

Six Ways to Measure On Shelf Availability

In the modern age of immediacy, retailers need to ensure that their on-shelf availability (OSA) is as accurate as it can be to ensure customer loyalty and improve omni-channel performance.

But what options are there, and which one is right for your business?

GAP SCANS

This approach uses in-store teams to provide a simple yet manual solution. Retailers will often deploy their associates to manually check and count store out of stocks, providing you with information on what is and is not available.

ROI: 2X

Data Accuracy: Moderate CapEx required: Costs:

Pros	Cons
<ul style="list-style-type: none"> Quick to deploy through existing teams. 	<ul style="list-style-type: none"> Labor costs are rising Human error Your OSA is only valid at a point in time

INVENTORY BASED OSA

First and foremost, store colleagues are responsible for accurately maintaining inventory based values. They take on-hand data, adjusted by deliveries and sales through the checkout, to assess what is in and out of stock.

ROI: 3X

Data Accuracy: Low CapEx required: Costs:

Pros	Cons
<ul style="list-style-type: none"> Frictionless solution leveraging in-store processes Good inventory accuracy leads to accurate delivery levels 	<ul style="list-style-type: none"> Low data accuracy No intraday out-of-stocks Does not prioritize out-of-stocks by dollar value

NILPICKS

A nil pick is the outcome of an online customer not receiving an item they ordered. Retailers leverage this data to determine their OSA, with the assumption that if an item is nil picked, then it must not be available to purchase.

ROI: UNKNOWN

Data Accuracy: Moderate CapEx required: Costs: - (dependent on the need of an inventory management system)

Pros	Cons
<ul style="list-style-type: none"> Can be integrated with your online procedures. 	<ul style="list-style-type: none"> Prone to manual errors. Online offers not across every store in the estate

CAMERA TECHNOLOGY

Cameras are ceiling or shelf-edge mounted to provide a real-time view of product availability. They are typically accompanied by computer vision software that interprets the images, providing actionable insights to in-store associates.

ROI: 5X

Data Accuracy: Very High CapEx required: Costs:

Pros	Cons
<ul style="list-style-type: none"> Real-time data Can also scan topstock and backroom Actionable data 	<ul style="list-style-type: none"> High initial and ongoing investment Intrusive Prone to theft and damage Coverage can be poor

ROBOTICS

These solutions provide a robot that patrols the shop floor scanning the shelves as they go. Typically, they are combined with a software solution that provides data and insights to a store team and allows actions to be taken manually and automatically.

ROI: 2.5X

Data Accuracy: Moderate CapEx required: Costs:

Pros	Cons
<ul style="list-style-type: none"> Prioritizes effective shelves Provide root cause analysis. 	<ul style="list-style-type: none"> Can only perform 2-3 scans per day Limited use during peak hours Very high CapEx

AI AND ML-BASED SAAS SOLUTIONS

SaaS solutions will utilize readily available retailer data, processed through proprietary algorithms, to detect and alert on real-time out-of-stocks. They are typically agile and can be tailored to the client's needs, delivered as standalone apps, or integrated into a retailer's existing system.

ROI: >30X

Data Accuracy: Very High CapEx required: Costs:

Pros	Cons
<ul style="list-style-type: none"> No hardware or capital costs Scalable (100-5,000 stores) Easy to integrated Reduces manual labor costs Seamlessly integrate with omnichannel processes. 	<ul style="list-style-type: none"> Retailers might not have the input data Slow-selling items take time for probability to build

This isn't a definitive list, but six of the most used solutions to measure availability. Deciding which one is right for you is not straightforward and we would be happy to talk you through which would be best for your business.