

Customer succes story in Fashion Retail
**REAL-TIME INVENTORY AND
TASK MANAGEMENT**

FASHION RETAILER INCREASES SALES SIGNIFICANTLY WITH SMART RFID RETAIL SOLUTION

How Mieloo & Alexander raised the inventory accuracy of a leading fashion retailer above 98%, enabling a significant sales increase.

The rapid development of innovative technology is having a profound impact on consumer behavior. Competition is fierce and simply placing products in the store is no longer enough. So, retailers are launching loyalty programs and impressive marketing campaigns. However, the priority remains to always have the products that your customers want in stock at that moment. That sounds simple, but is it? Research consistently shows that many retailers struggle to keep stock up to date. In stockrooms, every square inch is used for storage. Products are stacked to the ceiling, making inventory management quite the challenge. Imagine wanting to know what's in stock, what's in store, and what has been sold every minute of every day? From a technical point of view, this was always very hard to achieve.

Mieloo & Alexander was able to map the journey that products take within the store and stockroom in real-time and significantly increase inventory accuracy for this global fashion retailer.

“How do you maximize sales if your inventory is only 70% accurate?”

“Inventory accuracy is an important metric. Retailers concerned about this often maintain a product buffer to ensure they have what the customer wants at all times.

Most of this buffer ends up being sold at a discount, or it doesn't sell at all - which is far from efficient. Counting products by hand will only temporarily improve inventory accuracy. After six months, it has usually dropped back to 70%.” - Rob Sliedrecht, Mieloo & Alexander.

THE SOLUTION

FROM 70% TO 98%
INVENTORY ACCURACY
WITH RFID TAGS

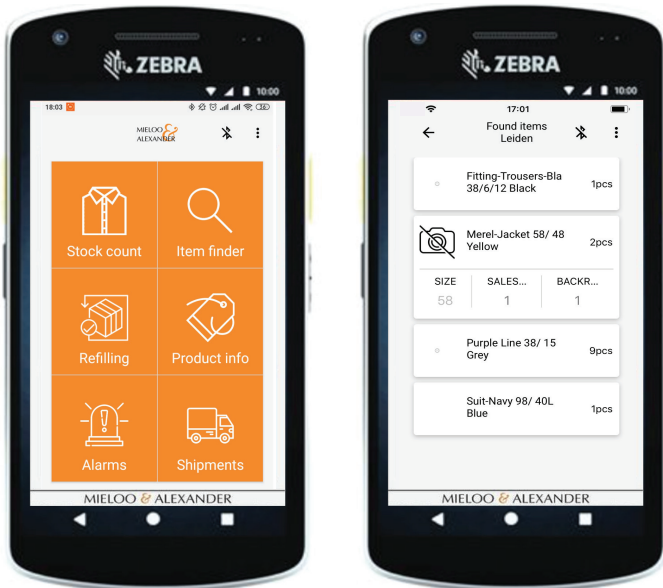
The first step in improving inventory accuracy and sales figures is to use RFID tags. Equipping all products with RFID tags enables retailers to count as many as 800 to 1,000 products per second with RFID readers, even without a clear line of sight and from a few meters away. Since this way of counting is so much faster, it's also done more often, allowing retailers to achieve an inventory accuracy of 98%.

WHAT IS RFID?

Radio Frequency Identification (RFID) gives products identification codes. Although RFID tags are often compared to barcodes, there is one crucial difference: RFID tags are always unique. Barcodes are given to a type of product, such as a carton of milk. Every carton has the same code. RFID tags, however, provide each item with a different code.

REAL-TIME INVENTORY MANAGEMENT

An inventory accuracy of 98% is great and significantly better than 70%. But what more can you do with RFID? In this case, Mieloo & Alexander went a step further, implementing real-time inventory management, including a divide between the stockroom and the store floor. "Instead of working with snapshots, this retailer now has continuous insight into the number of available products, sizes, and their location," Rob adds.



"Separating the store floor from the stockroom did pose a challenge. After all, RFID's great advantage is that it picks up absolutely every tag - from a distance and even through walls. But, in this case, that is also the technology's biggest disadvantage. Combining Araneo, a software solution by Mieloo & Alexander, with the Zebra Smartlens infrastructure, it is now possible to make this specific distinction automatically and in real time." - Rob Sliedrecht, Mieloo & Alexander.

CHOKEPOINT READERS

After Mieloo & Alexander successfully isolated the stockroom from the store floor by placing a so-called 'chokepoint reader' between the two, the team installed more RFID chokepoint readers to register the movement of each product within the store.

They did so at all critical points, like the door to the stockroom, the hall between the stockroom and the store floor, the cash register, and the exit security gates.

REFILLING TASK MANAGEMENT

Subsequently, to continuously optimize the inventory on the floor, Mieloo & Alexander implemented the Araneo Refilling Task Management System based on the concept of 'Sell one - Refill one.' Each time a product leaves the store (unpaid or paid), Araneo registers this and automatically creates a refilling task. Araneo also tracks how long it takes for products to be refilled and sold again.

3 types of refilling tasks:

- 1. Customer-driven refill:** the starting point of this refill is a customer request. When the store employee sees that the desired product is not on the floor but in the stockroom, they use Araneo to create a 'customer-driven refill task' for the stockroom. This task has first priority because the customer is waiting for it in the store.
- 2. Critical zero refill:** when the last product is sold, a 'critical zero refill task' is automatically created with priority two.
- 3. Standard refill:** a 'standard refill task' is automatically created when a product is sold. If, in the meantime, another one of these products is sold, the refill number automatically increases. This task has priority three.

“All employees have our Araneo app running on their device. With the app they can take stock, see where products are in real time, or ask for a refill. If a product is sold and refilled, these numbers are always updated immediately.” - Rob Sliedrecht, Mieloo & Alexander.

ZEBRA SMARTLENS OVERHEAD READERS



Although the results were already outstanding, Mieloo & Alexander noticed that the RFID chokepoint readers sometimes missed a tag. Therefore, in stores where large numbers are converted daily, it was still necessary to do a stock count with RFID hand readers. “Because we wanted to fully automate the stock counting process for this customer, we added the Zebra SmartLens Overhead Readers,” Rob explains. “The Zebra SmartLens Overhead Reader allows us to map the journey that products take within the store and the stockroom in real time, quickly and accurately, further increasing inventory accuracy beyond 98%.”

“If a box of 200 products moves from stockroom to store floor, we can read all these tags with 99% accuracy while ignoring the stationary tags surrounding it. But, we can also answer questions like ‘how many times has a product been in the fitting rooms before we sold it?’ and explore many more advanced applications! That’s a real game-changer for RFID in retail.” - Rob Sliedrecht, Mieloo & Alexander.

RESULTS

By combining RFID tags with chokepoint readers, Zebra SmartLens Overhead Readers, and the Araneo software, Mieloo & Alexander has mapped the entire product journey from stockroom to sale. “Our solution not only increases inventory accuracy but it also boosts sales. Moreover, by cleverly using the data, in the future, retailers can further optimize their business processes and customer service,” Rob adds.

- Without hand readers, the stock accuracy is 70%. With hand readers, it is 98%, and with the complete chokepoint and overhead reader solution, it can even reach above 98%.
- Enormous cost and time savings by not taking stock manually but doing it completely hands-free.
- A significant increase in sales, 15% of the immediately refilled items were sold within 24 hours.
- In this case, the return on investment was only ten weeks.

FUTURE

“We are very proud to look back on what we have already realized together, but there’s still more to explore,” Rob says. In addition to the solutions discussed in this case, Mieloo & Alexander also offers a digital customer journey. “With overhead readers, even hand readers become redundant. Smart antennas in the ceiling register every movement a product makes. An entirely digital customer journey? As far as we are concerned, that is the future of retail,” Rob concludes. ■

WANT TO KNOW MORE?

Visit our website www.mielooandalexander.com for more information or get in touch with us via:
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Mieloo & Alexander

We design, build and implement standard, configurable track & trace and inventory management solutions with RFID, AutoID, and IoT technology. These solutions enable retail, manufacturing, and logistics companies to automate data collection, streamline business processes, make data-driven decisions and achieve operational excellence. We are proud to have been able to help one of the largest and fastest-growing fashion chains worldwide increase inventory accuracy and increase sales with our unique RFID solution.

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