MOST AND REACH THE CONSUMER FASTER THAN EVER BEFORE

“One of the biggest drivers for abandoning loyalty during the shutdown was items being out of stock.”¹

78%

Shoppers have increased use of buy online, pickup in-store (BOPIS) and curbside pickup since COVID-19 began and **69% expect to continue using it at the same or higher levels after the pandemic subsides.**²

INVENTORY MANAGEMENT CHALLENGES⁴

1. Too many out of stocks in fast-moving products
2. Too many out of stocks in stores
3. Too many out of stocks in busiest fulfillment locations
4. Too much inventory in slow moving products
5. Inaccurate inventory data

40%

Retail winners name “too many inventory transfers between selling locations” a top inventory management challenge.³

SUPPLY CHAIN OBSTACLES⁴

73% Inability to adjust or respond to fluctuations in demand

71% Lack of real-time inventory visibility

RETAILERS PLAN TO EXPAND OMNICHANNEL FULFILLMENT OPTIONS⁵

45% Anticipate outsourcing their fulfillment functions due to pandemic-related events

29% Plan to implement a dropship strategy

20% Plan to incorporate BOPIS, ship from store and pop-up options

RETAILERS SEE OPPORTUNITIES FOR IMPROVING SUPPLY CHAIN EXECUTION³

54% Improve cross-channel forecasts

40% Optimize fulfillment based on the most profitable inventory opportunity

36% More real-time monitoring of supply chain conditions

“Next-generation demand forecasting engines will help retailers improve their ability to plan for cross-channel demand.”³

DATA STRATEGIES

- **Connect Data From Multiple Channels:** Collect and store data in a single platform to query information however you need to
- **Segment Data for Insights:** Data on individual channels and locations makes it easier to plan inventory availability and optimize order fulfillment for a specific segment of customers
- **Past Data Predicts Future Trends:** Have a method to pull old data from previous years to get a baseline to predict demand

TOP ANALYSIS AREAS OF FOCUS FOR RETAIL⁶

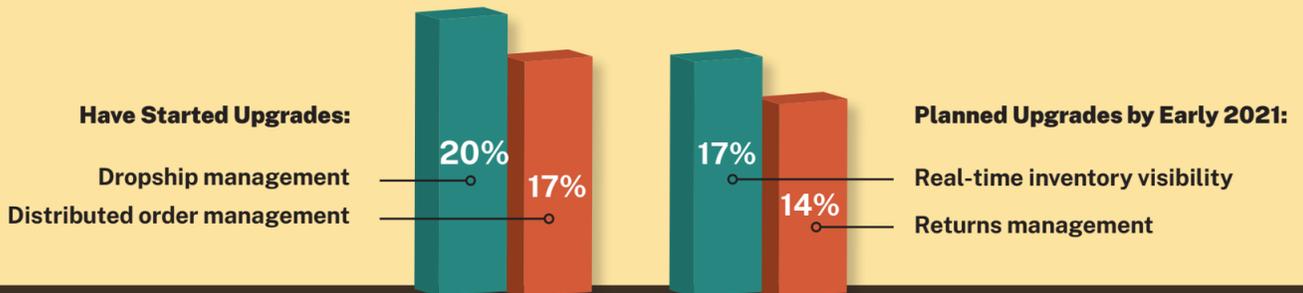
57% Demand forecasting

43% Consumer insights

40% Inventory planning

“The right order management system (OMS) provides retailers and customers real-time information about available inventory and arrival times, while providing flexibility and maintaining accurate inventory counts.”⁵

RETAILERS' INVENTORY TECH UPGRADE PLANS⁷



SCALE WITH DROPSHIPPING

If you can only take a certain number of orders at a time, let suppliers do the order packing and shipping when demand increases

Benefits

- Cut down on overhead costs and simplify fulfillment operations, while shortening the amount of time it takes for orders to be processed and shipped to customers.
- Hold virtually zero inventory in warehouses, while still being able to quickly scale supply to meet customer demand.
- Keep customers happy during peak times, without investing in employees and spaces you only need for a few months of the year.
- Accept all customer orders.

TIPS TO MANAGE INVENTORY ANYWHERE

- **Analyze the data:** Determine the amount of each product and assortment at your locations to discover if you can get orders out to stores without splits that could cause harmful delays and lost sales, resulting in unhappy customers.
- **Alleviate shipping times:** Alleviate shipping times for happier customers by identifying “hub stores,” regional stores that can handle higher volumes to reroute inventory for retail.
- **Review BOPIS:** Update communications for specific processes: Include where to park and pickup; check if your system allows for triggers when statuses are updated that permit instructions to be sent to the customer.
- **Returns:** Combat products being returned to locations they weren't shipped from by connecting the inventory held in each individual warehouse and store into a single network. This way, when returns are logged back into inventory, they can be added back to an organization-wide total that can be viewed at any location.

SOURCES: 1 Periscope by McKinsey, “Retail Reimagined: The New Era for Customer Experience” 2 Ipsos, “New Study from Ipsos Unveils Brands Best Adopting In-Store Pickup, Curbside, and Delivery Offerings” 3 RSR, “The Retail Supply Chain: Designing New Ways to Satisfy Demand” 4 RIS, “Supply Chain Technology Study 2020: Balancing Supply Chain Resilience and Efficiency” 5 Radial, “Retail's Response to the Pandemic: Insights from Sellers and Consumers for 2020 and Beyond” 6 RIS & CGT, Retail and Consumer Goods Analytics Study 2020: Meeting Adversity With Data” 7 RIS, “30th Annual Retail Technology Study: Investing in the Data-Fueled Future”

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