FashionTags are digitalizing retail

Electronic price labels support the omnichannel strategy of a major department store chain in Germany within two weeks

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"With FashionTags, we are creating a completely new, omnichannel shopping experience for retailers. The new digital services not only benefit their customers, but employees as well. Tagging at the touch of a button not only saves time, but also enables simple management of consumer behavior."

Alexander de Poel, T-Systems

Retail companies have always had to react quickly to consumer behavior; the right pricing policy is an essential ingredient for success. At the same time, digitalization is permanently changing the industry in addition to classic competition among physical stores. Established department stores need to rethink their strategies. However, an online store is just one element here. A major German department store chain is also executing an omnichannel strategy in which the digital world is converging with physical stores. Integrated IoT approaches are playing a major role here.

At a glance

By implementing connected electronic price labels, an established retailer in Germany is linking its physical and online stores. Prices for individual articles or groups of articles can be changed quickly and easily. The online shop can also access the IoT devices. As a result, customers get an integrated shopping experience containing the best of both worlds.

- Efficient, automated price changes
- Electronic price labels are a stepping stone toward digital value-added services in retail
- Manage customer behavior through targeted price adjustments
- Article locations are also recorded
- Omnichannel experience

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The reference in detail

The challenge

React faster, create added value for customers

The department store chain is implementing a clear digital strategy to set itself apart from the competition, with optimized service and efficient internal processes. The company wants to react to changing market conditions even faster through price adjustments for individual articles. Until now, re-tagging the items required a lot of manual work by employees. What's more, articles couldn't be specifically re-priced. A second challenge is locating specific articles within the department store; at the same time, current inventory levels need to be retrievable at the touch of a button, to implement an effective omnichannel strategy.

The solution

FashionTags leverage IoT potential for fashion retailers

In the pilot store located in the Rhineland area of Germany, 50,000 FashionTags are being deployed as electronic price labels for fashion items. A typical IoT scenario for digital retailing: every single price label – and the corresponding article along with it – can be identified individually. At the same time the retailer gains full transparency of its inventory by integrating the articles in the merchandise management system. In addition to knowing how many items are available and in which sizes, this even includes their exact locations. The highlight: the online shop and physical stores access the same data pool. As a result, digital price labels are the enabler for a true omnichannel approach: customers can get information and even buy online, then pick up their products in the store or have them delivered. The system also gives customers a better shopping experience in the opposite case: when a customer finds the desired article in the store, they can simply pay for it with an app and avoid lining up at the cash register. At the same time, managers have the possibility of changing prices of specific articles and groups of articles dynamically, within minutes at the touch of a button to react to customer behavior and boost sales.

Integrated solutions are the key to omnichannel approaches. The digital footprint has to be expanded to the physical stores and linked with the established IT systems. To achieve this, T-Systems not only implements the IoT devices, but also connects them with the right network components. The IoT components are managed using a central system in the cloud, which is also integrated with the retailer's inventory management systems, giving managers real-time transparency and effective options for influencing business.

Customer benefits

Digital retail: Reacting quickly to customer behavior

By implementing electronic FashionTags for apparel, the department store chain is opening the door to digitalizing the retail trade: the digital price labels, which can be changed at the touch of a button, not only support store staff; they are also the perfect link for an omnichannel strategy that can optimize integration between physical stores and online sales channels.

- Efficient, automated price changes
- Individual and dynamic price adjustments of specific articles to boost sales/improve margins
- Full transparency of article availability
- Items can be found quickly thanks to geotagging
- Take inventory at the touch of a button
- Innovative shopping experience, excellent customer experience
- Click & collect: buy online, pick up offline