

FULLY STOCKED SHOE DISPLAYS LET LORD & TAYLOR CAPTURE MORE SALES

RFID speeds accurate inventory of display samples



Lord & Taylor faced an all-too-common retail problem: you can't sell what you don't show. In the fast-changing, high-turnover arena of fashion, hot items fly off the shelves – and unless the display floor is quickly and properly stocked, the next potential sales opportunity can fly away, too.

The shoe department was particularly challenging. In Lord & Taylor's flagship Fifth Avenue store in New York, thousands of different styles and colors of shoes are on display every day. Sales associates worked hard to keep up with restocking the floor, but a complete display inventory required associates to physically touch every shoe to capture its bar code, so compliancy could only be performed weekly. That meant days might pass with dozens of styles missing from the display samples. Ironically, high traffic and successful sales actually compounded the problem – as more shoes were sold, more display samples went missing and staff were too busy serving customers to attend to review and restocking.

Lord & Taylor was determined to do better. Zebra's RFID experts showed them how.



CUSTOMER PROFILE

Company

- Lord & Taylor
- 48 stores nationwide

Industry

- Retail Apparel

KEY RESULTS

- 75% labor savings for inventory and display restocking
- Floor sample displays now at least 95% complete with daily missing stock scans
- 2% increase in sales attributable to more complete floor displays

“The customer can’t go into our stockroom. She can only shop from what she sees on the floor. So maintaining samples on the floor is our number one priority.”

Joy Weinstock, Divisional VP-Merchandising/Operations, Ladies Shoes, Lord & Taylor

THE CHALLENGE

Drive increased sales through better execution of sample display strategy

For nearly a century, Lord & Taylor has been showcasing the latest New York fashion trends from the familiar windows of its iconic Fifth Avenue store. A long history, though, is not enough to maintain a competitive position in the retail industry. Lord & Taylor has kept its edge by setting trends in its business choices as well as its fashion picks – the first retailer to move to Fifth Avenue, the first to open a branch location, the first to name a female president, to name just a few.

More than 15 years ago, in order to ensure that all styles were sampled on the sales floor so customers could see – and buy – any shoe in stock, Lord & Taylor moved to a bar code system to manage its shoe displays. Over time, that system helped improve display accuracy from 75% to nearly 92%. But in recent years, the bar code system was not meeting their needs.

According to Rosemary Ryan, Regional Operations Director of the Lord & Taylor region that includes the headquarters store, the bar code line-of-sight requirement made reviewing the display floor slow and labor-intensive. “We carry a tremendous number of sizes and styles in a wide range of colors. We had to pick up every shoe on the floor, turn it so the bar code could be seen, scan it and upload the data into inventory,” says Ryan. “It took two to four people, all working about six to eight hours, just to do a complete scan.”

Useful data from the process was not quick to come by, either. Stores would receive a weekly report of all on hand styles to prep the floor before the scan. After the scan, stores received their missing style list the next day. Lord & Taylor wanted a daily, user-friendly process.

THE SOLUTION

Improve display sample inventory processes and visibility with RFID

The Lord & Taylor business team estimated that the company could achieve a 2% annual increase in shoe sales if all of its stores could improve the frequency of display inventory counts, enabling customers to see all the shoe styles available for purchase in each store. RFID was quickly identified as a possible means to meet their goals, so they began meeting with RFID vendors.

The director of RFID Business Development, Zebra, remembers, “We provided Lord & Taylor with a debrief on what the industry was doing around RFID and how it could be leveraged to improve the process that they had.” The retailer eventually selected Zebra for a one-day proof-of-concept test. The demonstration impressed decision-makers at Lord & Taylor, who quickly made the decision to proceed with a larger-scale pilot to begin just a few weeks thereafter.

Prove it with a pilot

To prepare for the pilot, an EPC Gen 2 passive ultra high-frequency (UHF) RFID tag was placed directly on each pair of shoes on the sales floor. RFID tags were associated with the UPC bar codes from the Lord & Taylor shoe item file, providing full information on vendor, color, price, last receipt date and so on.

Zebra’s MC3190-Z RFID handheld reader was chosen to wirelessly communicate with, and read the display shoe information from, the RFID tags. Stock and sales associates were trained to use the MC3190-Z to commission a tag, read the tagged products and upload data to generate a report; training took about an hour. Associates in the shoe department then read the RFID-tagged samples using the handheld readers, creating a baseline display inventory. As new shoe styles arrived, a pair of each style and color was taken out of the inventory to be sampled, then RFID-tagged and commissioned for display before being placed on the floor.

Each day before the department opened, one or, in the largest stores, two associates walked the department with handheld RFID readers to inventory the shoes on the floor. As soon as the inventory was complete, a Missing Sample report was printed from a local PC to identify all shoes missing from the sales floor. With this report in hand, associates then located and replaced missing samples on the sales floor.

ZEBRA SOLUTION

Hardware

- MC3190-Z Business-Class RFID Handheld readers



Application

- RFID Software Solution Platform performs data collection, business analysis and reporting.



A blank RFID tag is “associated” with a Lord & Taylor shoe model and placed directly onto the shoe.

THE RESULTS

Faster, more frequent, more accurate inventory

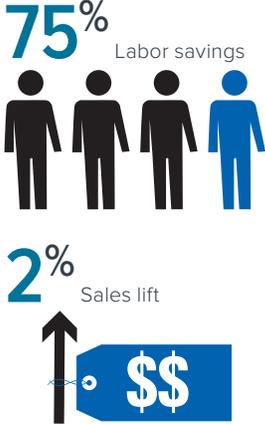
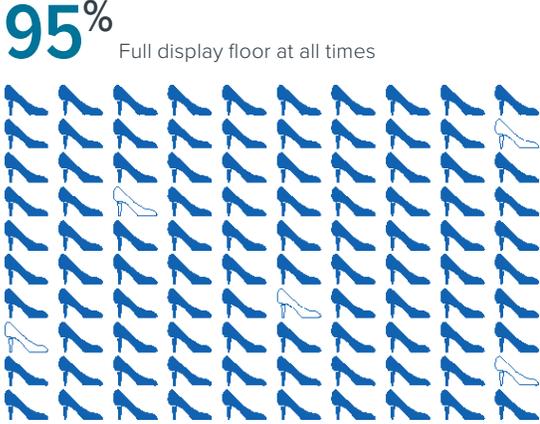
The pilot quickly showed Lord & Taylor the benefits of using RFID for fast, accurate inventory management. A scan of the display floor, which could have taken a full workday to accomplish before RFID, could now be done by one or two people in about 60 minutes. Daily, rather than weekly, inventory counts of the display samples became not only possible, but eminently practical.

The tailored reporting enabled by Zebra's RFID Software Solution Platform was also a big time saver. Previously, bar code scans of the floor had to be sent to the data center for processing. That meant that reports took a full day to get back to the department. In addition, the old reports required that associates manually determine which shoes were missing from the floor. Now, reports can be generated from a PC in the department, so they are immediately available and show exactly what is missing from the sales floor.

Ryan personally experienced the power of having almost immediate feedback on what is and isn't available for customers to browse. "We had had a fantastic sales day and had been working hard to restock. Since I was learning, I decided to go down and do the day's scan myself. When I printed the report, we were missing a large number of samples off the floor. To look at that sales floor, you never would have known because it was just packed full of great shoes."

She continues, "When you have that kind of personal experience, you become a believer. So I'm able to preach about the benefits of RFID now."

Key Results



Roll-out continues

Several months of testing proved that, using RFID, the Lord & Taylor shoe department could maintain daily display sample accuracy of at least 95%. Roll-out to other Lord & Taylor stores began almost immediately. The company has rolled out the solution to all 48 of its stores within the United States, and has begun a pilot rollout at Hudson's Bay in Canada.

One of the first things Lord & Taylor learned as the roll-out got underway was that incorporating RFID did not complicate their daily processes. Ryan reports, "The handheld reader is so easy to use. We have stock associates, sales associates, sales managers, and operations managers all using the RFID handheld, and every once in a while I even stumble across a general manager who has learned how to use it. So it's very easy. It's very accessible."

"We're not only saving tremendous amounts of time in doing an inventory, but we're able to do it more often and have it be more specific so that our efforts in restocking are more focused."
Rosemary Ryan, Regional Operations Director, Region One, Lord & Taylor

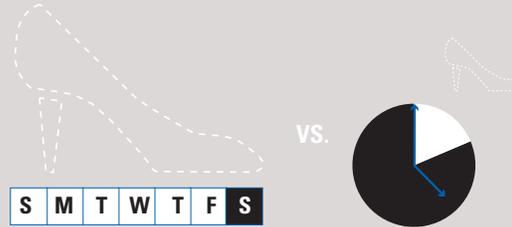


RFID HELPS SLASH THE TIME THAT PRODUCT IS MISSING FROM DISPLAY

“The length of time that a shoe may be missing off of the floor goes down to a matter of hours as opposed to as many as six days.

That’s a huge leap for us.”

Rosemary Ryan, Regional Operations Director, Region One, Lord & Taylor



As Joy Weinstock, Divisional VP – Merchandising/ Operations, Ladies Shoes, of Lord & Taylor, put it, “RFID really became contagious in our stores. Everyone wanted to jump on the bandwagon. Everyone begged to be next.”

Mitchell Eisenberger, Operations Project Manager for Lord & Taylor, agrees. “As we rolled out, the excitement built and other stores were chomping at the bit. When can we learn about it? When is it our turn to train with it? When can we roll it out? That was the biggest sign that we were doing something right. When the stores are happy, everyone wins.”

Meanwhile, the company is looking at expanding its RFID program to other departments. Ryan says, “We are trying to figure out how we can make it work for our jewelry departments. We’re also trying to pilot it in luggage this fall – that would be another easy win for us – and men’s suits. Wherever we have an inventory with a lot of sizes, styles and colors that must be constantly replenished, RFID has proven to deliver big benefits. We want to reap those benefits across our operations.”

For more information on how RFID can help you improve processes, speed more accurate inventory and boost sales in your retail operation, please visit us on the web at www.zebra.com/retail or access our global contact directory at www.zebra.com/contact