



# UNDERSTANDING SHRINK WITHIN A SPECIFIC PRODUCT CATEGORY

**Case Study:** Retail Services – Pharmacy Chain

A national retail pharmacy chain partnered with RGIS to complete a shrink audit on their shaving category, after identifying issues

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## Case Study: Retail Services – Pharmacy Chain

A national retail pharmacy chain required the support of RGIS to complete focused stock counts at 50 of their stores. This was to enable them to understand their shrink levels within the shaving category as this had been identified as having very high shrinkage. They wanted to also find out if installing new fixtures would reduce the shrinkage level within the shaving category.

### REQUIREMENT

A national retail pharmacy chain identified **high shrinkage** in the shaving category within all their stores. They needed to partner with a company that could **test and validate the impact of new fixtures** on their shrink, they came to RGIS to help solve this issue:

- Stocktakes on one specific category – shaving
- **Focused category stocktakes** to take place prior to new fixtures being installed and again after they had been installed
- Select 50 stores to be counted
- Calculate shrink before and after **fixture installation**
- **Regional RGIS teams** with experience to execute stocktakes
- Work extensively with the national pharmacy chain loss prevention team
- The selected 50 stores needed to be counted within a **specific timescale**

### SOLUTION

Following discussions and extensive planning to enable scheduling of all stores in a **small timescale** RGIS implemented the following plan:

- Local RGIS teams performed **50 inventories in one week** prior to the fixtures being installed
- The same teams returned to these **50 stores two months later** to complete a **comparative focused category stocktake**
- Conducting the focused **category count** helped the customer determine its **Return On Investment (ROI)** for **full chain deployment** of the new fixtures
- RGIS set up an **electronic data delivery with tablets** at the end of each focused category stocktake

### RESULTS

The customer could **compare the results** of each focused category stock count and make a decision about the effectiveness of the new fixtures in less than **three months**:

- The decision to roll out **new fixtures in all stores** would be based on data from this RGIS project if the shrink had reduced after the fixtures had been installed
- **Quick data turnaround** allowed the retailer to quickly make important decisions
- **Precise counts and shrink assessment** allowed for testing of the proposed fixtures for all stores



The customer was able to compare the results from the **focused category stock counts** and make a decision about the **effectiveness of the new fixtures on their shrinkage** in less than three months



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Focused Stocktake



Information Gathering



Accurate Data



Fast Turnaround



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