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Woolies' plan to stock the promotional shelf

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FACING an empty shelf at the supermarket could become a thing of the past.

Queensland University of Technology and Woolworths have undertaken a joint research project to help the retailer slash the time and costs of promotions.

Based on a mathematical model, a tool will help ensure the right amount of promotional stock so shelves are neither empty nor is there too much stock and resulting waste.

The new planning process was trialled in stores in NSW and Queensland from mid-year and used by promotional planners and store managers.

Trials to date show the new system was more accurately predicting customer demand.

"At Woolworths, we have a focus on the customer and in the trial stores we've reduced the amount of time spent on promotional planning by up to a third, which means staff have more time to serve customers and replenish shelves," a spokesman said.

The retailer was now considering a national rollout of the tool. QUT researcher Jan Recker, who is Woolworths chair of retail innovation, said understanding the right demand for promotions and the right supply was one of the biggest, costliest challenges in retail.

The research has found a way to identify only relevant items that store managers need to manage themselves, while an updated computer model predicts the bulk of an average shopper's purchases.

"We have been trying to help build systems that allow them to better predict what the demand will be, and then operate the truckloads when they come in a little bit more just-in-time," Professor Recker said.

He said labour savings were possibly "several millions of dollars".

Other retail innovation projects undertaken by QUT include looking at how Woolworths employees operate and better understanding customer loyalty.

"They are not building the next piece of technology but they want to know how they can use mobile; they want to know how they can better use 3D printing as an emerging technology; what it means to the business," Professor Recker said.