



Electronics stores

Nebraska Furniture Mart Increasing Price Leadership and Improving Employee Morale

Nebraska Furniture Mart (NFM), owned by Berkshire Hathaway, has the largest home furnishing stores in North America selling furniture, flooring, appliances and electronics. NFM has three stores – two are very large. For example, its Omaha, Nebraska store has over 420,000 square feet of retail space and the Kansas City store encompasses a total of 1.1 million square feet of retail and warehouse space.



NFM has always strived to offer the lowest prices within its electronics and appliances department. In the highly competitive consumer electronics market, it's critical for retailers to monitor, track and react to each other's price changes quickly. To do so, NFM reviews online pricing from competitors every night and updates price tags each morning before its doors open. However, changing up to 600 paper labels every morning within its large stores is a daunting and morale-killing task for store personnel.

NFM therefore turned to Pricer for its SmartTAG Electronic Shelf Labels (ESLs). With centrally managed ESLs, NFM now updates prices on an unlimited amount of items in all stores from one computer. This allows NFM to react to competitor pricing in seconds. The company has deployed ESLs within all three of its locations and plans to outfit its Dallas store when it opens in 2015. Pricer partner MarginMate, a provider of innovative store management solutions, worked closely with NFM throughout product selection, system integration and technology deployment processes.

"We always want to offer the lowest price on the market, whether it's online or in store," said David Bash, director of information technology, NFM. "However, maintaining that price leadership was becoming a real burden for our team. Getting Internet prices every day and making changes to the paper labels each morning was a real challenge. The Pricer solution has changed all of that."

ESLs Improve Employee Morale and Reinforce Low Price Guarantee for Consumers

According to Bash, improved employee morale has been a top benefit of Pricer's ESLs. Sales staff in the electronics and appliances department no longer worry about updating paper labels every morning – a time-consuming and monotonous task for employees.

CLIENT PROFILE

Name:

Nebraska Furniture Mart (NFM)

Place:

North America

Number of stores

3

Number of employees:

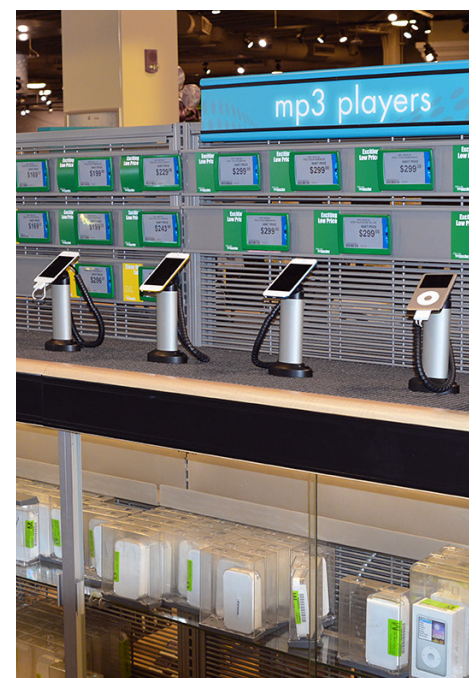
2,800

Average Annual Turnover:

\$800 million

Number of ESLs:

30,000 graphic ESLs



“It is a fully automated process now,” Bash said. “All of the prices change about 15 to 20 minutes before the store opens. This takes a large burden off of our sales staff as well as the merchandisers trying to keep up with competitive price changes.”

In addition to improving employee morale, ESLs have also enhanced customer service. Since sales personnel no longer spend valuable time updating paper labels each morning, they can focus more on serving NFM customers.



“We can build our staff schedule around when we think the store will be busy rather than when we think we will need more staff to put up tags,” Bash added. “We can schedule employees for later in the day when it is busier rather than early morning hours to improve customer service.”

ESLs have also proven to be a valuable marketing tool for NFM. By deploying ESLs, NFM shows consumers that it means business about offering the industry’s lowest prices. In fact, NFM even promotes ESL technology through television commercials to back-up its lowest-price guarantee.

“The consumer reaction to the labels has been very positive,” Bash said. “We bring awareness to the ESLs to show consumers that we really do offer the lowest prices. The ESLs also have a more professional look that our customers like.”

SmartTAG Selection and Installation

Bash says he chose Pricer because of its strong installation base in numerous types of retailers. Proven reliability of the system gave Bash peace of mind that he was getting a “tried and true” solution. Bash also preferred infrared (IR) communications hardware which transmits price updates to ESLs versus competitors’ radio frequency (RF) solutions. This is critical because IR technology doesn’t interfere with other in-store devices that use RF technology.

“The RF spectrum is becoming increasingly more crowded with consumer devices eating up bandwidth,” Bash said. “With the Pricer solution, bandwidth is never an issue.”

The IR infrastructure also allows NFM to understand where its products are located on the floor – an unexpected benefit. Since NFM is constantly re-setting its furniture sales floor, it now plans to expand the use of SmartTAGs to its furniture department to take full advantage of this capability.

Additionally, Bash says the installation process was seamless. MarginMate and Pricer conducted an initial site survey followed by a pilot. This allowed NFM to experience first-hand how the labels work.

“Once we got the process clearly defined, the sales staff couldn’t wait to get the project rolling,” Bash concluded. “MarginMate was also extremely responsive throughout the process. They have been a great partner to work with.”

BENEFITS

- Centrally managed prices in all stores
- Quick price updates on unlimited items
- Responsive to competitor prices guaranteeing lowest price
- No interference with instore RF devices
- Seamless installation
- Store employees more customer focused
- Field proven solutions

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For more information, please visit:
www.pricer.com or contact us at: sales@pricer.com