



How to Harness the Power of Prescriptive Data Analytics and Grow Sales

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only the opportunity to compete with other grocers, but to contend with online sellers as well.

Streamlined solutions make it simple

Regardless of what an individual retailer's strategic goals look like, it's clear that optimizing operations with data-driven solutions has quickly become table stakes to compete in the industry. Invafresh reports that 87% of grocers plan to increase their spending on technology in 2023, and McKinsey estimates that, by forecasting sales with advanced algorithms, grocers can reduce shrink by as much as 30%. Prescriptive analytics can help inform how grocers anticipate demand, adjust pricing, develop promotions and more—not only helping to reduce costs in departments with lower rates of shrink, but simultaneously helping to boost sales and maximize margins overall.

There are countless ways in which data analytics can optimize grocery retail operations and boost profits, and solutions from Invafresh leverage the full scope of benefits: By optimizing in-store processes, reducing shrink and growing sales, prescriptive analytics from

Invafresh can increase margins across the entire fresh perimeter. Invafresh enables grocery retailers to deliver the freshest experience possible to their customers by leveraging real-time data to streamline processes from the store level to the c-suite. Invafresh offers complete visibility and control across fresh departments

in a single, cloud-native platform—bringing clarity and efficiency to what can otherwise be a complicated process.

With a combined 500+ years of Freshology experience, the heritage of Invafresh has enabled grocery retailers to create extraordinary store operations performance and differentiated customer experiences. As the industry standard for fresh food operations, Invafresh is deployed in more than 25,000 grocery stores spanning a global reach of 15 countries with more than \$100 million of Fresh revenue being transacted daily, to provide omnichannel demand forecasting, merchandising, replenishment, and sustainability and compliance.

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In the wake of the pandemic, the rate at which supermarkets adopt emerging technologies continues to accelerate—and as retailers optimize store operations, they continue to raise the bar on what it means to compete within the category.

Among such technologies, data analytics and artificial intelligence are at the forefront. From informing buying and merchandising to personalizing digital experiences, analytics is arguably the most powerful tool in the retailer's arsenal. The landscape can be intimidating for those looking to implement new solutions or to expand and improve upon technologies already in use. But for many grocery retailers, focusing on the fresh perimeter is a great place to start: Prescriptive analytics can help retailers to optimize processes, reduce shrink and grow sales in their perimeter departments, including produce, deli, bakery, meat, prepared foods and more.

Why focus on fresh?

Even as ecommerce and other channels gain a foothold in the grocery business, shoppers continue to look to brick-and-mortar supermarkets as the go-to for fresh foods. Yet what draws consumers to these departments—freshness—is also what can make maintaining margins in the perimeter challenging. Food waste can be a major source of shrink, especially for retailers struggling to predict demand for perishable items.

Predicting demand can be particularly difficult when shoppers' needs and preferences are in flux. According to [McKinsey & Company](https://www.mckinsey.com), shrink consumed between 2-3% of a typical grocer's revenue before the pandemic. During the pandemic, that figure reached between 5-15%, varying by region and product category. Even now, with consumers' routines returning to normal, their shopping habits continue to change, leaving many retailers searching for

better ways to anticipate demand and remain nimble amid market changes.

Data-driven technologies for a dynamic landscape

For addressing evergreen challenges and fluctuating market conditions, data-driven technologies offer an adaptable solution.

For example, monitoring shrink and predicting demand for fresh products will always be a necessity. According to a recent Invafresh survey of senior grocery executives, reducing food waste is a high priority for grocers, with 27% of retailers saying that waste is one of the biggest challenges technology can solve in the food industry. Overall cost reduction measures are the main motivation for automating store operations for 48% of grocers, and 43% cite a growing preference for fresh food among consumers (and thus an increased need to maintain fresh food quality) as the reason they are looking to expand their tech usage.

Many retailers are also turning to data analytics and AI to address more recently developed market challenges. For example, more than one in three grocers say they are looking at AI/machine automation to help address current labor shortages, according to Invafresh. And as supply chain challenges persist, retailers need to streamline and optimize buying processes to improve efficiency and accuracy.

Competing with ecommerce is a current priority as well. The Invafresh survey found that most grocers believe digital-first challengers are a threat, and many are looking for tech solutions to improve customer experiences and help keep prices low. In short, tech can offer supermarkets not

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