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Workforce Management Tops IT Priorities

Although supermarkets are faced with several unique IT challenges (computer-assisted ordering, sustainability, organic assortments) the grocery vertical shares most of the same IT concerns as the larger retail market. Comparing statistics from the first annual Grocery Trends Study (to be released in the June issue of *RIS News*) and the 17th annual Retail Technology Study show that supermarkets and non-grocery retailers share several of the same front-of-mind concerns. Both supermarkets and retailers in general place workforce management and stock-out improvement near the top of their IT priority lists. Both are taking steps towards price optimization and both are incorporating business intelligence (BI) into their marketing efforts.

The majority of supermarket executives (54 percent) surveyed for the inaugural Grocery Trends Study indicated that controlling labor costs is a top priority; 27 percent want to fix out-of-stocks. Additionally, 42 percent place shrink prevention at the top of their IT list and 39 percent want to fix their price image, first and foremost. Compare those figures to numbers from the Retail Tech Study. Forty-nine percent of retailers surveyed indicated that workforce efficiency is at the top of their key action items for the next 18 months, while 44 percent are concentrating on stock-out improvement. Workforce management applications dominated the Top 10 technology initiatives for 2007 with labor scheduling at 41 percent, workforce optimization at 38 percent and workforce management, education and training at 43 percent.

In addition, both the larger retail industry and the supermarket vertical are taking steps in the direction of price optimizations. According to the Grocery Trends Study 11 percent of supermarkets are actively using price optimization software, 17 percent are pilot testing and 33 percent are currently considering or evaluating the technology. The numbers are similar to what is happening in the larger retail world according to the *RIS Retail Tech Study*. Fifteen percent of retailers surveyed have up-to-date price optimization technology in place and 20 percent are implementing now. Another 28 percent stated they will implement within two years, which most likely puts them in the same bracket as grocers currently considering or evaluating price optimization technology.

Business Intelligence is another technology which both the supermarket vertical and the general retail market are placing a lot of emphasis on. However, supermarkets have far outpaced non-grocery retailers in terms of how much data mining and targeted marketing they do. Three-quarters of all supermarket executives surveyed in the Grocery Trends Study indicated that their organization regularly mines data and sends out targeted direct mailings. According to the Retail Tech Study only 27 percent of retailers have centralized data/intelligence in place, while 25 percent are implementing this year. Twelve percent are doing targeted promotions and another 18 percent will initiate targeted marketing projects this year.