



# Pricer electronic shelf labels in all Makro liquor stores

Pricer's electronic shelf labels (ESL) will be rolled out to all 16 Makro liquor stores, as part of the groups' policy to strive for greater customer satisfaction, continued low prices, greater market penetration of a greater variety of merchandise and more efficient operational processes that differentiates it from the competition. Skydirect, an XON company, will supply more than 80 000 ESL.

"The primary motivation for deploying ESL is to maintain a competitive edge in delivering benefits to our customers," says Garry Hendry, liquor director at Makro. "The system ensures that labels consistently display accurate prices for the relevant items, so customers know they won't face a discrepancy at the till point. Electronic labels are quick to update, which ensures promotional items are updated timeously and are not mispriced. There are also numerous operational benefits.

"Price discrepancies are a major inhibitor of customer satisfaction. Customers rightly become annoyed to various degrees when they cannot find the price of something they want to buy, or when they get to the till point and they're charged a price other than the promotional price advertised."

## Two year trial proves successful

Skydirect and Makro completed a two-year trial of the technology at the flagship Woodmead liquor store where they demonstrated the viability, efficiency and ROI of the solution. The rollout to all current liquor stores is due for completion by the end of this year. Each liquor departments contains between 3 000 and 5 000 stock items, depending on its size, and the projected ROI is based on labour efficiency and consumable and printing savings.

Pricer's ESL system replaces paper shelf-edge price labels with battery-powered LCD tags, which eliminate manual and labour intensive price change updates. The system literally shrinks the time taken to effect price changes from hours to seconds because the price change is done once, in the SAP enterprise resource planning (ERP) system and then automatically pushed to the shelves using two-way infrared communications. Two-way communications mean the shelf labels can be interrogated to ensure prices have been correctly updated and thereby eliminate errors.

Store managers also carry scanners that, when directed at an ESL, can display certain key information such as stock on hand, last order date, last purchase date, average sale rate and more.

"Managers find it an indispensable tool and it is a primary driver of greater store efficiency," says Deepak Gangaram, project manager in IT and Projects at Makro SA.

## Added operational benefits

While customer satisfaction is a primary driver behind the project, additional benefits include a boost to store employee productivity, access to information in the aisles by a simple touch of button instead of reams of papers and head office-based monitoring to ensure current, accurate and reliable information available in a dashboard from any store across the country.

"A major operational benefit of the system is that it largely eliminates the need for human intervention," says Hendrik Bredenkamp, MD of Skydirect. "The ELS prices change seamlessly, when prices are pushed down from head office and so eliminate human error. Shelf packers no longer need to spend a great deal of their time fetching paper prices and moving between the aisles, finding the right stock items, adhering labels, correcting errors, replacing lost paper labels and performing more such pricing related activities. The client can make better use of its employees to ensure the smooth supply of its high volume, low margin merchandise to trade and consumer customers."

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