

Store Operations
SUPERSTAR AWARDS **2014**



retail
TouchPoints™



14 RETAILERS WIN STORE OPERATIONS SUPERSTAR AWARDS

Successful store operations improve the customer experience and ultimately, the bottom line. But today's store operators are constantly juggling numerous challenges, from managing mobile technology to motivating employees. As competition continues to heat up, along with pressure to hold the line on expenses, store operations executives are faced with an uphill battle.

In our third annual **Store Operations Superstar Awards**, *Retail TouchPoints* is recognizing companies that have implemented the most innovative, successful store operations strategies related to:

- Workforce Management
- Social/Mobile Strategies
- Inventory Management/Loss Prevention
- Customer Engagement

The categories and corresponding winners are as follows:

CUSTOMER ENGAGEMENT

GOLD A&W Canada

GOLD GameStop

SILVER Sprouts

SILVER Rutter's Farm Stores

BRONZE Baer's Furniture

WORKFORCE MANAGEMENT

GOLD Safeway

SILVER Talbots

BRONZE COOP Switzerland

SOCIAL/MOBILE STRATEGIES

GOLD Deb Shops

SILVER Alex and Ani

INVENTORY MANAGEMENT/LOSS PREVENTION

GOLD Tumi

SILVER Chico's FAS (Soma Intimates)

SILVER Stein Mart

BRONZE Wet Seal

We hope you will join us in congratulating these 14 retail innovators.



Debbie Hauss
Editor-in-Chief

STORE OPERATIONS SUPERSTAR AWARD WINNERS

CUSTOMER ENGAGEMENT

★ A&W Canada	4
★ GameStop	5
★ Sprouts	6
★ Rutter's Farm Stores	7
★ Baer's Furniture	8

WORKFORCE MANAGEMENT

★ Safeway	9
★ Talbots	10
★ COOP Switzerland	11

SOCIAL/MOBILE STRATEGIES

★ Deb Shops	12
★ Alex and Ani.	13

INVENTORY MANAGEMENT/LOSS PREVENTION

★ Tumi	14
★ Chico's	15
★ Stein Mart	16
★ Wet Seal	17

ABOUT RETAIL TOUCHPOINTS	18
------------------------------------	-----------



BRANDS-STORE BANNERS: A&W Canada

NUMBER OF STORES: 800

ANNUAL REVENUE: \$890 million

WEBSITE: www.aw.ca

A&W CANADA

As part of A&W's ongoing initiatives to optimize operations for an improved guest experience, the company sought a more sophisticated method of engaging with guests and capturing their insights, requests and comments about all aspects of their visit.

The ideal solution fulfilled the following criteria:

- Allow guests to share their insights quickly and simply;
- Monitor satisfaction levels in real time; and
- Respond to guest feedback immediately — preferably while the guest was still in the restaurant.

A&W selected Loop™ Mobile Customer Engagement, a solution from Benbria and began deployment to all 800 restaurants in 2013.

Loop gives A&W's guests the ability to quickly and easily rate their satisfaction levels based on three key questions:

- ▶ Was your meal delicious?
- ▶ Were we fast and friendly?
- ▶ Were the facilities clean?

To respond to the survey, guests who are in-store, at the take-out or drive-thru can enter their ratings on a mobile web-based app. In-store guests also have the ability to enter their ratings on an iPad located at a kiosk in the restaurant. Regardless of which option they choose, guests indicate a positive rating in each category by selecting the "thumbs-up" icon, and a negative rating by selecting the "thumbs-down" icon.

Loop immediately relays guests' comments to the restaurant manager, who is notified by text or email to access the messages on a mobile device or computer and respond immediately.

The Loop solution also offers a live electronic scoreboard, which gives A&W restaurant staff real-time visibility into guest satisfaction metrics. This kind of instant and actionable guest insight is instrumental in creating a deeper personal and emotional connection between staff and guests.

To date, more than 15% of A&W's guests are using the Loop system to provide their input. Additionally, response rates tend to be higher when the scoreboard is made visible to guests, suggesting that transparency and an awareness of being measured adds an important element of gamification to the process that makes guests more likely to engage with A&W and provide their ratings.

"This real-time staff action is helping us to enhance the customer's experience, mitigate negative online reviews and foster positive ratings," said Nancy Wuttunee, Senior Director of Operating Excellence for A&W, "while up-to-the-second customer insight on quality of food, service and facilities has helped us to drive operational excellence, boost employee motivation and increase productivity on a daily basis."





GameStop
POWER TO THE PLAYERS™

BRANDS-STORE BANNERS: GameStop

NUMBER OF STORES: 6,600

ANNUAL REVENUE: \$9.0 billion

WEBSITE: www.gamestop.com

GAMESTOP STORE SUPPORT CENTER DRIVES CUSTOMER ENGAGEMENT

To help facilitate more effective customer engagement throughout its 6,600 stores, GameStop has named its home office the Store Support Center (SSC). Every Monday, GameStop's leadership does a deep dive analysis into the previous week's Net Promoter Score (NPS) data and trending to celebrate the wins and review the opportunities.

Data from the company's U.S. and international stores is dissected along with feedback from customers and field associates. The leadership team identifies the critical opportunities and assigns ownership to implement a resolution plan. Often, a solution is identified and rolled out in less than a week (at times within 24 hours).

Now the SSC is held to the same internal customer service standards as the stores. Through an internal feedback survey program, GameStop found that the SSC was lagging behind the stores in customer service levels. The challenge? Improve the service levels coming out of the SSC and narrow the NPS gap between the SSC and the stores.

For example, last year, the SSC contracted survey vendor Market Force to redesign the Internal NPS survey to make it easier for the field user. In addition, "Response Rating" drop down menus were added to the survey to allow the respondent to add more detailed explanations to scores.

This change in the survey design resulted in two key outcomes:

1. More field leaders were completing the survey (31.5% participation increase).
2. The SSC had visibility to the key behaviors that were impacting service levels in the stores.

This design change uncovered two key issues surfaced by field leaders:

1. The SSC was not responding to them in a timely manner, and
2. The SSC was failing to fully address their concerns.

To address these issues, a cross-functional team of SSC leaders assigned associates within their department designated to be responsible for ensuring that any calls or emails received within the department were responded to within 24 hours (immediately for emergency issues).

Understanding issues and addressing them translated to better service levels from the SSC to the stores and better customer engagement in the stores. Gathering feedback from the field partners and challenging the SSC teams to improve service levels to stores increased the SSC NPS from 36.28% to 68.25% since the program was implemented.





BRANDS-STORE BANNERS:
Sprouts Farmers Market

NUMBER OF STORES: 175+

ANNUAL REVENUE: N/A

WEBSITE: www.sprouts.com

SPROUTS MAINTAINS HEALTHY CUSTOMER RELATIONSHIPS

With more than 175 stores and growing, Sprouts Farmers Markets was challenged to serve customers better. In an effort to improve planning and better analyze individual store performance, Sprouts implemented the Salesforce Service Cloud.

"The grocery business is fast-paced and our team members need to get information quickly and easily," explained Steve Black, Chief Information and Marketing Officer of Sprouts. "Salesforce helps us more efficiently communicate with customers and team members, and keep our business growing."

Service Cloud helps Sprouts' customer service agents quickly respond to questions, suggestions or comments from email, chat, phone or the web. Reports are generated in real time for the executive team, and for the first time managers can see instantaneous updates of key performance metrics.

Improving communication with shoppers also is a priority as Sprouts continues to grow. "In today's world we need a 24/7 customer connection," Black explained. "We need tools at our team members' fingertips so they can help customers from any location, on any device."

Sprouts interacts with customers on social networks, including Facebook, Instagram, Twitter, Pinterest and YouTube. The retailer leverages ExactTarget Marketing

Cloud to push special offers such as coupons and product giveaways to consumers via social sites. ExactTarget Marketing Cloud also helps Sprouts analyze and engage in conversations about its stores on social networks.

"Our company culture encourages us to embrace technology and change — setting us up for growth in the future," Black added. "We've unhitched our team members from their desks so they can do almost anything from any mobile device."





BRANDS-STORE BANNERS:
Rutter's Farm Stores

NUMBER OF STORES: 60

ANNUAL REVENUE: N/A

WEBSITE: www.rutters.com

RUTTER'S FARM STORES FOCUSES ON CUSTOMER-CENTRIC INNOVATIONS

Rutter's Farm Stores has developed innovative technology to improve customer convenience, including its loyalty program, collaboration with suppliers and a virtual wallet solution:

- Rutter's Rewards Loyalty Program:** The Rutter's Rewards loyalty program has two distinct parts. Each person using a Rutter's Rewards card at Rutter's fuel pumps will save three cents per gallon immediately, which drives trips to Rutter's locations. Customers also can earn unlimited additional cents per gallon discounts by making qualified purchases on more than 1,700 items throughout the stores, which drive market baskets. Redemption is limited to 20 gallons in one transaction, and rewards stack up based on qualifying purchases over time. To date, 73% of the households in the Rutter's service area have an active Rutter's Rewards card.
- Supplier Engagement:** In 2013, Rutter's entered into an exclusive partnership with Coca-Cola and My Coke Rewards. Coke drinkers in Pennsylvania can use My Coke Rewards collected by entering codes found on the packaging of Coca-Cola products to buy Rutter's Fuel Rewards in five cents per gallon increments. These Rutter's Rewards are added directly to the customer's Rutter's Rewards balance, and can be redeemed directly at the pump.
- Virtual Loyalty Wallet:** In 2014, Rutter's implemented a new loyalty tier, Rutter's VIP Club, which leverages digital one-to-one marketing solutions. In addition, it provides better speed of service and ease of transactions by leveraging "Remember Me" technology with touchscreen ordering.
- Go Cardless:** VIP Club customers use their mobile phone number and a personal four-digit passcode to engage with the enhanced rewards. Shoppers no longer need to carry a card at the pump or inside the store to access program benefits.
- Food Service Touchscreens And "Remember Me":** Delivers quick and easy food ordering to customers. Rutter's is the first C-store retailer to integrate "Remember Me" food ordering technology, which allows VIP members to access their last 12 touchscreen kiosk food orders.
- One-to-One Marketing Virtual Wallets:** Rutter's was the first C-store to adopt NCR's Advanced Marketing Solutions (AMS), which allows each VIP Club member to choose coupons, club programs and discounts that best meet their needs, add them directly to their virtual loyalty wallet, and redeem with no cards or physical coupons required.





BRANDS-STORE BANNERS: Baer's Furniture

NUMBER OF STORES: 14

ANNUAL REVENUE: N/A

WEBSITE: www.baers.com

BAER'S CREATES MORE RELEVANT CUSTOMER MESSAGING

In July 2014, Baer's Furniture implemented a new in-store strategy designed around collecting customer permissions to provide shoppers with more relevant brand messaging. Working with SPLICE Software, Baer's collected more than 3,400 permissions during the first month of the program. SPLICE provides the data management system that allows the collection and strategic use of data for future communication programs.

The Baer's team wanted to ensure that they had the right information to maintain good customer relationships, as opposed to sending out generic marketing messages. To meet the challenge of a retail industry that is trending towards an "experience" culture, Baer's shifted its focus to providing a consistent brand experience across all channels.

The solution was implemented in two weeks, since the hardware was already in stores. Baer's just added a shortcut on the tablets for the web app, branded of the web app and loaded the customer data. The two-week time frame included a training webinar that was hosted by SPLICE and was attended by all store managers. This ensured a streamlined rollout of the system through all stores.

More than 800 new opt-ins have been collected since the program deployment, enabling a more direct conversation with these customers about future promotions and VIP events.

The overall strategy is to maintain this program in-store on a daily basis to continually opt-in customers. This is a program that has been put into place to continually build a more informed conversation with the customers and therefore the future goal is to build a better relationship — both for the customer and for Baer's.





BRANDS-STORE BANNERS: Safeway

NUMBER OF STORES: 2,400+

ANNUAL REVENUE: \$36.1 billion

WEBSITE: www.safeway.com/

SAFeway CONNECTS HQ TO EVERY STORE WITH MOBILE WFM

Safeway has developed a strategy to improve store performance through connected retail operations via mobile devices. Safeway partnered with Salesforce to improve communications and streamline operations, giving store managers and associates more time to delight customers. With Salesforce, Safeway will use a mobile foundation/platform to connect HQ to every store.

Safeway identified three key goals around the implementation of the new technology:

1. Decrease the number of communications sent from HQ to each store and prioritize requests/tasks;
2. Establish task owners who are charged with communicating task completion; and
3. Create timeline-based training for associates.

With the new solution in place, Safeway will be able to achieve the following:

- **Simplified Communications.** HQ will be able to more effectively communicate with stores, including critical policies, programs and prioritized tasks. Store managers will be able to more easily collaborate with each other, allowing them to draw on the larger knowledge pool of their peers to improve operations.
- **Increased Task Management Efficiencies.** Store management teams need to efficiently execute programs, manage their daily store operations, grow their in-store employee talent, engage with customers and achieve target store metrics. The new solution will allow managers to prioritize tasks and quickly communicate task completion from the store floor.
- **Accelerated Associate Onboarding and Ongoing Training.** New sales associates will acquire the valuable training they need to quickly

become experts on the brand and provide excellent customer service. Faster ramp-up through timeline-based training will increase employee productivity and satisfaction. The solution will allow Safeway to continue to motivate associates through coaching and recognizing exceptional customer service, and ensure they receive ongoing training for continued growth and development.

- **Improved Customer Experience.** By connecting retail operations and simplifying communications, Safeway will enable store teams to spend more time with customers on the floor delighting customers and increasing customer satisfaction.

Safeway also began testing iBeacon technology earlier in 2014. The technology provides shoppers personalized coupon offers, loyalty rewards, grocery list reminders and other digital tools based on their in-store location at participating stores nationwide.

Also in 2014, Safeway was purchased by Cerberus Capital Management, the company that also controls the Albertson's chain. The deal was valued at approximately \$9.2 billion.





BRANDS-STORE BANNERS: Talbots

NUMBER OF STORES: 500

ANNUAL REVENUE: N/A

WEBSITE: www.talbots.com

TALBOTS ENGAGES CUSTOMERS BY ENGAGING EMPLOYEES

The Talbots workforce management (WFM) implementation supports employee engagement, collaboration and team building, recruitment and retention efforts while complementing Talbots' commitment to provide a high level of personalized service. This workforce management rollout included the following key objectives:

- Improve customer service, workforce productivity and communication;
- Improve sales revenue and customer conversion rate;
- Ensure compliance;
- Reduce and automate payroll costs;
- Provide Intelligence to make better business and staffing decisions;
- Standardize best market practices; and
- Minimize overall management efforts.

Talbots partnered with Ceridian to implement a SaaS-based WFM technology solution. The Ceridian Dayforce solution allows Talbots to automate time and attendance tracking and accommodate complex scheduling needs associated with operating retail stores that employ a diverse workforce. The WFM solution ensures that Talbots adheres to strict and complex laws governing employment and scheduling. It also accommodates millennial employee schedules around school hours, participation in sports, proms, vacations and other extracurricular activities.

Approximately 7,500 Talbots associates and managers use the application to communicate with colleagues, connect with the company and manage a healthy work-life balance.

The new WFM system enables regulator compliance and accommodates associates' busy personal lives. Additionally, employees can access the solution remotely. Previously, associates would come into the store to manage their schedules. Now they simply log on to the portal via any computer to review their work schedules, submit requests for time off and review and update their timesheets. Store managers can access the scheduling and task information they need without leaving the sales floor.

The Ceridian solution helps Talbots improve its accuracy and deployment of people and skills, which not only improves bottom-line costs, but also helps ensure that the organization is providing the service level commitments and service quality that today's consumers expect. Through improved coverage, Talbots employees are more engaged with customers. Bottom line: Ceridian's Dayforce WFM application gives users easy and fast access to the WFM platform and real-time staffing updates, as well as better visibility into business needs supporting its commitment to great service.





BRANDS-STORE BANNERS: COOP Switzerland

NUMBER OF STORES: 1,900+

ANNUAL REVENUE: \$20 billion

WEBSITE: www.coop.ch

COOP SWITZERLAND STREAMLINES COMMUNICATIONS WITH TASK MANAGEMENT

Like many large, geographically dispersed retail organizations, COOP Switzerland relied on a variety of communication methods for corporate store communications. But using methods such as email and voicemail didn't support the company's need to coordinate planning, streamline communication and have visibility into task completion status in stores.

To resolve these issues, COOP Switzerland engaged Reflexis Systems, Inc. to implement its Task Manager solution. After an implementation process that included user acceptance testing, integration with other enterprise systems and a phased rollout of groups of stores, the company went live in early 2014. Reflexis Task Manager has enabled COOP to:

- Communicate efficiently and effectively between corporate, field and stores;
- Improve planning; and
- Benefit from feedback, sharing of best practices and real-time visibility into task execution.

COOP Switzerland optimized Task Manager by integrating it with SAP so that both communications and even actions within communications are sent only to the relevant stores based on the key data in SAP in real time. This enables the removal of any unnecessary information for stores to read and optimizes time on the sales floor for store managers to spend with their customers.

For the initial rollout, COOP Switzerland implemented Reflexis Task Manager in its Coop Retail (more than 800 supermarkets and mega-stores), COOP City (department stores), Coop Bau & Hobby (building supplies), and COOP Restaurant banners. To support the many languages spoken by the company's workforce, Reflexis Task Manager was implemented in French, German and Italian, all supported in a single instance of the application.

COOP Switzerland recently became the largest retailer and the third largest employer in Switzerland, with multiple types of formats, including supermarkets, megastores, convenience stores, department stores and petrol filling stations. The company operates more than 1,500 stores and has 75,000 employees.





BRANDS-STORE BANNERS: Deb Shops

NUMBER OF STORES: 295

ANNUAL REVENUE: N/A

WEBSITE: www.debshops.com

DEB SHOPS GETS SOCIAL WITH SHOPPERS

With a social component always integrated into its brand experience, Deb Shops provides consumers with up-to-date information via the Deb Shops web site. In 2014, Deb Shops added a **#LetsGetSocial** page to the site that showcases all of the branded social media sites in one place, as well as shoppable user-generated content. This allows the retailer to effectively connect with its customers through every social channel. These touch points also allow the retailer to encourage shoppers to vote on their favorite styles and products, engage directly with other customers, and even watch behind-the-scenes footage of various photo shoots on YouTube.

As part of its significant social customer engagement, Deb Shops runs a number of social campaigns throughout the year, often via Instagram, where the primary customer demographic loves to “hang out” with the brand. One of the most successful campaigns ran during the 2014 Prom Season.

The goal of the 2014 Prom Season Instagram promotion was to create a fun way to further engage Deb Shops’ customers, encouraging them to spend more time in the store during prom season. Leveraging a cardboard cutout of a young man in a suit, dubbed the “Instant Prom Date,” the Instagram promotion was born. The promotion encouraged girls to come into the stores and try on dresses with their friends, snap a picture of themselves with the “Instant Prom Date” cardboard figure, and tag #debshops and #InstantPromDate in their uploads.

Deb Shops received more than 1,000 entries and gained over 10,000 new followers over the course of a six-week period, running from mid-March to mid-April 2014. Five winners were selected at random, and each was awarded a \$100 Deb Shops gift card.

The promotion generated more time spent in the store and an increase in the number of new Instagram followers, while allowing Deb Shops to increase the brand’s visibility across its customers’ networks of friends. And by taking advantage of the Olapic integration through the Demandware Commerce platform, Deb Shops could manage all activity from a central platform. This enabled the retailer to obtain deeper insight into the performance of the campaign as well as gain insight into its customers’ preferences to ensure a quality shopping experience.





ALEX AND ANI

BRANDS-STORE BANNERS: Alex And Ani

NUMBER OF STORES: 39

ANNUAL REVENUE: \$230 million

WEBSITE: www.alexandani.com

ALEX AND ANI DEPLOYS IBEACONS IN ALL STORES

Alex and Ani tested iBeacons in two stores last year then deployed it in all of its stores this year, which is reportedly the first full rollout of iBeacons outside Apple stores. Using the Swirl marketing and advertising platform, the retailer is able to better engage brick-and-mortar customers. Results have shown that 72% to 75% of potential customers within a certain radius of the store saw an Alex and Ani promotion on Swirl's app and engaged with it. The iBeacon technology has improved customer retention and increased basket size.

By using the iBeacons to gather insights about a customer's journey through the store, Alex and Ani is able to improve product merchandising. The retailer is now comparing core product offerings and the sales results to complementary products. These comparisons are helping Alex and Ani determine the success of complementary merchandising. By using this data, Alex and Ani can be better informed about the costs of acquiring and retaining customers and, in turn, improve marketing effectiveness and advertising spend.

The Swirl solution also identifies new and returning customers, in addition to tracking gender trends among shoppers. For example, a report might show that the customer base shifts to mostly men in the days preceding Valentine's Day. Therefore, realigning products in the store could result in better sales.

Alex and Ani also has adopted mobile POS as its primary source of transaction processing. Store associates use an iPad in a sled that combines the scanner, credit card swipe and a printer, so that wherever customers are in the store their transaction can be processed and there is no need to wait in line. Following implementation, Alex and Ani has seen an increase from two to four checkouts at a time at the cash wraps to 15 to 20 checkouts at a time at a given store. For example: Alex and Ani Chapel View increased from four checkouts at cash wraps at a given time to 40 on the floor thanks to mobile POS during the holidays.





BRANDS-STORE BANNERS: Tumi

NUMBER OF STORES: 180+

ANNUAL REVENUE: \$268.8 million

WEBSITE: www.tumi.com

TUMI BOOSTS SALES, IMPROVE LABOR EFFICIENCIES WITH MERCHANDISING SOLUTION

With global expansion booming, Tumi recently faced a tricky inventory challenge: Tumi products are large and bulky, inventory selection is extensive and many of the stores are small. The company needed a way to present its entire assortment to customers while ensuring products are always on hand to fulfill orders and quickly replenish stock. Tumi also recognized the opportunity to leverage mobility for improved performance.

After implementing Epicor Retail Merchandising, Tumi has been able to track consistent data across all channels to synchronize and integrate key merchandising functions. The new solution also improved inventory management that has translated into better customer experiences, labor efficiencies and a boost in sales.

“For most businesses, the largest fiscal asset after people is inventory, and having the tools to manage and sell that inventory in ways that are intuitive, scalable and flexible is critical to streamline business processes,” said Jim Walsh, CIO of Tumi. “Through the use of mobility and Epicor Retail software, we have eliminated massive infrastructure requirements; this has enabled us to expand our store fronts and shrink our back rooms.”

Epicor WebIM allows the retailer to access real-time inventory via a web browser interface on either a computer or mobile device. These real-time updates help Tumi monitor trends and relationships among product sales and store locations, resulting in optimized and timely inventory management.

Before WebIM, replenishment was a weekly head office process that placed a heavy burden on sales associates’ time and resulted in customers often having to wait days for orders to arrive. Now, items can be replenished in minutes.

Using iPads, Tumi store employees now offer customers an “endless aisle,” utilizing local, off-site storage facilities such as pods, trailers and adjacent mall space for additional inventory. Items are retrieved quickly and brought to the selling floor when needed, and inventory is managed on the spot with direct access to the merchandising system. Using this arrangement, one of nearly every item is kept on display within the store, with additional merchandise close at hand at offsite storage sites; this results in better use of floor space for merchandise display, with local, off-site storage supporting faster replenishment than traditional distribution centers.

By processing inventory transactions quickly and directly where the product is physically located, workloads have been reduced by 50%, giving staff members more time to spend with customers to nurture relationships and close more sales. “These savings are significant,” Walsh said. “Our KPIs clearly show conversions are higher and labor hours are down.”





chico's

BRANDS-STORE BANNERS: Chico's, White House Black Market, Soma Intimates, Boston Proper

NUMBER OF STORES: 200+ (SOMA Intimates)

ANNUAL REVENUE: \$2.6 billion (SOMA Intimates)

WEBSITE: www.soma.com

CHICO'S ACHIEVES 95% INVENTORY ACCURACY WITH RFID IMPLEMENTATION

Chico's FAS has recognized the importance of real-time item-level inventory accuracy and visibility, with access to enterprise inventory as the foundational mandate to meeting customers' changing needs. In late 2013, the company launched an RFID pilot project with Tyco Retail Solutions in 13 of its Soma stores to address inventory accuracy and visibility challenges. The real-time RFID inventory store solution focused on a variety of inventory management processes, including weekly cycle counting versus previous annual fiscal inventory, store receiving, daily sales floor replenishment, product location assistance for replenishment and customer service, and exit door monitoring.

With a new RFID technology implementation, Chico's planned to build employees' confidence in the inventory numbers. With Soma's relatively few physical inventory counts each year, accuracy could steadily decline over the months until the next inventory was conducted. Store employees did not have confidence in the inventory numbers, affecting their ability to fulfill customers' needs. The replenishment process was time consuming and difficult, lacking accurate inventory visibility on the floor and in the backroom. When associates received shipments, they only knew what was in each box by opening it. What their customer needed may be in the received shipments but the sales associates had no way of knowing without opening every item within every box in the shipment.

Soma's RFID inventory initiative delivered compelling results in the pilot store group within just a few months. Full store inventory counts are now conducted weekly and enable Soma to maintain nearly 95% accuracy every day. Through automated daily replenishment of the sales floor, associates

can now easily fill in needed merchandise to ensure customers will have what they desire when they want it to prevent customer disappointment. Even before unpacking items, associates now have visibility into daily shipment receipts for better insight and access to enhance personal service. Having greater inventory accuracy and visibility has increased Soma's store associates' confidence.

"With RFID-based inventory intelligence, we can enhance the opportunity to have the right product available at the right place, at the right time to satisfy our in-store and omnichannel shoppers," said Ken Silay, Director of Technology, Research and Innovation for Chico's. "Increasing our inventory accuracy helps minimize lost sales and out-of-stocks, keeping our customers happy. Plus our associates are more productive as they can now access updated, accurate inventory information, fostering confidence to create a better customer experience."





Stein Mart®

BRANDS-STORE BANNERS: Stein Mart

NUMBER OF STORES: 260

ANNUAL REVENUE: \$1.3 billion

WEBSITE: www.steinmart.com

STEIN MART OVERHAULS RETURNS MANAGEMENT PROCESS

Returns fraud costs the retail industry an estimated \$2.9 billion each year. Stein Mart Inc., the Jacksonville, Fla.-based upscale, off-price fashion retailer knew it was suffering with returns management as well. Several years ago, the retailer uncovered a severe returns fraud case involving its stores in the Dallas area.

In this well-documented case, organized criminals bought products as regular customers in order to obtain receipts and then replicated the receipts to return stolen merchandise to stores. The company discovered the resulting \$30,000 damage during an old-fashioned loss-prevention field audit and subsequently identified leaks and inconsistencies that had rendered existing returns systems ineffective.

While Stein Mart boasts loyal customers and a highly rated customer service profile, the retailer was hamstrung by antiquated systems and a labor-intensive, manual returns process. A wide footprint of more than 260 stores across 29 states called for a better solution.

"You want to say yes to the return and handle it quickly because often these are our best customers," said Ed Flanagan, Director of Investigative Support at Stein Mart. "But without a good understanding of customers' profiles and their shopping habits, it was difficult to distinguish good customers from bad."

Stein Mart deployed the Oracle Retail Returns Management solution to begin capturing returns data and building customer profiles. All Stein Mart transactions now are stored centrally, so the loss-prevention team can easily analyze customer returns data.

Stein Mart uses the data to track and manage non-receipted returns and put parameters in place around how many non-receipted returns customers accumulate in a 45-day window and cumulative amount. Returns of less than \$50 do not count toward the total and customers without receipts simply looking to exchange items are still allowed to do so.

Flanagan said the new returns management system is designed to catch the habitual fraud artist while better serving customers.





wet seal

BRANDS-STORE BANNERS: The Wet Seal

NUMBER OF STORES: 550

ANNUAL REVENUE: \$500 million

WEBSITE: www.wetseal.com

WET SEAL ASKS ASSOCIATES TO “THINK NO SHRINK”

The Loss Prevention team at Wet Seal created a branded, overarching program called “Think NO Shrink.”

This program was rolled out to the stores and the home office with an objective of raising loss prevention/shrink reduction awareness at all levels of the organization and included the development of the company's first E-Learning Training, Streamlined Loss Prevention Communication, Shrink Recognition and External Partnerships.

This program has exceeded all expectations and has resonated with the field and, in turn, assisted with the continued shrink improvement and overall loss prevention awareness in the organization. Throughout the past four-plus years, the “Think NO Shrink” program has been the foundation of the company's loss prevention program and has been the reason for the company's shrink improvement to enable the company to produce the **lowest shrink in the 52-year history of the company.**

The “Think NO Shrink” program achieved four specific goals:

- 1. Increase shrink awareness at all levels in both the stores and home office**
 - “Think NO Shrink” Shrink Program (Stores/ Home Office)
 - Enhanced Recognition Program/Shrink Goals
 - Comprehensive Shrink Reduction Communication
- 2. Develop and maintain strong partnerships, both internally and externally**
 - Home Office
 - Regional/District Director/Store Management
 - Law Enforcement/Court and Government Agencies

- Retail Associations/Retail Loss Prevention Associations
- Mall Security

3. Provide detailed and efficient investigations of internal, external and ORC Incidents

- Utilize technology to reduce the time to identify and resolve incidents of theft
- Comprehensive Investigations in High Shrink Stores/Districts
- Shrink Analytics (High Shrink Departments and Stores and DC)
- Pro-active communication and trend analysis
- Participation in National Organized Retail Crime (ORC) Taskforces

4. Deliver proactive approach to loss prevention by utilizing all loss prevention tools to reduce shrink

- XBR/ORPOS
- Detailed Store Visits
- Loss Prevention E-Learning Courses





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