

The Price is Right



A new electronic labelling system from ILID can save hardware store owners time and money, enhance store presentation and keep regulatory bodies off your back.

At nearly eight o'clock on a Friday night, a liquor store owner scans his shelves and makes a competitive decision – time to bump the prices up 10 per cent. It's a move many retailers execute at peak times, requiring manpower to print the updated labels and manually change them throughout the store. But with the press of a button, you now can change all the prices across your store at once.

"Rather than going around and changing the paper ticket on every single line item, we can do it with a flick of a switch. We send a signal out to these labels, which read the new information and automatically update," says Michael Waymark, Director of ILID, which recently launched its next generation of Electronic Shelf Labels, ILID Bounce. "They can price daily or price hourly, to manage the market. It enables you to be competitive so you can adjust your prices in real-time."

Labels cost around \$7 each, which would add up to a five-figure bill for the typical hardware store, but Waymark says the payback period ranges from five months to two years.

"The payback generally comes from saving on labour to do price changes, and being able to adjust your prices and compete according to market conditions, at night-time or on weekends."

The Australian company – the plastics, the hardware and the software were all invented in Melbourne – has installed 1.3 million electronic labels in about 100 stores around the world.

Clients include independent grocers, liquor and truck spare-parts stores, pharmacies and distribution centres. But electronic labels have also helped one hardware store owner save time and money, as well as stay on the right side of the law.

David Berry owns Thrifty Link in Gunnedah. In 2009, he installed nearly 6,000 ILID labels throughout his store. In the past, paper labels with new prices would be sent from the warehouse at regular intervals.

"The warehouse makes changes every month and a complete change once a year," explained David. "That means everything priced in your store is going to change. So all of a sudden, you're faced with the prospect of five or six hours in changing labels, just for a small store like us."

"I had one full-time staff member for merchandising and labelling. He now spends time on credit procedures and making sure credits are up to date."

Keeping up with regulatory requirements around pricing was another concern for David.

"It's not just the labour cost. If you didn't update your prices, you are contravening fair trade if your shelf label is different to your computer prices at the point of sale."

Last year, the Department of Fair Trade visited a couple of stores and they got a slap on the wrist for

contravening fair trade laws. It was enough to worry me to instigate a system.

Sustained price inaccuracies can result in a \$10,000 spot fine for retailers. That helped convince David into making the \$70,000 investment to fit-out his store with electronic labels. And he's happy he did, for not only can he now rest easy that he's not going to incur a nasty fine because he lacked the resources to keep up with regulatory requirements, but he's also been impressed with how his store looks.

"When you do something like this you revisit your whole store, and all of a sudden it goes from a higgledy-piggledy mess to a neat looking store. It's much better for our store because it's better looking all the time."

Look up www.ilid.com.au for more information.



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