THE CONTINUING OUT-OF-STOCK (OOS) MALAISE

FACTORS LEADING TO OOS

- Imprecise demand forecast accuracy
- Inaccurate inventory data management
- Low level of accuracy for perpetual inventory system*
- Inappropriate shelf-space allocation in the sales channel
- Low planogram/floor set compliance in the store

KEY BUSINESS PERFORMANCE IMPACT AREAS

- Extra ordering and auditing
- Inaccurate forecasting
- Negative ROI on trade promotions

Impact on consumer/brand

8% of the items that a customer wants to buy is absent on the shelf.

Only 15% of shoppers delay their purchase when faced with an OOS situation.

For the 3rd consecutive OOS time, only 30% of customer looks for in-store substitutes while 70% move to a different store.

Impact on consumer goods (CG) industry

OOS problem in the distribution centers and sales channels is costing the CG industry billions of dollars every year.

In North America, annual loss from OOS is $129.5 billion.

In Europe, stock-outs lies between 7-10% with higher occurrence for promotional products rather than regular ones.

Sales loss from OOS accounts for 4% of total revenue.

STRAEGIC SOLUTIONS

- Machine learning, segmented and predictive data analytics
- Robotic autonomous shelf-auditing and analytics solutions
- Real-time collaborative platforms and social media
- Voice-controlled Wi-Fi-enabled wearable devices
- Retail image recognition and analytics solutions
- Use of IoT data brands to provide digital location-based offers

Robots named Tally can audit shelves for OOS and other misplaced items

*Perpetual inventory system is a modern-day inventory control system that help businesses to keep a real-time account of inventory on hand. This method of accounting is realized through the use of computerized POS systems and enterprise asset management software and is credited for preventing stock-outs.

Sources:
3. Wipro Report ‘Retail Out-of-Stock Management: An Outcome-Based Approach’