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Electronic Shelf Labels

Unlocking the Power of ESLs and Store Digitalization

VusionGroup Whitepaper

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Unlocking the Power of ESLs and Store Digitalization

In today's agile retail landscape, changing prices is a daunting task that consumes considerable time and resources.

This challenge is exacerbated by factors such as inflation, e-commerce competition, and workforce shortages, making it increasingly difficult for retailers to keep their pricing strategies agile and accurate. The retail industry also faces significant associate turnover rates, which disrupt in-store operations and highlight the need for automation. Automating routine tasks allows employees to focus on value-added activities, enhancing overall store productivity. Additionally, the quality of product information in stores is often limited to basic details set in stone when labels are printed, leaving no room for last-minute adjustments or providing comprehensive product insights.

As e-commerce continues to grow, it disrupts daily operations, necessitating efficient use of in-store inventory and picking processes to meet online demand without investing in new warehouses. Moreover, reliance on paper tags for pricing leads to frequent printing and replacement, contributing to paper waste, additional printing costs, and negative environmental impacts. These challenges underscore the urgent need for innovative solutions like electronic shelf labels (ESLs) to streamline operations and improve profitability.



Operational Efficiency

Unveiling the Primary Benefits of ESLs and Store Digitalization

The automation of price updates through electronic shelf labels (ESLs) significantly enhances operational efficiency by reducing labor costs and minimizing errors associated with manual price changes.

Traditionally, updating paper price tags has been a time-consuming and labor-intensive task, requiring significant manpower. ESLs eliminate this need, allowing retailers to reallocate their workforce to more critical, value-added tasks such as improving customer service, managing inventory, or optimizing store layouts. This reallocation enhances overall store efficiency, as employees can focus on activities that directly contribute to the customer experience and store profitability.

Furthermore, the use of ESLs ensures pricing accuracy, which is crucial in maintaining customer trust and satisfaction. Accurate pricing reduces the likelihood of customer disputes at checkout and ensures compliance with pricing regulations, thus avoiding potential fines and legal issues. By streamlining operations and ensuring consistent, real-time price updates, ESLs contribute to a more efficient, reliable, and competitive retail environment.



Leveraging ESLs for Workforce Optimization and Value-Added Task Reallocation

Implementing Electronic Shelf Labels (ESLs) revolutionizes retail operations by automating price updates, thereby significantly reducing the need for manual labor and enabling the reallocation of associates to more value-added tasks. Traditionally, employees spent considerable time manually updating price tags throughout the store, a task prone to errors and inefficiencies. With ESLs in place, associates are liberated from these repetitive tasks and can instead focus on more critical and value-added activities, such as improving customer service and optimizing inventory management.

This reallocation of human resources enhances overall store efficiency, leading to higher levels of productivity and operational excellence. Moreover, by streamlining processes and minimizing manual labor requirements, ESLs enable retailers to achieve substantial improvements in workforce efficiency, contributing to improved financial performance.

BELSIZE PARK
Kavanagh's

At Kavanagh's Belsize Park, the introduction of digital shelf technology yielded remarkable time savings, with an estimated 600 hours saved in ticket changes and promotional material setup within a six-month period (2023).

This transformative shift in pricing management resulted in a reduction of 8 hours of labor per month per 1000 SKUs, encompassing operations such as ticket changes, promotion execution, and more. Meanwhile, this newfound agility empowered the store team to prioritize maintaining high shelf availability, currently at an impressive 99%, and promptly serving customers.



600

hours saved



99%

shelf availability

Leveraging ESLs for Enhancing Pricing Accuracy, Streamlining Processes and Efficient Promotion Execution

Ensuring consistent and accurate pricing not only fosters customer trust and regulatory compliance but also has a direct impact on overall revenue and customer satisfaction. Electronic Shelf Labels (ESLs) streamline operations by enabling real-time price updates across all products, virtually eliminating pricing discrepancies. This, in turn, significantly reduces the need for price adjustments, refunds, and returns, ultimately benefiting overall revenue and profit margins.

Additionally, by providing customers with accurate pricing information, ESLs enhance satisfaction and loyalty, as customers can shop with confidence knowing they are getting fair and consistent prices.

Moreover, flawless promotion execution facilitated by ESLs ensures that customers can take advantage of promotional offers without any confusion or frustration, further enhancing their shopping experience. In this way, ESLs contribute to a harmonious retail environment where pricing accuracy, operational efficiency, and customer satisfaction converge to drive sustainable growth and success.

With 7,000 Electronic Shelf Labels (ESLs) deployed at Kavanagh's Belsize Park, the store seamlessly automated pricing updates, attaining a remarkable 100% pricing accuracy storewide.

Moreover, by leveraging the additional services unlocked through the store's digitalization journey, Kavanagh's achieved a substantial 60% reduction in waste.



100%

price accuracy



60%

waste reduction

Leveraging ESLs to Elevate Customer Satisfaction and Loyalty

ESLs play a pivotal role in fostering customer satisfaction and loyalty. By providing accurate and up-to-date product information directly at the shelf, ESLs ensure that customers always see the correct price and relevant product details, eliminating confusion and instilling trust in the retailer. The improved accuracy and clarity contribute to a smoother shopping experience, where customers can make informed purchasing decisions with confidence.

This heightened level of satisfaction translates into increased loyalty, as customers are more likely to return to a store where they feel valued and supported.

Moreover, the positive impact of ESLs on customer satisfaction extends beyond the point of purchase. Accurate and timely price information, facilitated by ESLs, not only reduces the likelihood of disputes at checkout but also encourages repeat visits, strengthening the retailer's relationship with its customers over time. As customers consistently experience the benefits of clear pricing and product information, their trust in the retailer deepens, leading to long-term loyalty and advocacy.

By prioritizing pricing accuracy and on-time promotion execution, Kavanagh's Belsize Park experienced remarkable results, including a significant sales uplift and a remarkable 33% increase in the average basket count. These outcomes serve as a testament to the loyalty and trust that their customer base has placed in the store.



+33%

basket increase





Beyond Pricing Automation

Building the Backbone for Augmenting Your Store

In today's agile retail landscape, Electronic Shelf Labels (ESLs) have emerged as transformative tools that serve as the backbone structure for achieving more without incremental investment.

Beyond their primary function of streamlining price updates, ESLs play a crucial role in assisting in-store processes, empowering retailers to optimize inventory management and streamline replenishment processes. Moreover, ESLs enhance the shopper experience by providing accurate and up-to-date product information, thereby fostering greater engagement and satisfaction.

Additionally, ESLs enable retailers to implement pricing agility strategies and targeted promotions, driving increased sales and revenue. By reducing the reliance on paper tags and enhancing operational efficiency, ESLs also contribute to sustainability efforts, aligning with broader environmental goals. This multifaceted approach to retail operations highlights the pivotal role of ESLs in shaping the modern retail landscape and underscores their ability to provide benefits that extend well beyond pricing automation.



Assisting In-Store Processes

Electronic Shelf Labels (ESLs) are revolutionizing in-store processes by assisting critical tasks such as replenishment and facilitating efficient in-store picking. With real-time visibility into operational data displayed directly at the shelf, ESLs enable retailers to streamline replenishment processes by providing instant insights into stock levels, pricing, and promotional execution. This visibility empowers store associates to prioritize key products and optimize replenishment efforts, ensuring high availability and minimizing stockouts.

Additionally, ESLs enhance in-store picking and replenishment efficiency by guiding associates to the right products through LED blinking. This intuitive visual cueing system directs employees to the exact location of items, reducing search time and enhancing overall operational productivity. By digitally augmenting existing workflows and processes, ESLs contribute to smoother and more efficient in-store operations.



Shopper Experience and Engagement

ESLs not only ensure pricing accuracy but also enhance the shopping experience by engaging customers at the shelf with rich content information, regionalized data, and health and affinity-related badges.

By providing accurate and up-to-date product information directly on the label or through QR Code or NFR tap, ESLs empower customers to make informed purchasing decisions. Customers can easily access relevant details about products, including their origins, nutritional information, and any special attributes like being vegan or having a high nutriscore.

This transparency and accessibility contributes to a tailored shopping experience, significantly enhancing customer satisfaction and fostering engagement.



Pricing Agility and Increased Sales

ESLs empower retailers with the capability to implement pricing agility strategies effectively, thereby driving increased sales and profitability.

By allowing for real-time pricing adjustments and targeted promotions, ESLs provide retailers with the flexibility to respond swiftly to changing market conditions, customer preferences, and competitive pressures. This agility enables retailers to optimize prices based on factors such as demand fluctuations, inventory levels, and competitor pricing, ensuring that they remain competitive and maximize revenue opportunities.

By strategically adjusting prices to align with market dynamics and customer demand, retailers can attract and retain customers while simultaneously optimizing their bottom line.



Sustainability

ESLs play a crucial role in advancing sustainability efforts within the retail industry by significantly reducing the reliance on paper tags. Traditional paper tags necessitate frequent printing and disposal, contributing to both environmental degradation and operational inefficiencies.

By transitioning to ESLs, retailers can minimize paper usage, thereby lowering their environmental footprint and aligning with broader sustainability goals. This reduction in paper consumption not only conserves natural resources but also reduces waste generation and associated disposal costs.

Additionally, ESLs contribute to cost savings for retailers by eliminating the need for continuous paper printing, resulting in reduced expenses related to paper procurement, printing equipment maintenance, and waste management. These cost savings support both ecological and economic sustainability, as retailers can invest resources in more environmentally friendly practices and initiatives while simultaneously improving their financial performance.



In the bakery section, Kavanagh's ensures optimal goods availability and employs price agility strategies to maximize sales, achieving a 21% increase in profit and reducing waste by 56%.

Markdowns are applied automatically before early evening, informing shoppers with spotlight messages on the ESLs, while large displays around the store change in synchronization to indicate that the sale is now on.

They also utilize "self-learning" bake plans to identify opportunities for increasing sales and reducing waste as well as computer vision to identify stock outs and over stocks insights by time of day.



+21%

increased profit



-56%

cat. waste reduction

Charting the Future

ESLs at the Core of Next-Gen Retail

Electronic Shelf Labels (ESLs) serve as the backbone for unlocking the future of stores, offering more than just pricing automation. While their primary function streamlines price updates, ESLs provide a range of additional benefits without requiring extra investment.

These benefits include enhancing operational efficiency, optimizing workforce allocation, and elevating customer satisfaction and loyalty. By automating routine tasks and ensuring pricing accuracy, ESLs enable retailers to reallocate resources to value-added activities, ultimately driving productivity and profitability.

Moreover, ESLs contribute to sustainability efforts by reducing reliance on paper tags, aligning with broader environmental goals.

With ESLs leading the charge, retailers can revolutionize their operations, create seamless shopping experiences, and build sustainable practices for the future of retail in the face of challenges like food inflation, rising costs, and increasing consumer demands.

Thinking beyond ESLs, advanced technologies like sensors, digital signage, and Computer Vision systems, retailers can transform physical stores into high-value digital assets. Retail digital transformation starts at the shelf, where ESLs automate price updates and provide the backbone to building real-time visibility into shelf stock status through Computer Vision (CV) and Machine Learning (ML) technologies.



By deploying additional IoT and leveraging data analytics, retailers can in the future unlock valuable insights to optimize pricing, stock levels, and other key metrics.

Kavanagh's of Belsize Park serves as a prime example of the potential of IoT-powered stores, achieving significant time savings, higher turnover, and an improved shopper experience through the integration of ESLs, computer vision, and analytics.

Embracing IoT technologies empowers retailers to transform their stores into efficient, data-driven, and connected environments, enhancing their overall business model, profitability, and resilience in an ever-evolving retail landscape.

Executive Summary

This whitepaper explores the transformative potential of Electronic Shelf Labels (ESLs) in modernizing the retail landscape.

It highlights the immediate benefits of ESL adoption in stores, including operational efficiency improvements, workforce optimization, and enhanced customer satisfaction.

By automating tasks and ensuring pricing accuracy, ESLs enable retailers to focus on value-added activities and contribute to sustainability efforts by reducing paper waste. Additionally, the whitepaper discusses how ESLs lay the groundwork for future retail innovations, leveraging technologies like IoT and data analytics to enhance store performance and customer experience.

Case studies, such as Kavanagh's Belsize Park, exemplify ESLs' role in shaping the future of retail.

Summary of key points demonstrating the ROI of ESLs.



Immediate benefits of ESL adoption in stores

Workforce Optimization and Value Added task reallocation

Pricing Accuracy, Streamlining Processes and Efficient Promotion Execution

Customer Satisfaction and Loyalty



Beyond Pricing Automation

Assisting In-Store Processes

Shopper Experience and Engagement

Pricing Agility and Increased Sales

Sustainability



Charting the course for the next generation of retail with ESLs at the forefront

