



Retail Case Study

The Footwear Fashion
Experience at Saks Fifth Avenue



Saks Fifth Avenue
chose Tyco's Inventory
Display Execution
solution to ensure
display compliance
and enhance the
shopping experience
in all stores.

// Summary

- Industry:** Luxury Goods, Apparel
- Solutions:** Inventory Display Execution
- Benefits:** Improved display compliance
Increased productivity and efficiency
Reduced over-stock conditions and markdowns
Increased sales

15,000 square feet, 3,000 high fashion women's shoes on display, it's own zip code (10022-SHOE) — this is the Saks Fifth Avenue eighth floor shoe experience in the flagship New York City store.

For shoe lovers and fashion stars, the eighth floor shoe department is nirvana. Between 5,000 and 15,000 pairs of shoes arrive each and every week. Here customers can view the 3,000 pairs of women's footwear options on display, shop privately in the VIP room and even have shoes repaired on site. In addition, another 1,000 pairs of men's and children's shoes are available and on display in their respective departments.

Challenge

With 4,000 shoes on display throughout the store and luxury price points that can reach \$4,000 per pair, Saks Fifth Avenue believes it is imperative that every shoe be represented on the selling floor at all times. To ensure the best footwear discovery experience for their customers, Saks Fifth Avenue wanted to maximize the number and availability of shoes on display, but found their existing manual process was too time intensive to do so without hindering the high level of service their customers have come to expect. The velocity and volume of shoes flowing into the store made it nearly impossible to meet display compliance goals. Saks Fifth Avenue needed a better way to inventory the shoe display and validate compliance to back stock shoes.

Solution:

In late 2012, Saks Fifth Avenue launched an RFID project with Tyco Retail Solutions to address their inventory and merchandising challenges. The goal was to move from a 65% compliance rate to nearly 100%. With Tyco's TrueVUE Inventory Display Execution solution, Saks Fifth Avenue is now able to tag all shoes on display with an RFID label and easily inventory the shoes each day. The application then generates a replenishment report for back stock shoes missing a display style on the selling floor. As a result, Saks Fifth Avenue has been

able to dramatically reduce the number of missing shoe display styles and can now represent a larger percentage of their shoe assortment on the selling floor.

Project Scope:

Previously, the process to inventory the display shoes in the entire department, validate against back stock and replenish the missing items, took one week and multiple store associates. After the implementation of Tyco Retail Solutions' RFID application:

- // Inventory counts are completed in just 20 minutes and done so daily to keep up with the pace of new shipments
- // Associates are no longer tied up with inventory tasks and are able to spend more time serving customers
- // Display compliance rates have reached nearly 100%

Results:

The RFID initiative to improve inventory visibility and merchandising has drawn rave reviews and generated an overall increase in sales, improved display compliance rates, reduced labor costs, and fully optimized the customer experience. In short, it has proven that RFID works. But display execution is just the beginning.

Beyond Display Execution:

Grow a Comprehensive RFID Solution with Tyco's Full Suite of Applications

Display Execution is one piece of a comprehensive inventory visibility solution. Tyco Retail Solutions offers a full suite of RFID-focused applications designed to reshape the day-to-day retail environment. These applications provide item-level inventory insights that can result in significant gains in inventory optimization and store operations. From tracking receipts to item on-floor availability, our intuitive solutions provide clear, near real-time data used to accurately track inventory to streamline operations and enhance the customer experience across the retail enterprise. Retailers can start small with a single, packaged application—such as Display Execution—and easily roll out new applications based on their specific business needs.

Additionally, Tyco's ongoing consultative and execution support help ensure seamless deployment and maintenance. Our experts work with each retailer to define a solution set to meet its individual needs, then follow through every step of the way to ensure a project solution that achieves their desired results. By continuing to add applications to the already existing Tyco platform, retailers can continually grow a robust RFID enterprise-wide solution at their own pace.



*"At **Saks Fifth Avenue** our mission is to inspire customer confidence and style with every Saks shopping experience, one that makes people look and feel their best. Our flagship women's footwear department in New York City exemplifies this commitment. With Tyco Retail Solutions we have proven the value of RFID technology for inventory management and merchandising and will continue to leverage the technology to improve sales, optimize merchandise and deliver on our mission."*

~Ed Stagman,
SVP Store Operations
Saks Fifth Avenue



Global strength. Local expertise. At your service.

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Leverage our strength and experience

Tyco Retail Solutions is a leading global provider of integrated retail performance and security solutions, deployed today at more than 80 percent of the world's top 200 retailers. Customers range from single-store boutiques to global retail enterprises. Operating in more than 70 countries worldwide, Tyco Retail Solutions provides retailers with real-time visibility to their inventory and assets to improve operations, optimize profitability and create memorable shopper experiences.

The Tyco Retail Solutions portfolio for retailers is sold direct through Tyco businesses and authorized business partners around the world.

www.tycoretailsolutions.com

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