Media Alert

How Can AI Empower the Retail Workforce?

Artificial intelligence and machine learning will be critical in turning around performance for the retail industry

Blue Yonder, 21 February 2018 – A report from the Martin School at the University of Oxford and Citi estimated that, while perhaps unsurprisingly 80 per cent of retail transportation, warehousing and logistics jobs are at risk due to automation and artificial intelligence, 63 per cent of sales positions are also under threat. Uwe Weiss, CEO at Blue Yonder, argues that removing sales staff from the shop floor would be the wrong approach for retailers, as they should be enabling their employees to do what they do best, providing friendly, responsive and bespoke customer service, and letting the machines take care of the manual time-consuming processes, such as replenishment, that require analysis of vast quantities of data and keep staff away from delivering good customer service.

For decades, large-scale retail companies have used manual processes to anticipate consumer demand, and stock replenishment has often been based on gut feeling, assumptions, existing agreements with wholesalers and expectations that are hard to measure. However, advances in artificial intelligence and machine learning have meant that retailers are now able to replenish their stock with much greater accuracy, and automate this process. This eliminates the need for manual intervention, and enables staff to devote more of their attention to delivering the very best customer experience.

Uwe commented: "Humans can't compete with AI when it comes to analysing data, making predictions and optimising the replenishment process. However, what humans can do better than any machine is to provide an excellent customer service, helping shoppers to find the products they need, giving them more information and helping them through the checkout process. In a market where consumer spending patterns are changing and 'bricks and mortar' retailers are under evermore pressure from online competitors, retailers must recognise that their key differentiator is the personalised service they can offer customers. They must focus their staffing

resources on this, and leave the machines to do what they do best, which is to analyse data and make replenishment decisions.

"Retailers also have access to a huge amount of data from past sales patterns, customer footfall to events, trends and even weather forecasts. When this data is combined with advanced AI technology, stock replenishment optimisation solutions can accurately predict customer demand and automate stock level decisions, across thousands of product categories and hundreds of stores. AI solutions can make over 10,000 decisions daily, which in return helps retailers to make better replenishment decisions and to move away from slow, manual and timely processes.

"With the rapid development of technology disrupting entire markets, retailers must make AI central to their business strategy in order to push innovation forward. In the digital era, they must take the initiative and move to more advanced environments that are compatible with the new breed of digital services. Those who continue to operate on old and outdated replenishment solutions will be left behind," Uwe concluded.

Blue Yonder Demand Forecast and Replenishment delivers probabilistic forecasts based on hundreds of different variables including weather, promotions, and holidays, enabling the business strategy to automate millions of daily replenishment decisions across products and stores. It also determines the optimal order quantities for every product and every store, every day without the need of unnecessary manual intervention. This frees up resources for retailers so that they can focus their attention on delivering the best customer service and products, growing their sales and improving profitability.

About Blue Yonder

Blue Yonder enables retailers to take a transformative approach to their core processes, automating complex decisions that deliver higher profits and customer value using artificial intelligence (AI).

With AI embedded into their supply chain and merchandising processes, retailers can respond quicker to changing market conditions and customer dynamics, boosting revenues and increasing margins.

Developed by one of the largest teams of PhD-level data scientists in retail, our solution delivers 600 million decisions daily to international grocery, fashion and general merchandise retailers.

Blue Yonder was founded in 2008 in Karlsruhe, Germany, by former CERN scientist Professor Michael Feindt. The company has been awarded the Gartner Cool Vendor Award 2015, the Experton Big Data Leader Award 2016 and the BT Retail Week Technology Award.

Blue Yonder solutions are available through Microsoft Azure.

Blue Yonder. Best Decisions, Delivered Daily.

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