

# THE IMPORTANCE OF STOCK ON HAND ACCURACY FOR OMNICHANNEL

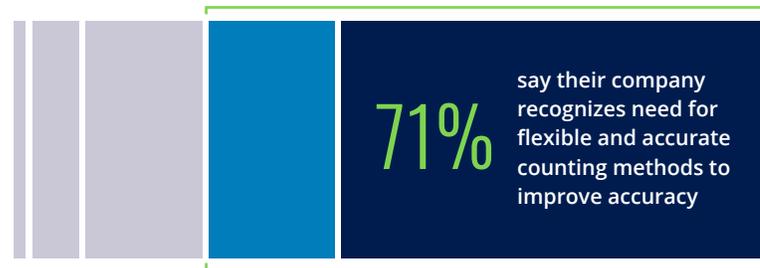
Datascan recently polled retail thought-leaders on the topic of inventory counting and interest-levels surrounding inventory practices and accuracy. Captured below are the results of that survey.

## LEAVING NO DOUBT



There is no doubt that stock on hand accuracy is important to inventory experts in the modern retail landscape. Stock on hand accuracy serves as an important cornerstone for omnichannel, loss prevention, in-store inefficiencies and other capital project success. Seventy-six percent of respondents rated stock on hand accuracy as “Very Important” to their company.

## ...BUT SOME OPPORTUNITY



Recognition of the need for stock on hand accuracy is strong among retail professionals; however, there is an opportunity to improve how companies understand the positive long-term effects of accurate inventory counting for the business.

## PRIORITIES

- 1 IMPROVE STOCK ON HAND ACCURACY**
- 2 IMPLEMENT CYCLE CATEGORY COUNTS**
- 3 IMPLEMENT NEW TECHNOLOGIES**
- 4 INCREASE FLEXIBILITY COUNTING SCHEDULES**
- 5 IMPROVE INVENTORY DATA ANALYTICS IMPACTING OTHER BUSINESS INITIATIVES**
- 6 REDUCE TOTAL COST**

**49%**

**MID-SIZE RETAILERS**  
(51-249 stores)



Data Analytics

**51%**

**LARGE RETAILERS**  
(1000+ stores)



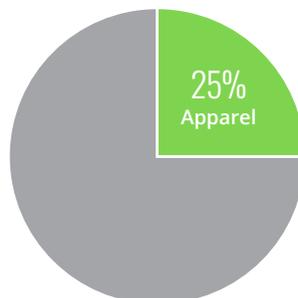
Flexibility in Timing Counts

Priorities varied for both large and mid-size retailers. For large retailers (250-1000+ stores), flexible counting schedules was most important in addition to cycle/category counting. For mid-size retailers (51-249 stores), data analytics and output took the top spot as they seek to better utilize and understand data to compete with larger retailers.

## WHO RESPONDED

<b>Apparel</b>	<b>25%</b>
Department Store	16%
Home Goods	10%
Other	7%
Sporting Goods	6%
Specialty Stores	6%
Gifts & Novelties	4%
Cosmetics/Vitamins	4%
Automotive	4%
Accessories/Fragrance	3%
Jewelry	3%
Luxury Goods	3%
Shoe Stores	3%
Tech & Electronics	3%

### SALES TYPE



This survey included responses from retailers across the spectrum, from small chains to international name brands, apparel to electronics. Department stores formed the biggest block of respondents.

### STORE SIZE



## UNFUNDED MANDATE



1 in 4 retailers are increasing funding

98% of respondents recognize the importance of stock on hand accuracy, but only 25% of retailers are increasing funding to support these initiatives. This suggests the need for companies to research cost-neutral or cost-saving methods to improve inventory count practices.

## DATA-DRIVEN SUCCESS

61% using stock on hand variance trend analysis

A plurality of retailers are using stock on hand variance trend analysis to improve their omnichannel and loss prevention initiatives.

45% Ongoing

37% Periodic

The majority of those doing so (82%) are doing so with periodic or ongoing frequency. This represents a significant shift towards more frequent counting in retail environments.

## ROOM FOR IMPROVEMENT

Below are the scores retailers provided on a 10 point scale ranking their current level of satisfaction with their existing inventory practices.



In general, retailers have a high opinion of their current inventory counting practices, particularly those with 250-1000+ stores. Self-scan customers were on average happier with their counting process than customers who utilize a full-service inventory provider (7.6 vs 6.5). Overall, there is clear room for improvement in inventory counting practices, particularly as accurate inventory records are required to support key business initiatives related to loss prevention and omnichannel.

## KEY TAKEAWAYS



Retailers understand the importance of accurate inventory data to support broad-scope business initiatives and objectives.



There is a lack of understanding of the inventory count methods available in the retail space and their benefits.



Retailers understand that they need more accurate count data to support initiatives, but don't understand how to get it.



Retailers desire clearer, informative data without an increase in cost. Feasible alternative inventory counting methods must provide valuable, easy to understand data that will positively impact a retailer's business.