Qlik for Retail Margin Erosion
Understand Margin Erosion Impact through Data Discovery

Challenge

In today's retail highly competitive market, maintaining excellent product availability to customers is a key priority for food retailers. On Perishable products, strong availability can lead to heavy losses when products reach their sell-by dates. Maximizing revenue from products with limited shelf-life and minimizing losses is a challenge retailers face every day. The bottom line for retailers can be critically impacted by the stock initially ordered and subsequent markdown pricing decisions. In the UK retail market, just over 1% of wasted food originates from retail stores, but that amounts to about 200,000 tonnes according to WRAP (Waste Resources Action Program), a government backed body.* Leading retail companies are continuing to focus efforts on keeping shrinkage to a minimum by not over ordering perishable products, placing emphasis on discounting fresh food near its sell-by date in order to drive sales. Walmart recently estimated in August 2016 that these markdowns could save them $500 million a year. *

Solution

Qlik have built a 'Qlik App' to address and demonstrate capabilities related to this solution area. *Qlik Retail Margin Erosion* app allows business users to make faster and better informed decisions by allowing them to:

- Discover and analyze large volumes of price markdown POS data across all stores within a retail business, including store location, format, product category and each individual product item

- Isolate where regular markdown patterns are occurring in product categories, items and stores to reduce losses from a forecasting activity

- Perform a 'What if' analysis of alternative scenarios of margin erosion impact through a slider test capability allowing business users to understand how to reduce the impact on margin that goes towards saving the business revenue.

- Annotate trends and use collaborative sessions to create a review of exceptions and trends so retail operational and loss prevention managers can make better informed decisions in a collaborative fashion.

Benefits

- **Increase Sales Performance** by deploying Qlik to see the whole story in your markdown data to allow business users to quickly identify where margin is being impacted across the retail store estate and perform 'what if' analysis to model future results based upon a different pricing model.
- **Improve Forecasting Performance** by using Qlik to detect patterns in your markdown results which indicates over forecasting. Use Qlik to gain insight to prevent the potential loss before the stock arrives in store.
- **Increase Productivity** by giving access to a self-discovery Qlik mobile enabled 'on the go' platform to key decision makers in the retail business that can quickly identify and spot trends to improve margin performance.

Example:
A self-discovery Retail Margin Erosion Qlik app designed to uncover insights into markdown price impact

Example:
A self-discovery Qlik app designed for Retail Store Operations or Loss Prevention teams to analyse where margin erosion has occurred and where performance can be improved
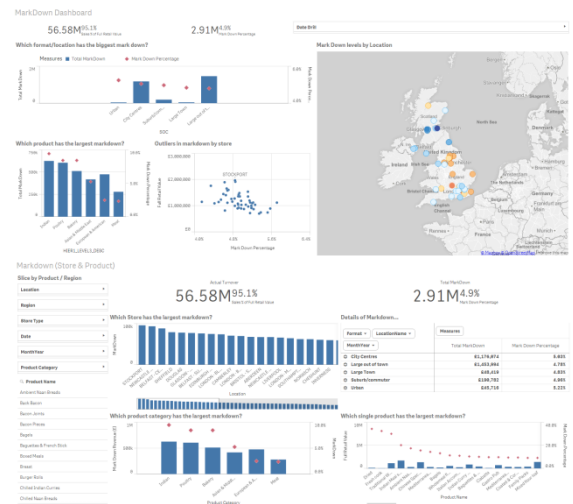

About Qlik

Qlik is the leading Data Discovery platform, delivering true self-service BI that empowers the business user by driving innovative decision-making. Contact your Qlik representative to schedule a discussion and live demonstration related to this solution area.
Visit us at: qlik.com

- ***Source Planet Retail**