WHERE DID RETAIL SALES GO?

UNPACKING INVENTORY DISTORTION

CAUSES

The hide and seek game no one wanted

Do you have the inventory you think you do? Most retailers don't and the problem is often bigger than we think. So how did we get here?

Inventory distortion is equivalent to **7.2%** of retail sales.

IHL, 2023

SUPPLIER ISSUES
Supply chain disruptions have grown as much as 142% since 2020 alone.

DELAYS
Product that didn't arrive in time or was misforecast and has to be heavily discounted.

MISCOUNTS/MISFORECASTS
Inaccurate counts and predictions lead to over/under buying.

THEFT
Loss due to theft jumped to $379 Billion worldwide in 2022.

PERSONNEL ISSUES
Loss due to lack of personnel or poor training leading to missed sales or inventory loss.

EFFECTS

It's more than just a missed sale

Empty shelves and missing sizes affect more than revenue. Inventory distortion impacts brand, loyalty, and overall costs as well.

59% of US customers will leave a brand after 2-3 bad experiences.

PWC, 2018

POOR FIRST IMPRESSIONS
Out of stock products/sizes increases customer acquisition and loyalty costs.

LOWER GROSS MARGINS
High inventory results in obsolete products, inventory loss/spoilage, and storage costs, reducing overall profits.

INCREASED MARKETING COSTS
Pressure to increase sales to compensate for excess inventory result in increased ad spend.

CUSTOMER DISSATISFACTION
Missing items and inaccurate stock counts result in decreased brand loyalty and sales opportunities.

SOLUTIONS

Visibility and control are critical

Your teams need an accurate inventory position at all times to make key ordering and customer experience decisions. Can your retail tech keep up?

North American retailers lose **$27 Billion** per year in sales because lines are too long.

IHL, 2023

YOUR SYSTEM, YOUR WAY
Inventory often ends up more complex than necessary due to the mis-fit between your products and your retail tech's ability to describe and track them. Inventory control depens on closing that gap.

PURCHASING PROTECTION
Every story and situation is unique. You need a system capable of everything from small manual orders to a nuanced replenishment across your whole organization.

ADVANCED ANALYTICS
Stock levels are one thing, but can your retail tech give you a clear picture of things like foot traffic trends, sell throughs by style, or what's been received in your warehouses vs. what's still outstanding?

INTUITIVE ASSISTANT
Does your ordering system take sales history (at the store and class level), seasonality, vendor lead time, custom safety stock levels and more into account when it makes recommendations? It should.

RESULTS

Have both: lower costs *and* higher sales

Having the right inventory controls not only gives you more precise ordering, but also a better picture of your customer preferences and a more profitable bottom line.

Out-of-stock and overstocks cost global retailers a combined **$1.993 *trillion*** in 2022 alone.

Zebra, 2022

IMPROVED SUSTAINABILITY
Reduced overstock not only eliminates waste and cost, but also reduces your organization's environmental footprint

NEW PRODUCTS AND PARTNERSHIPS
Limited edition items? Experimenting with pop-up events? Leveraging drop shipping? When you know where your products are, anything is possible.

REAL SUPPLY AND DEMAND
Having accurate customer profiles and predictive data on food traffic and stock levels is a requirement for having precise, automatic ordering that you can trust.

HURLEY
Hurley's audience is young, decisive, and mobile-savvy. KWI gave their teams the ability to quickly identify product stock-even across warehouses and other stores-and ship it directly to customers in the moment.

ASHLEY STEWART
Your customer shouldn't be waiting on you or your retail tech. Ashley Stewart wanted to give them the option to buy online and pickup in-store, or to ship from other stores or even the warehouse. KWI made it happen, along with keeping receipts, cycle counts, and inventory clear and visible for their store teams.

JOHN VARVATOS
Building and nurturing a long-term stylist relationship with a customer? No sweat when KWI gives them the ability to build profiles, locate products from anywhere in the system, and complete transactions all without leaving the customer's side.

OPPORTUNITY

Don't just solve a problem, create a "wow"

Inventory accuracy is just the start. The right merchandising tool also creates opportunities for unique customer experiences.

90% of retailers who switch to KWI achieve positive ROI impact.