

IS YOUR STORE READY FOR THE SECOND PANDEMIC WAVE?

The COVID-19 pandemic and lockdown measures have caused many merchants to experience shortfalls and challenges in their day-to-day business. As a result, many of them have accelerated the adoption of new technologies useful to executing their daily tasks. At JR Tech Solutions, Pricer's leading partner for electronic shelf labels in Canada, we have become aware of this phenomenon and wanted to assess the impact electronic shelf labels has had on retail environments during the previous lockdown and its perceived benefit in dealing with a subsequent pandemic wave.

I. Survey presentation

As one of the privileged technology suppliers to retailers, we conducted an online survey to review the effectiveness of electronic labels in the retail industry throughout the ongoing pandemic situation. Study was conducted via, results of which discarded the anomalous best and worst results to ensure a more accurate calculation of the mean. The survey covered:

- More than 1,000 stores that were open during lockdown were surveyed: hardware stores, grocery stores, drug stores, wine and liquor stores, electronics stores and automotive stores.
- 2 types of population represented: 67% of retailers using electronic labels, compared to 33% not using electronic labels.

**« 92% of
retailers
stated electronic shelf
labels were more than
essential to their
operations in being able
to deal with the effects of
COVID-19. »**

Among 67% of retailers using electronic labels

- 2/3 stated that their sales operations would be difficult to manage if they did not have electronic labels in their stores.
- 100% faced problems related to COVID-19: lack of staff, increased consumer demand, out-of-stock shelves and an increase in online orders.
- 92% thought electronic shelf labels were essential or very essential in dealing with these problems.
- 3/4 of retailers said they felt prepared to deal with the problems of a second wave of COVID-19 because they already have electronic labels in place in their stores.

Among 33% of retailers not using electronic labels

- 83% of them found it difficult to manage their in-store operations, and 17% found it very difficult.
- 100% faced the problems associated with COVID-19: staff shortages, increased consumer demand, out-of-stock shelves and increased online ordering.
- 2/3 of the respondents who do not have electronic shelf labels thought that electronic labels could have been essential or even very essential in dealing with the problems related to COVID-19.
- More than 2/3 of those not using electronic labels felt that they would feel more comfortable addressing issues related to a second wave of COVID-19 if they already had PRICER electronic labels in place.

II. What these results tell us

Through the survey, we can evaluate the experience of retailers with electronic labels and the experience of those who do not have electronic shelf labels by looking at 4 key metrics:

- The level of difficulty in managing their operations
- The type of problems they faced during the first wave of COVID-19
- The usefulness of electronic labels in the face of these problems
- The feelings towards a second pandemic wave

1. The level of difficulty in managing their operations

We first asked respondents, in the first wave of the pandemic, how they would rate the difficulty in managing their store operations during the first wave of COVID-19.

Two-thirds or 67% of respondents with electronic labels stated that their sales operations would have been difficult to manage if they did not have electronic labels in their stores (Figure 1). And more than 83% of respondents not using electronic labels rated their operations as difficult or very difficult to manage (Figure 2).

We can therefore see that all retailers, whether technologically equipped or not, found it difficult to manage their stores during the first pandemic wave.

Figure 1 – « If you would not have had electronic shelf labels during the first wave of COVID-19, how would you rate the difficulty of running your store operations during this period? »

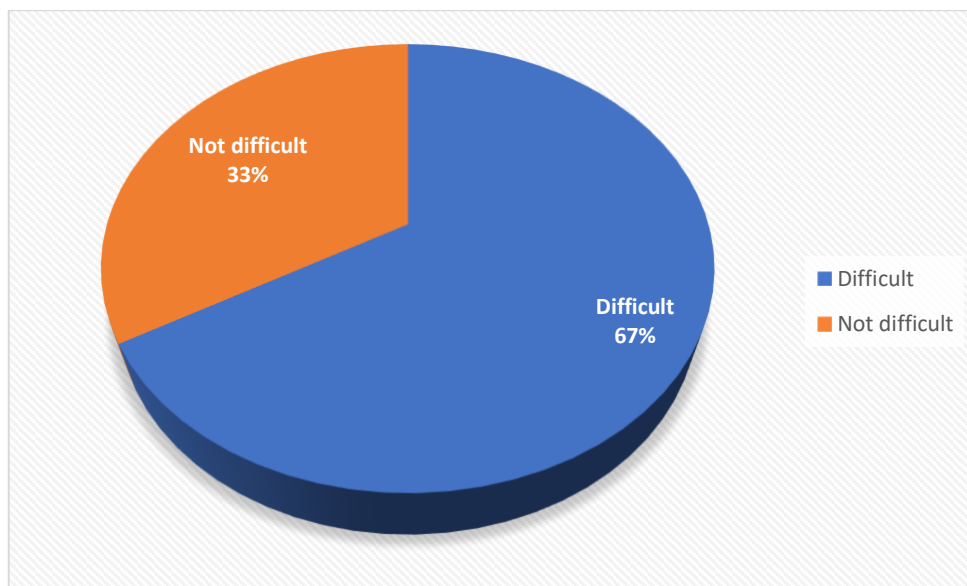
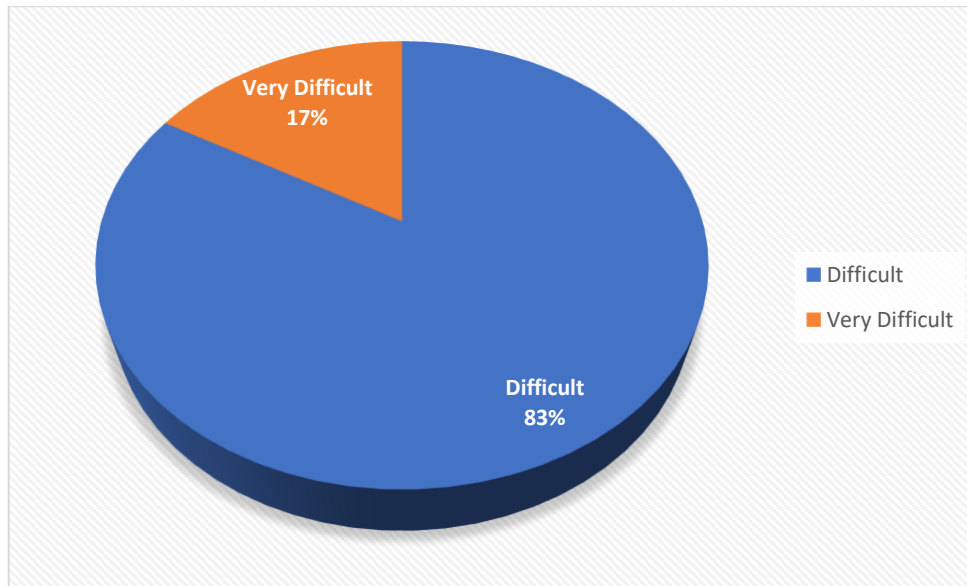


Figure 2 – « How would you rate the difficulty of managing your store operations during the first wave of COVID-19? »

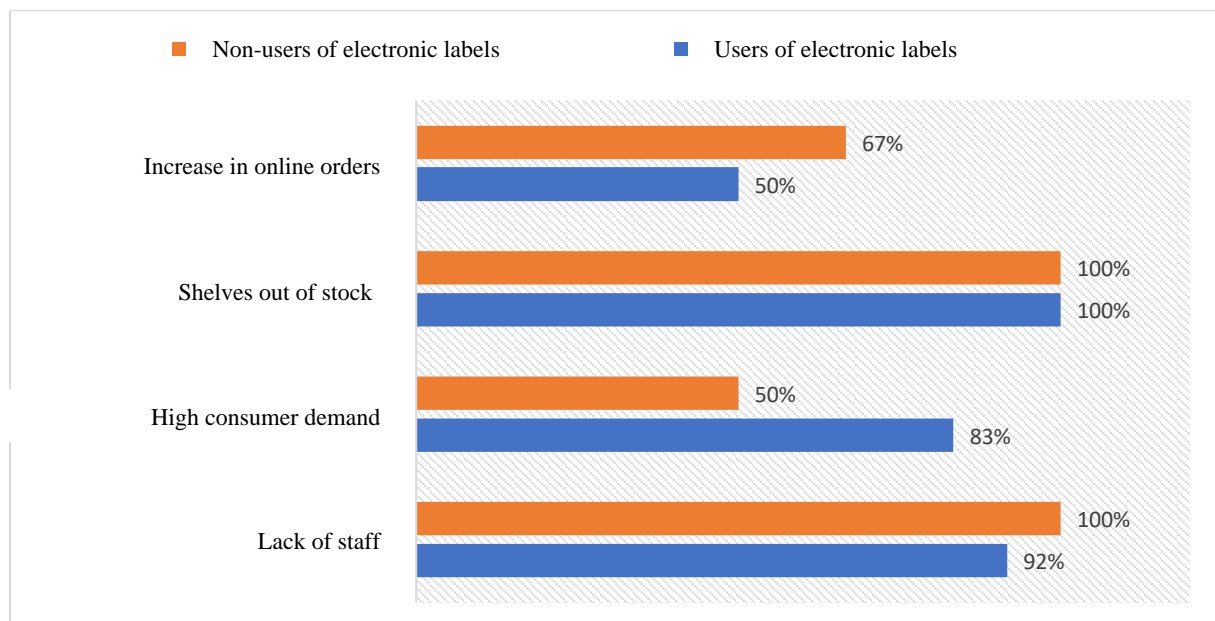


2. The type of problems they faced during the first wave of COVID-19

One of the main issues of interest in this study is assessing the problems retailers had to face related to COVID-19.

The results (Figure 3) show the entire population of our survey, both electronic label users and non-users, had the same concerns during the lockdown period. In fact, for over 92%, out-of-stock shelves and lack of staff were the main problems in their operations.

Figure 3 – « Did you experience at least one of these following problems? (check all those that apply) »



3. The usefulness of electronic labels in the face of these problems

One of the important indicators in this survey is one that measures the essentiality of electronic labels in the face of the problems we noted above.

Almost unanimously (92%), retailers with automated pricing systems thought electronic labels were essential or very essential in dealing with these problems (Figure 4). And, 2/3 of those who do not have electronic labels also thought that electronic labels could have been beneficial to them (Figure 5).

What these responses underline is that electronic labels would, for all retailers, be critical in dealing with the following problems during the first wave of COVID-19: out-of-stock shelves, lack of staff, increased consumer demand and increased online ordering.

Figure 4 – « How essential were electronic shelf labels to your operations in dealing with these problems? »

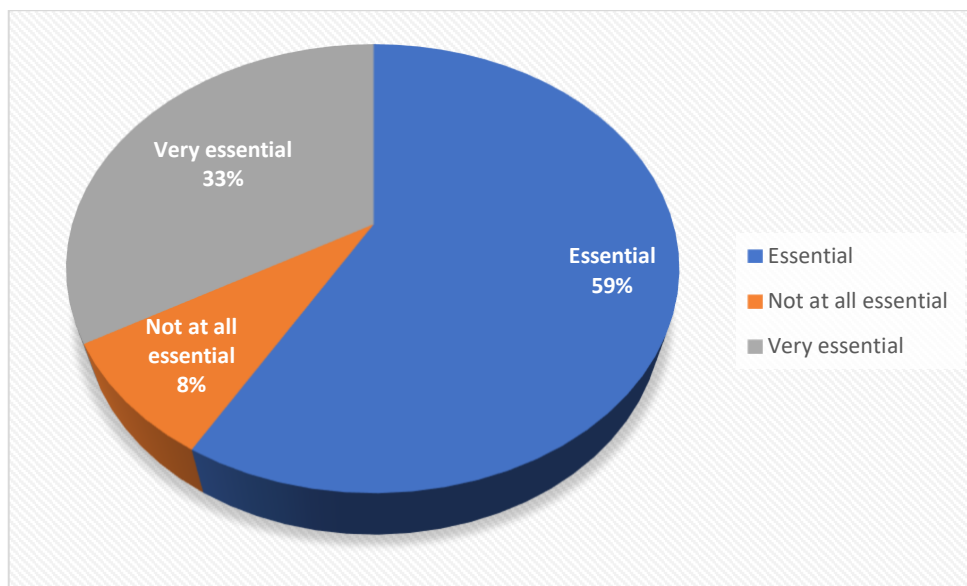
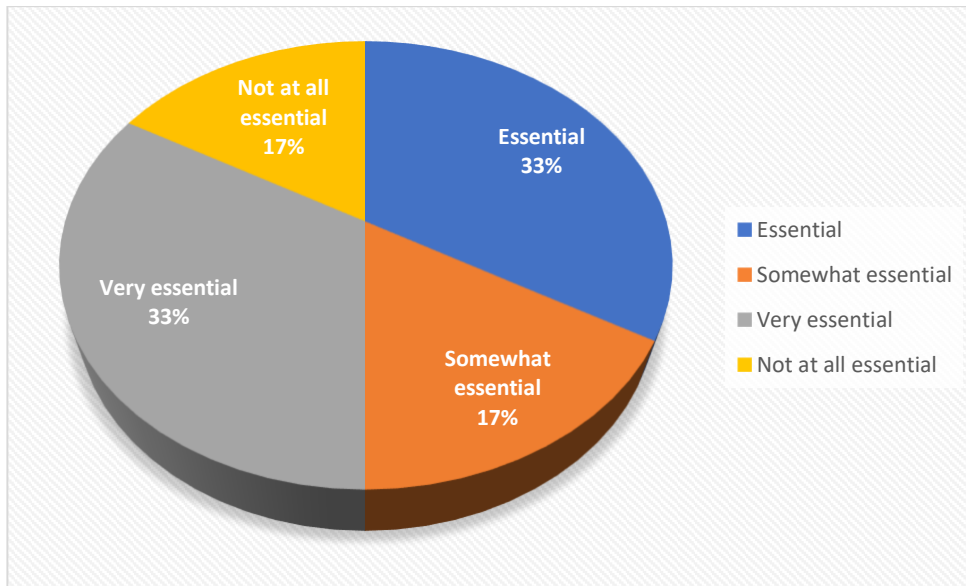


Figure 5 – « How essential do you think electronic shelf labels would have been to your operations in dealing with these problems? »



4. The feelings towards a second pandemic wave

Finally, we wanted to know how retailers would feel about facing a second wave of COVID-19 if they already had PRICER electronic labels in place.

Three quarters or 75% of respondents with labels felt better prepared (Figure 7), as did the 67% of label non-users who felt they would feel more comfortable dealing with the problems of a second wave of COVID-19, if they already had PRICER electronic labels in place in their store (Figure 8).

Thus, we can note that the automated PRICER solutions make the majority of the retailers in this survey more confident in dealing with a second wave of the current pandemic.

Figure 7 – « Do you feel more prepared to deal with the problems of a second wave of COVID-19 because you already have electronic shelf labels in place? »

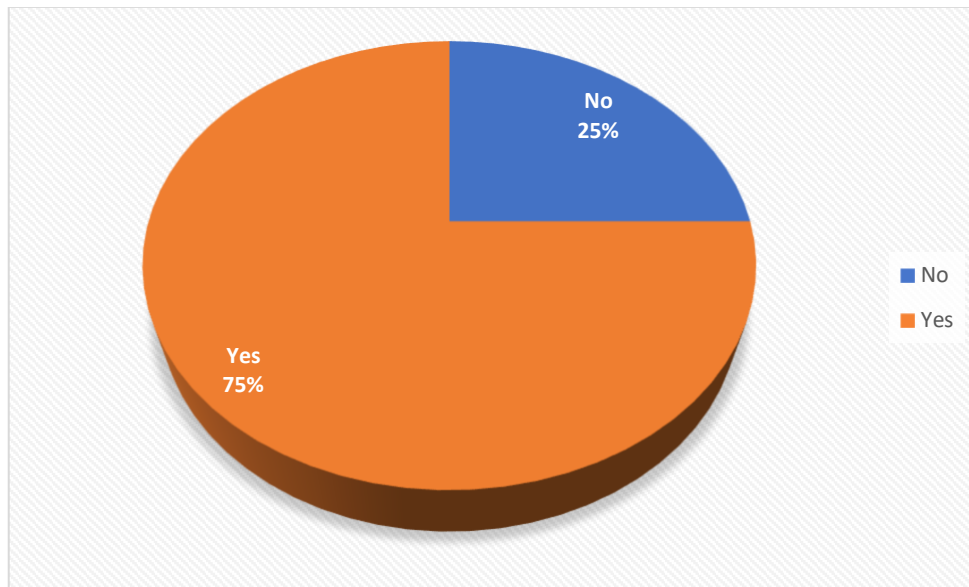
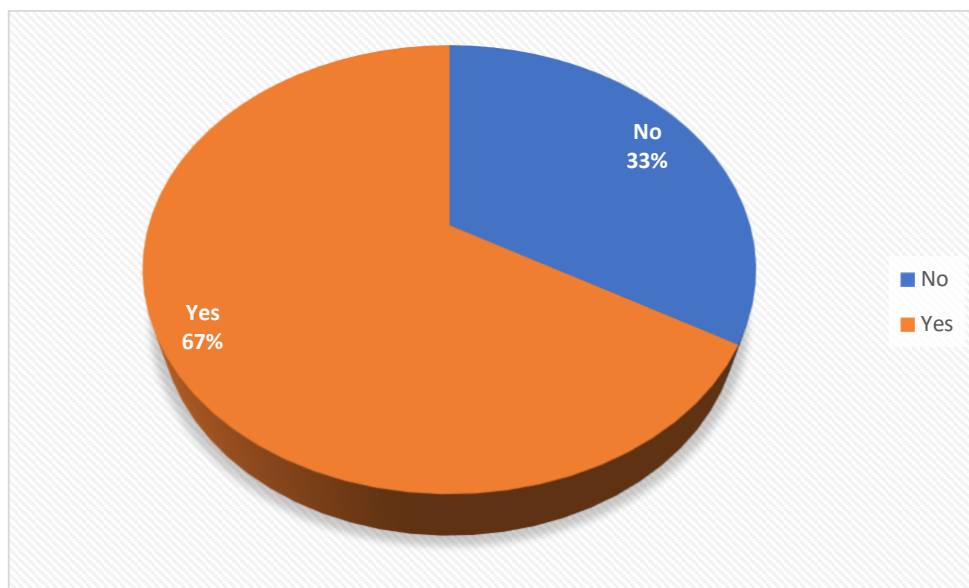


Figure 8 – « Would you feel more prepared to deal with the problems of a second wave of COVID-19, if you already had PRICER electronic shelf labels in place? »



III. Conclusion

The analysis of the experience of retailers with or without electronic labels leads to a clear finding: electronic labels were often favoured by respondents in the results. So, to answer the question "Is your store ready for the second pandemic wave?" what link can we make between the use of electronic labels and the proper preparation of stores for COVID-19?

To do this, we suggest focusing on the benefits that electronic labels can have in the face of pandemic-related operational problems: out-of-stock shelves, staff shortages, high consumer demand and increased online ordering.

1. Electronic labels and shelves out of stock

It should be noted that empty shelves were the main problem for retailers in our 100% survey (Figure 3).

As noted in a previous study conducted by JRTech Solutions, the SmartFLASH feature equipped in PRICER electronic shelf labels can help retailers cut the time it takes to restock shelves in half.

The process is made possible thanks to the SmartFLASH and "Put-to-light" application. An employee scans the barcode of the item to be put back on the shelf with a PDA (Portable Data Assistant) this instantly activates the flash of the electronic label in less than a second to indicate exactly where the product needs to go on the shelf. As a result, the shelves are filled up in less than half the time it typically takes to normally restock the empty shelves thereby potentially reducing the problems of keeping shelves stocked during a second wave of COVID-19.

2. Electronic labels in the face of staff shortages

More than 92% of retailers faced a shortage of staff during the lockdown as consumption increased (Figure 3).

With electronic shelf labels, staff recruitment becomes easier and more affordable. By automating price changes and by associating tasks with the

« 3/4 of retailers said they feel ready to face the problems of a second wave of COVID-19 because they already have PRICER electronic labels in place. »

SmartFLASH feature of PRICER electronic shelf labels, retailers can hire employees with little or no experience in retail. Electronic shelf labels make job training faster as employees do not require any knowledge of the tasks which are now automated or made simpler by electronic shelf labels. Furthermore, retailers can potentially get more done in less time with the same or fewer employees, alleviating the effects of staff shortages during a second wave of COVID-19.

3. Electronic labels in the face of rising online orders

Nearly 2/3 of the respondents had problems managing the increase in online orders (Figure 3).

Did you know that with electronic labels, up to 5 to 10 seconds per collected item can be gained to fill an order?

PRICER's Instant SmartFLASH and Geopositioning capabilities electronic shelf make e-commerce operations easier.

For each product to be collected for an order, its electronic label starts flashing. The order picker needs only to follow the path generated by the Geopositioning-generated path and pick the product indicated by the flashing label. When the item is picked and scanned, the SmartFLASH light stops flashing. The label of the next product on the list starts flashing automatically, and so on for each product in the order, until the order is fully completed.

The flashing light therefore makes it easier for staff to identify products on the shelves and its instant functionality saves time in picking the right product.

As a result, retailers can save up to 10 seconds for each item collected, allowing them to make significant savings and complete more orders per day with fewer staff.

Electronic shelf labels demonstrated a significant importance in dealing with the first wave of COVID-19 and will serve as a critical tool in dealing with the problems associated with subsequent waves of COVID-19. In particular, labels equipped with SmartFLASH and Geopositioning capabilities such as PRICER electronic shelf labels can better address the critical problems of out of stock shelves, staff shortages and processing online orders.

^{*1} Study conducted on behalf of JRtech Solutions. JRtech Solutions is the North American partner for Pricer AB, a leading global supplier of electronic shelf labels.