



The Bon-Ton Stores Take Inventory of Their Display Compliance Process

RFID TECHNOLOGY ALLOWS STORES TO FULLY RESTOCK MERCHANDISE DISPLAYS IN A FRACTION OF THE TIME, IMPROVING THE CUSTOMER EXPERIENCE AND SALES EFFICIENCY

Founded in 1898, the department store chain The Bon-Ton Stores has a long history of innovation. One of the largest regional department store operators in the United States, the retailer is constantly implementing new strategies and technologies to improve customer service in all of its sales channels – beginning with enhancing the customer’s experience on the sales floor.

That’s why The Bon-Ton Stores re-evaluated its display compliance and inventory management process. The company soon discovered that the system needed a complete makeover, particularly in shoes and luggage departments.

“The old system was completely manual. Associates took a sheet of paper, walked around the floor and made a list of missing merchandise,” says Dave Schlaak, Store

Manager at the Carson Pirie Scott in Lombard, IL, one of the retail brands in the Bon-Ton family. “They then came to the stockroom, looked for the merchandise and put it out on the floor.”

MISSING MERCHANDISE LEADS TO MISSED SALES

Bon-Ton knew the time-consuming and highly inaccurate process was impacting sales, customer service and staff efficiency. Store associates simply did not have the information or the time needed to accurately replenish merchandise, and multiple items would remain missing from the shelves when the stores opened each day.

In fact, Bon-Ton audits revealed that with the manual system, up to 20% of available merchandise in certain categories might be missing from the sales floor during a given week.

SUMMARY

Customer

- The Bon-Ton Stores, Inc.
- Headquartered in Milwaukee, WI, and York, PA
- Operates 261 stores in 25 states
- Operates under the Bon-Ton, Bergner’s, Boston Store, Carson’s, Elder-Beerman, Herberger’s and Youngkers store names

Industry

Retail

Challenge

Improve the customer experience and reduce the burden on sales associates by ensuring that all available stock room merchandise is placed on the sales floor quickly and efficiently.

Solution

- Zebra MC3190-Z RFID readers
- RFID tags
- Back-end software

Results

Missing merchandise is a thing of the past. Displays are restocked in a fraction of the time, requiring less labor, improving customer service and increasing sales.



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Steve Byers, Executive Vice President of Store Operations and Visual Merchandising, Bon-Ton

“By doing audits, we found that the merchandise we carried in our stockroom was not represented on the selling floor – so we were missing sales,” says Steve Byers, Executive Vice President of Stores Operations and Visual Merchandising for Bon-Ton.

CHALLENGE: TRANSFORM THE DISPLAY COMPLIANCE PROCESS

Bon-Ton needed a better solution. It needed a display compliance process that would improve the customer experience by ensuring that all available inventory was on the selling floor each day – and one that would reduce the burden on sales associates.

“We really wanted an easy-to-use device that would allow our associates to go through our selling floor, scan the products on the floor and then immediately get a printout that could compare the items on display against the on-hand inventories that we owned in the store,” Byers says. “This would allow the associates to see what we had available in the stock room that was not on the selling floor.”

That’s when the company turned to Zebra, which helped Bon-Ton find a radio frequency identification (RFID) system that quickly solved its inventory management challenges.

A BETTER SOLUTION

“We selected Zebra because of its cutting-edge RFID technology and its experience in the RFID area,” says Lisa Celebre, Vice President of Store Operations at Bon-Ton. “We were looking for a product and a partner that would take us into the future and continue to support us as we build upon our RFID inventory management processes.”

Zebra worked closely with Bon-Ton to determine the company’s ideal technology solution, analyzing its hardware needs, its tagging needs and its software needs – based on both current and future requirements.

“Our goal at Zebra was to build a solution that would not only solve Bon-Ton’s problem today but also provide a technology foundation that Bon-Ton can continue to use for many years to come,” says Susan Flake, Director of RFID Business Development at Zebra.

After working with Zebra to select the best solution, Bon-Ton embarked on a three-store pilot project. The pilot was so successful that Bon-Ton quickly rolled the RFID inventory system out to 25 additional locations to validate the original findings. After these findings were confirmed, Bon-Ton began a two-phase rollout

in more than 150 additional locations, providing each store with hands-on training to make sure the implementations were successful.

AUTOMATING THE DISPLAY COMPLIANCE PROCESS

Today, employees in more than 180 Bon-Ton stores use Zebra's MC3190-Z RFID readers on a daily basis to streamline the display compliance process. As soon as associates arrive in the morning, they scan the selling floor using the Zebra's RFID readers. The system then generates a report they can use to find missing items in the stockroom. Associates then tag the items in the stockroom with RFID labels and place them on display before the store opens.

"The associate's experience is much easier because it's no longer manual," Schlaak says. "I'm amazed at the speed at which we're able to complete the process from start to finish."

"We've also seen an improvement in the way our floors look," Schlaak adds. "It's been widely received in a very positive way."

"The technology really makes our employees more productive, and they're spending less time on what we call 'non-selling activities,'" Byers says. "This allows them to spend more time selling to and servicing our customers."

GETTING MORE INVENTORY OUT ON THE FLOOR

The system has not only improved display compliance, it has also enhanced the customer experience. With the more automated RFID inventory system, Bon-Ton now knows with certainty that all available merchandise is on display.

"In the past, we simply hoped all of our merchandise was out on the floor," Schlaak says. "We now realize how many items were missing that we weren't aware of in the past."

In fact, the system automatically notes when new merchandise arrives in the building, and allows stores to tag new items and place them on display right after they arrive at the dock.

IMPROVING THE CUSTOMER EXPERIENCE AND INCREASING SALES

"Now we know with a high degree of confidence that the product we have in the store is represented on the selling floor for our customers," says Byers. Not only does that help reduce inventory levels, it can quickly lead to increased sales.

"When a customer comes in looking for a given product, she's coming in looking for a particular style, color and size. Often if we don't have that on our selling floor, she walks out of our store into another retailer," Byers says. "RFID technology has allowed us to have the stock that's in the store represented in front of the customer every day. And if our associates can spend less time doing the non-selling functions and more time taking care of the customers, it's going to help grow our business."

Today the system is used mainly in high-volume and high-ticket departments such as shoes and luggage. Bon-Ton is planning to quickly expand

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SUCCESS STORY
THE BON-TON STORES

its use in other departments such as clothing. “Our plan as we move forward is to rollout this technology into all our stores,” Byers says.

Employees have been thrilled with how easy the system is to use. “Anytime we roll out a new system, there’s a little apprehension,” Schlaak says. “But our employees quickly bought into this system because they realized the huge benefits that we experience on a daily basis. They love it.”

THE TIPPING POINT

Better inventory visibility is only the beginning for Bon-Ton. With Zebra’s RFID technology, the store can easily expand the benefits the technology provides into other areas and support the retailer’s migration toward an omnichannel strategy.

“Bon-Ton’s omnichannel strategy is to build a platform that supports the customer’s changing shopping habits. We understand that the customer can buy anything from anywhere – using a phone, a tablet, a desktop or by traveling to the store,” Celebre says. “That means Bon-Ton needs to have our inventory accessible and available regardless of fulfillment – whether it’s fulfilled at the warehouse, at the store or obtained through buy online/pick up in the store.”

One example of Bon-Ton’s increased focus on omnichannel is the company’s “Let Us Find It” service. This service allows in-store personnel



to quickly locate out-of-stock merchandise for customers by searching the available inventory in all stores – and then have it delivered directly to the customer’s house.

“Zebra RFID technology provides new visibility into inventory, which allows Bon-Ton to expand into many other areas to better support its omnichannel retail strategy and improve the customer experience,” Flake says. “This is just the tipping point.”

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Lisa Celebre, Vice President of Store Operations, Bon-Ton

To learn more about how Zebra’s RFID technology can help you improve inventory management and customer service, visit www.zebra.com/retail



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