

Media Alert

Plastic Over Pricing - Ethical Consumer Creating New Imperatives for Retailers to Cut Waste, says Blue Yonder

As consumer concerns move away from pricing towards sustainability, retailers must implement new processes to radically reduce waste

Research by technology consultancy ThoughtWorks reports that the key issue for 62 percent of British food shoppers is now reducing packaging to cut plastic waste, higher than the 57 percent whose number one issue was the price of food. This shift in priorities should encourage retailers to introduce new processes and technologies to reduce plastic waste and stand out as a genuinely ethical retailer, creating a key brand differentiation in an increasingly competitive marketplace. This is according to Uwe Weiss, CEO at Blue Yonder, a JDA company, who suggests that retailers that make transformational efforts to reduce their plastic waste could significantly increase brand loyalty and improve customer sentiment.

Uwe comments: “One of the most challenging contributing factors that retailers face when tackling plastic waste is food waste. Retailers struggle to predict the right amount of stock to meet customer demand, and they therefore often order more stock than is necessary, preferring to throw food away rather than run the risk of shelf gaps.

“So much perishable food is now packaged in non-recyclable plastic that if this food is left unsold and turns bad, not only is the food wasted, also a significant environmental and societal issue, but the plastic in which it is packaged is also thrown away without being recycled. By adopting new ways to replenish their stores, supermarkets can make significant progress with a pressing business and environmental issue.”

Retailers have access to an enormous amount of data, whether it is recurring trends, past sales figures, customer footfall or even a change in the weather. AI and machine learning solutions can use this data to reduce plastic waste by making accurate predictions of customer demand and automating replenishment decisions, becoming more accurate as they continue to learn and refine their forecasting models. This can significantly improve product availability, removing manual intervention from the process and ensuring that retailers have the appropriate level of stock to match potential sales, reducing food and therefore plastic waste.

Uwe concluded: “It is the responsibility of every business and consumer to reduce the amount of plastic they use, and their impact on the environment. Retailers are in a more influential position than most to make a significant difference to plastic waste, by implementing AI-driven solutions that are available

today to optimise replenishment and pricing to reduce the quantity of wasted food and therefore wasted plastic packaging. This move towards reducing plastic waste could help retailers to differentiate themselves in the market, reducing their environmental footprint and increasing their appeal to the ‘ethical consumer’.”

About Blue Yonder

Blue Yonder, a JDA company, is a leading provider of artificial intelligence (AI) and machine learning (ML) solutions that enable retailers, consumer products and other companies to intelligently transform their operations and make more profitable, automated business decisions that deliver higher profits and optimized customer experiences.

With AI/ML learnings embedded into their core supply chain and merchandising processes, companies can respond quicker to dynamic market conditions and customer preferences, resulting in increased revenues and margins.

Developed by one of the largest teams of PhD-level data scientists dedicated to retail and the supply chain, Blue Yonder’s AI/ML solutions deliver 600 million intelligent, automated decisions a day.

Blue Yonder was founded in 2008 in Karlsruhe, Germany, by former CERN scientist Professor Michael Feindt and acquired by JDA Software in 2018. The company has received numerous awards, including the Experton Big Data Leader Award 2016, the BT Retail Week Technology Award, the IGD Award 2017 for Supply Chain Innovation.

Blue Yonder provides its solutions through Microsoft Azure and was named one of Microsoft’s retail partners of the year in 2018.

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