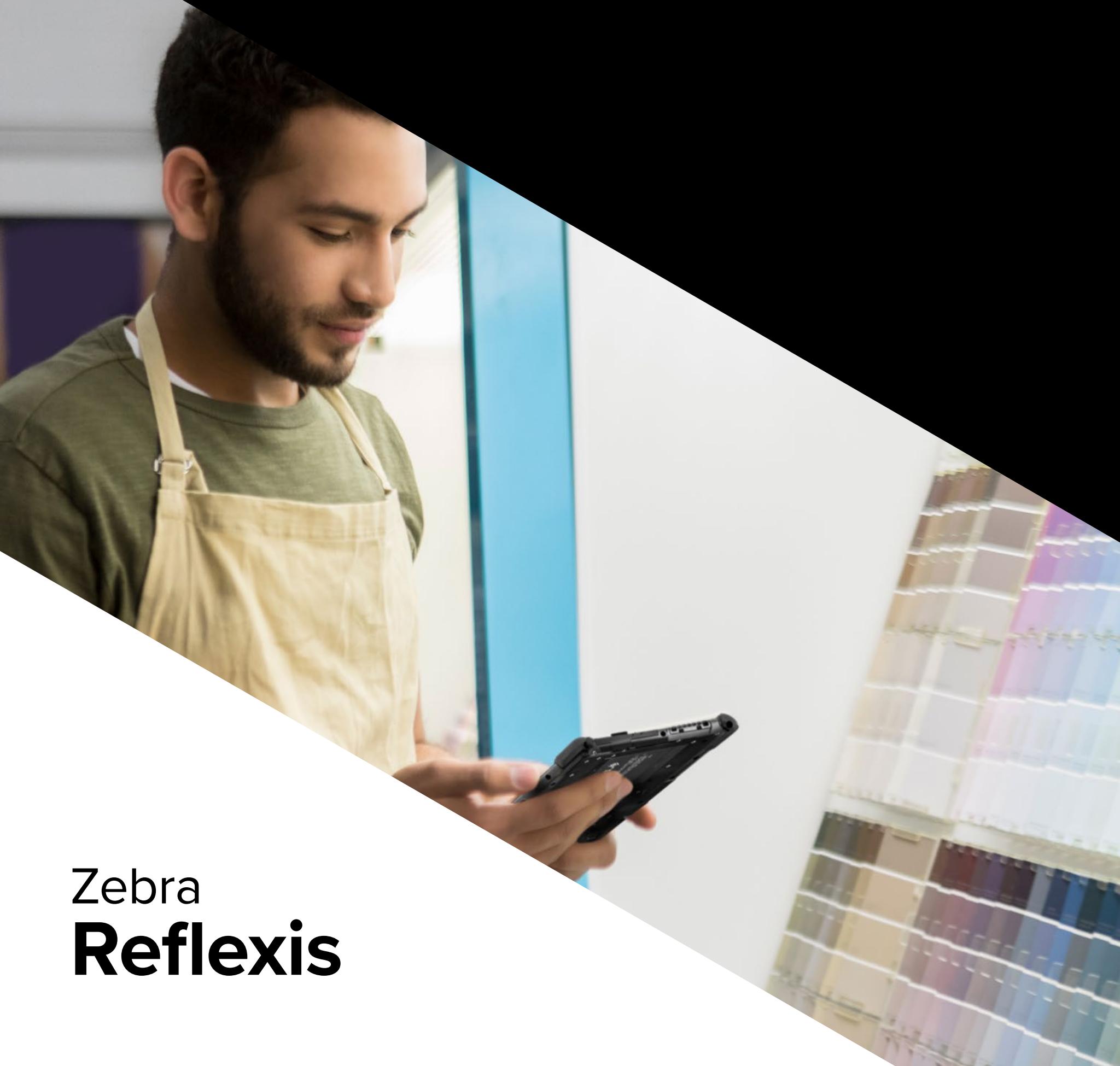




3 Ways to Utilize Artificial Intelligence in Your Store Operations Strategy



Zebra
Reflexis

Where can retailers look for artificial intelligence opportunities?

Retailers have a long list of challenges to manage: improve employee engagement, streamline omnichannel services, optimize shelf space, leverage associate hours, and dozens more. While retail experts prescribe many different solutions to these dilemmas, one answer is catching the eye of many retailers today: artificial intelligence (AI) and machine learning.

AI and machine learning are quickly becoming a priority investment for retailers. [Global retail spending on AI](#) came out to a staggering around \$2 billion in 2018 and is predicted to increase substantially in the years ahead. With a majority of retailers planning to implement AI technology in the near future, those who don't have an investment plan for this technology are at risk of falling behind their peers.

Some retailers are already finding places in their tech arsenal to leverage AI to optimize store execution and labor operations. A few are using AI technologies to obtain a more personalized snapshot of their customers and predict future customer behavior. Some have used AI to evaluate sales data at stores, using it to determine what items to stock and what promotions to implement at specific locations. And other retailers are using these technologies to help them optimize prices by analyzing historical data and simulating pricing scenarios.





Let's review three critical areas in your store operations where specific uses of AI would yield benefits to the store, associate, and customer:

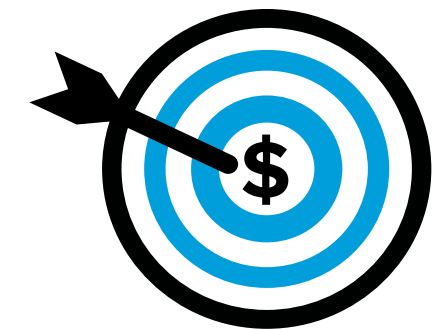
1 Labor Forecasting and Scheduling



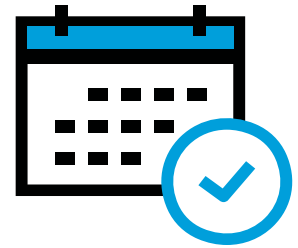
2 Employee Engagement and Performance



3 Hitting Sales Targets



Area #1



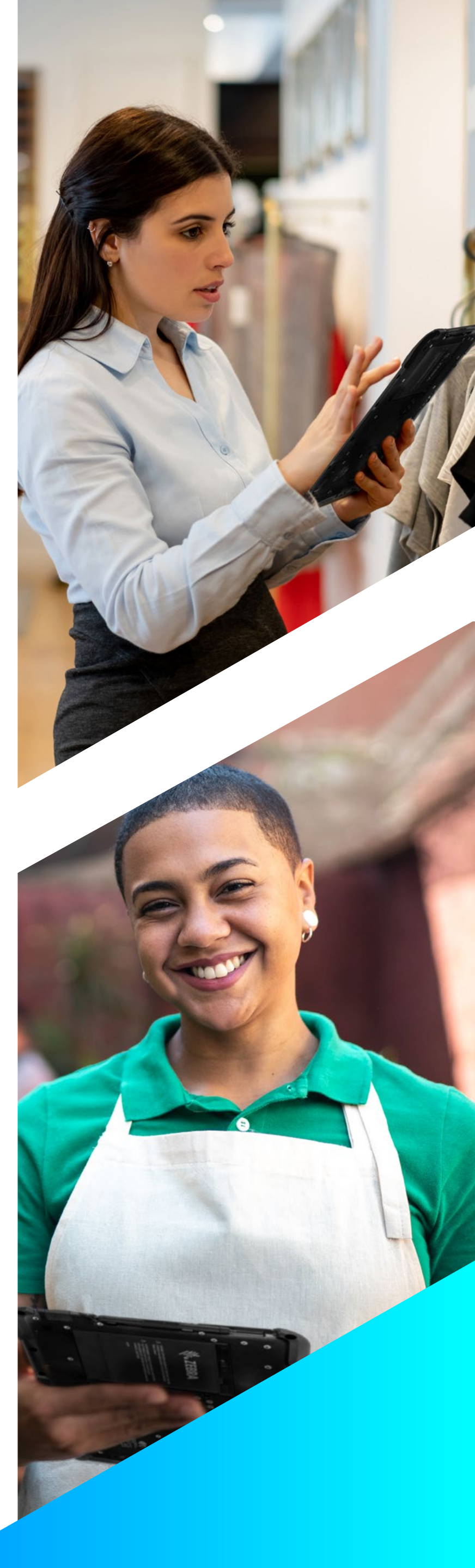
Labor Forecasting and Scheduling

From fires to hurricanes to power outages, unexpected events can cause dips and spikes to store sales, traffic, schedules, and other drivers for labor and sales forecasts. Even more, routine events, like special promotions or roadwork outside the store, can skew forecasts as well. With traditional forecasting models, it can be hard to filter out such anomalies while creating future projections, or more accurately forecast for similar events.

Take retail stores in Texas, for example. The extreme cold and winter storm in early 2021 temporarily [shut down over 450 Walmart stores](#), as well as a number of Kroger and Target stores. [H-E-B chose to reduce store hours](#) in an effort to reduce energy usage and preserve Texas' energy grid. For a nationwide retailer with stores in Texas, the data generated during this extreme weather

event is not helpful for year-over-year projections, short-term forecasts, or like-store comparisons. If this bad data is used to generate labor forecasts, these inaccurate forecasts will lead to a worse customer experience and lower sales.

AI solutions help retailers detect these anomalies and designate them as outliers, suggesting more accurate labor forecasts based on other data and even using this outlying data to forecast during similar disruptions in the future. Such solutions produce better labor schedules, ensuring that your store associates have the opportunity to complete their work and engage with customers.



Area #2

Employee Engagement and Performance

All retailers must contend with unplanned absences. While the effect of these absences can sometimes be minor, they can also result in an understaffed store during critical sales periods, depressing sales when it matters most. By themselves, store managers can only do so much to resolve this issue. They can look to see who is calling out frequently, but even then, it's challenging to draw actionable conclusions just by manually looking through data.

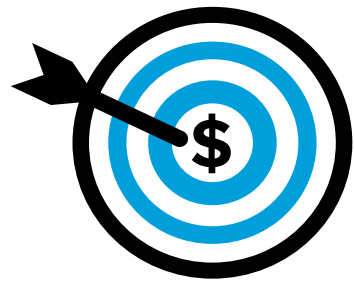
With AI technologies, operational and associate-level data can be analyzed in real-time, compared against peer stores to identify trends, and assessed by day



to figure out what days and shifts are at high risk for unplanned absence. Once established, the solution can then suggest that store managers either schedule additional employees or ask associates if they could be on call for those shifts, minimizing the risk that unplanned absences pose to your sales and employee morale. AI can also recommend where and when associates are needed most, placing them in the departments where they would be most beneficial, at times most critical to maximizing sales.



Area #3



Hitting Sales Targets

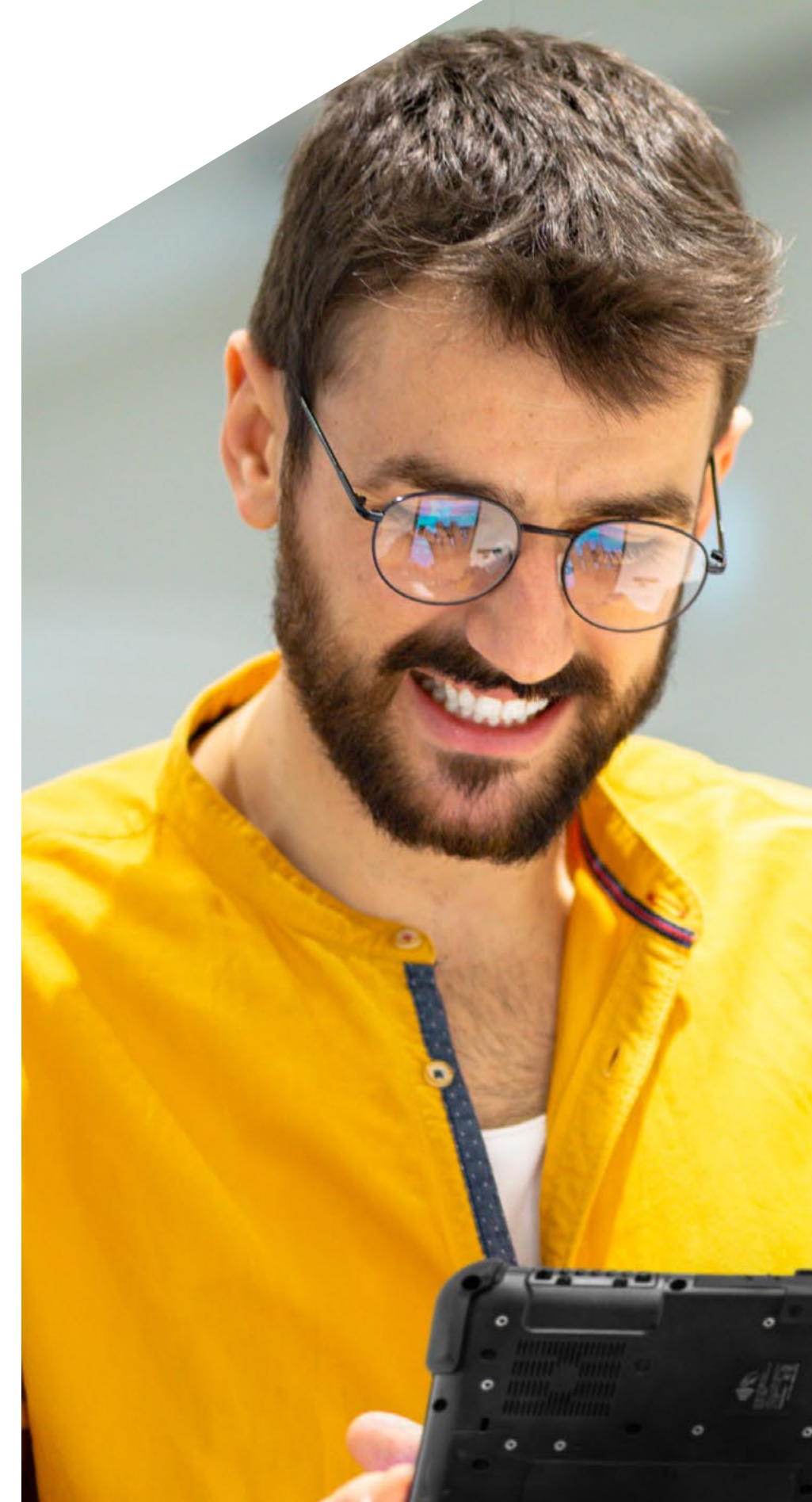
How do you know when you are going to miss sales targets? Your store managers are already so busy, whether it's training associates, helping customers, or verifying that tasks are complete, that they don't have time to analyze current sales data and course-correct if they're off track. And if they do realize that they're going to miss sales targets, what can be done to rectify it? They can attempt to determine which associates are most capable of hitting that target, but many factors go into making that decision.

With Store Associates

- Are top performers in each department?
- Work well on a team?
- Are close to going into overtime?

Solutions utilizing AI technologies are well-suited to handle this challenge. By analyzing sales and labor scheduling data, they draw patterns from previous performance data, as well as data being collected in the moment. It can recognize, in real time, whether you're on track to meet your sales target or if you're at significant risk of missing your target. If the risk is high, AI solutions make suggestions regarding when store associates with specific skills should be scheduled, thereby resulting in the best chance of meeting sales targets. These solutions can also prompt store managers in real time to reassign top-performing associates to departments where they'll have the most impact.

AI-powered solutions built for retail have specific benefits to the operational infrastructure at your stores. From optimizing labor to improving employee performance, these solutions can drive better results at stores and provide customers with an excellent retail experience.



To learn more about how Zebra AI-powered solutions, send us an email at Reflexis.info@zebra.com and we'll connect you with one of our solution experts.



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