Global RFID update and Myer 5 Store Pilot
4 years in...
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WHAT IS THE PROBLEM WE ARE TRYING TO SOLVE?:

Improve our EBIT and drive growth through a greatly improved Customer Experience.

Every day, consumers walk out of stores empty-handed because they can’t find the item they want.

- 65-70% of retailers inventory inaccuracies are at the SKU level.
- 72% of stock-outs are due to faulty in-store ordering/replenishing.
- 21% to 43% Consumers faced with a stock-out will go to another store to purchase the item.
- Inventory inaccuracy cause lost sales of 8.7%. Directly effects Omni-channel / Digital Transformation strategy.

Sources: Harvard Business Review, EKN - Kurt Salmon
How do retailers solve this question...

Deliver a complete item tracking solution from source to store together with a network of on-site sensors, hardware and devices, enabling complete merchandise visibility and support the consumer experience.

Improve Customer Experience
- improved customer satisfaction by 11.0%, reduced out-of-stocks by 40.6%, cut shrinkage by 33.7% - boosted profit margin by 60.7%.

Improve inventory Management
- RFID improves inventory accuracy by 25.4%—retailers studied reported 67.4% inventory accuracy before RFID and 84.5% accuracy after implementation.

Increase Sales
- With a 25.4% increase in inventory accuracy, the number of people who can now find the inventory they want increases sales by 1.5% to 25%.

Limit Shrinkage
- Shrinkage in their stores dropped by an average of 55% after RFID implementation.

Sources: EKN - Kurt Salmon, RFID Insider
Benefits of the “Connected Solution”

What’s the value to a Retailer?

Benefits to the Consumer:
- In-Store assistance when needed
- Products available when “they need it”
- Mobile payments and couponing
- Smooth payment processes
- Faster Checkout
- Flexibility – BOPIS (Buy online pickup in store)

Benefits to the Retailer Operations:
- Ability to track inventory levels
- Increased profits
- Right product on shelves at the right time
- Faster response time on Customers assistance
- Increase store efficiency in operations
- Understanding customer purchasing trends
- Improved shopping experience
- Increase customer loyalty
- Ability to respond to evolving markets through enhanced speed and flexibility

Benefits to IT:
- Control of data and information
- Quick to deploy w/Lower Implementation Cost
- Lower Total Cost of Ownership
  - Minimal infrastructure
  - Lower resource needs
  - Scalable
- Secure and Scalability
The Journey So Far……

March 2014
- Myer Innovation Day presentations
- Introduce concept
- Team Talks
- Meeting after meeting

19th September 2017
- Myer Melbourne Apple Reserve
  GO LIVE
- Low Cost trial

30th April 2018
- Myer Melbourne International Designer
  GO LIVE
- Pilot Begins
  
Myer Chadstone
Myer Southland
Myer Fountain Gate
Myer Eastland
APPLE RESERVES & SALES FLOOR
GO LIVE
  
1ST August 2018
Hanes (Sheridan) DC
GO LIVE

Myer Eastland
Sheridan & Superdry
GO LIVE

Myer Eastland
Sheridan
GO LIVE
The Journey So Far....
Learnings

- Don’t cut corners!!!!!!
- Multi departmental engagement is essential
- First cycle count is priceless and should be celebrated
- Tag up is the most time consuming part
- Ongoing support & training required
- People are still the most important aspect
- Sustainability of using a 4G network
- K.I.S.S
Challenges

• Compliance
• Embedding the process into Business As Usual
• Data Analysis – who owns this?
• Establishing new business rules
• Moving and changing the mindset of RFID
• Managing expectations
Working With Myer

• Open discussion
• Both companies have had to be flexible
• Great teamwork
• Smooth transition at Go Live
• Encouragement from Gary for stores to expand into different class groups
• Daily cycle count reminders
What’s Next

- Expand Use Case for DC
- Analysis of data to prove ROI
- Further expansion of supply chain operations
- Increase RFID class groups for current 5 stores
- Potential to initiate POE Use Case
- Expand to other stores?
- Integrate OAT into Myer systems