



How Grocers can Reap Benefits from use of right Technology Solutions

TECHNOLOGY IS EMPOWERING RETAILERS WITH REAL-TIME INSIGHTS FOR FASTER AND EFFECTIVE DECISION-MAKING. INTEGRATION AND INTEROPERABILITY WILL BE KEY FOR BUSINESSES TO SUCCEED. IT CAN HELP RETAILERS TO QUICKLY ADAPT TO THE CHANGING NEEDS OF THE MARKET – FROM DIGITAL PAYMENTS, CONNECTED BANKING, COMPLIANCE TO GOVERNMENT REGULATIONS FOR GST, E-INVOICING, E-WAY BILLS, AMONG OTHERS.

By Kumar Vembu

The deepening penetration of internet and the ubiquity of smartphones have revolutionized the way grocery retail works. The last two years, especially, saw an acceleration in the adoption of technology as grocery retailers upgraded themselves to become omnichannel and serve customers remotely. Logistics and supply chain have played a crucial role in effective delivery. Consumers prefer digital devices like kiosks or mobile apps to explore offline and online. The data empowerment has made them more self-aware and redefined the service expectations. Their exposure to multiple channels has driven the need for seamless connectivity between the physical and digital worlds.

Tech vendors need to provide all service options to the grocery retailers – from complete self-service to full-service shopping experience. Technology solutions are about giving retailers the freedom of choice, from deployment (cloud or on-premise) and the hardware and the devices they want to use. The products and solutions help grocery retailers delight their customers, manage operations efficiently, connect and collaborate with stakeholders for accurate decision-making. Last-mile



delivery has become a key differentiator today and a comprehensive ERP has become an absolute must for grocery retailers.

Tech adoption is no longer a 'good thing to do'. It has become a 'must thing to do'. There is a need for GST compliance with invoice matching for input credits, digital payments, e-way bill, e-invoicing and accurate return filing. Grocers, agnostic of size, need to adopt the right tech solutions to provide accurate ordering with picking automation, faster delivery with delivery automation, know what to stock, and refill, so that there is no sale lost.

Areas where technology solutions enhance operational efficiency, customer experience and profitability of grocery retailers

One of the top challenges for retailers is hiring, training, and retaining their employees. By adopting technology, retailers can reduce the quantum of skills required to perform each role and the number of people needed to perform that task. With various processes automated, business operations are mistake-proofed, ensuring operational excellence and consistent customer experience.

Large businesses, especially food and grocery, have a large number of categories and SKUs and they often fail to get the accurate stock-count because of the ineffectiveness of stock-taking methods used today. With the help of AI and ML based solutions, stock audit and purchases can be automated. Using such tech boosts employee productivity with huge savings in time and effort and, most importantly, improved accuracy as businesses know how to stock and what to stock, preparing them to respond faster and better to the changing needs of consumers and market.

Tech benefits also include faster checkout, accurate picking, and quick delivery. Finally, a good ERP with supply chain management brings profitability and reduces inventory/overhead costs as they can move from a 'buy-source-sell' to a 'sell-source-supply' model.

How grocery retailers can acquire a competitive edge using technology

There is an ERP customer of ours, a reputed hyper-local dark store grocery retail chain, spread across 50+ Indian cities. They process around 1.4 lakh orders per day on weekdays and about 1.8 lakh orders per day on weekends. While they are expanding to tier 2 and tier

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3 cities, their stores in metros process 3,000+ invoices a day. By using our technology solutions, they are able to scan and inward close to 160k+ quantities every single day. They perform the stock audit, automate purchase-inwards to serve the growing volume of orders per day faster. They have never faced a downtime so far, which helps them run a fool-proof Q-commerce with the right tools. The accuracy in order procurement plays a vital role in the quickness they offer with the rapid 15 minute delivery to their customers. They need to provide this seamless order processing the minute the order is punched in. They are not only a happy customer but have become steadfast evangelists for our technology solutions!

Best technology solutions for a grocery retail business and the service providers

The retail ecosystem is not the same anymore as more and more retailers are adopting tech. Gone are the days when over-stocking was the only way for demand planning. Data is the key enabler to understand and improve customer experiences. Technology today should promote self-service to every stakeholder in business empowering them with real-time insights for faster and effective decision-making. Integration and interoperability will be key for businesses to succeed. It can help them quickly adapt to changing needs of the market from digital payments, connected banking, compliance to government regulations like GST, e-invoicing, e-way bills, among others.

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customer experience which is crucial to bring them back. The push for this adoption is coming from the consumers who are exposed to such experiences elsewhere. They will start demanding the same experiences with grocery retailers. Going forward businesses will adopt cloud and mobile solutions and SaaS platforms that are secure, agile and help them scale easily.

How can technology help in year-end stocktaking?

Stock-auditing or stock-taking is a process businesses perform to check the inventory they currently hold. 9 out of 10 businesses are not sure of the actual level of their inventory because of their irregular stock-audit practices. Most of the time when inventory includes perishables, expiry-based goods, there could be a mismatch between physical and system stock. With such discrepancies, businesses experience wastages and their net margin drops. Also, retailers cannot afford to close-down the store, invest in additional man-hours/effort to perform this annual stock-audit. With a perpetual or real-time stock-audit solution, businesses can perform audits even during business hours. Unlike manual counting which is error-prone, mobile based counting is accurate and easy.

With variance reports that can be generated instantly, real-time monitoring and control on stock makes it more efficient for businesses to access their inventory levels and plan their purchases accurately. Using perpetual stock-auditing, businesses can enjoy 30% savings on employee cost, 50% reduction in time for the stock-audit and 58% increase in efficiency.

How grocery retailers can get impactful business improvement through technology adoption

A Chennai based wholesale and retail fruit and vegetable chain, one of our customers, used just a mobile app to do stock-auditing, monitor their inventory real-time, which increased their audit efficiency by 58%.

Another leading apparel brand with 130+ outlets in South India, 15,000 SKU and 1000+ walk-in per day, reduced their stock-auditing time by 70%. Before using our solutions, their yearly auditing involved 8 employees for stock-auditing and it took them 11 hours of time to audit 1 store per week. With our App, they were able to reduce the number of staff to 3 and their auditing time was reduced to 6 hours, and they were able to do completing auditing of 3 outlets per week.

Businesses can get 100% inventory control when all their inventory process from stock-auditing/ stock-taking, to purchase-inwards, stock-picking and stock-refill processes are automated. We have more than 1,000+ retail customers who are using this App effectively and 67% of them brought down their inventory discrepancy by less than 5% in the first month itself. On average, it takes 3-5 hours minimum to refill a product once stock-out is identified; but with our refill feature, fulfillment is instant, and refill happens before the quantity reduces to zero. **PG**



The writer is CEO and Founder, Gofrugal, a digital-first company offering cloud and mobile ERP solutions to Retail, Restaurant and Distribution businesses.

