RUN THE STORE PLATFORM

ROI

Introduction

In today's rapidly evolving retail landscape, technology plays a crucial role in enhancing operational efficiency, improving customer experiences, and ultimately driving profitability. Retailers are increasingly investing in cutting-edge solutions to stay ahead of the competition and achieve a strong return on investment (ROI).
In this document, we will present four main parameters through which Juganu's platform can yield significant ROI:

1. **Automated shelves management**
2. **Shrinkage reduction**
3. **Workforce optimization**
4. **Electricity consumption savings**

> *To remain viable in this environment, retailers must constantly improve their store economics by simplifying, eliminating, or automating routine activities.*
>
> McKinsey & Company

Juganu

1. Automated shelves management

Automated shelves management can have a detrimental impact on a retailer's revenue and customer loyalty. Juganu's video AI plays a pivotal role in identifying shelves stockouts by monitoring and recognizing the presence or absence of products on store shelves.

By processing video feeds or captured images, AI algorithms can detect empty spaces or insufficient product quantities on shelves, indicating a stockout situation. This enables retailers to promptly restock their shelves and prevent missed sales opportunities. With Juganu's platform, retailers can optimize replenishment processes and provide customers with a more seamless shopping experience. According to Capgemini, automation and AI adoption have the potential to save retailers up to[1] US$340 billion annually by streamlining the supply chain and increasing efficiency.

8.3%

World avg. of shelves stockouts

55%

World avg. for delay/ dropping purchase due to stockouts

3.9%

Sales losses due to shelves stockouts [2]

How do we do it:

1. We sample the shelves frequently and use AI to check the status of the shelf
2. The system detects stockout situations and sends notifications to the relevant individuals. Additionally, it can identify stockout trends and patterns to predict future product shortages.

Source:

1. According to Capgemini research: “Smart Stores - Rebooting the retail store through in-store automation”
2. On Shelf Availability: An Examination of the Extent, the Causes, and the Efforts to Address Retail Out-of-Stocks by Daniel Corsten (IE University) and Thomas Gruen (University of New Hampshire)

2. Shrinkage reduction

Organized retail crime (ORC) is increasing and is considered one of the biggest concerns for retailers. Retail shrinkage stands at nearly $100 billion per year, encompassing losses due to shoplifting, employee theft, administrative errors, and vendor fraud (Survey by NRF, 2021). Shoplifting and internal theft pose significant concerns for retailers, resulting in substantial losses each year.
Juganu's platform, with its AI capabilities, has the unique ability to uncover patterns beyond human perception. By implementing intelligent video AI analytics and harnessing the power to sift through massive amounts of video and data, retailers can identify suspicious behavior in real-time.

The ROI achieved through theft reduction is twofold: decreased loss of products and indirectly improved customer satisfaction due to a safer shopping environment.

$94.5B
Ets. Retail shrink loses (annually)

1.62%
Avg. Shrink Rate [1]

1.13%
Annual revenue loss [2]

How do we do it?

1. We utilize a proprietary algorithm to detect irregular behavior and generate a "trust score".
2. We leverage a third-party algorithm that automatically identifies and alerts instances of theft activities.
3. The system periodically searches for matches to suspicious photos that have been pre-uploaded to the database.

Source:

1. NRF Survey 2021 - https://nrf.com/media-center/press-releases/nrf-reports-retail-shrink-nearly-100b-problem
2. 70% of 1.62%

3. Workforce optimization

Retailers often face challenges in effectively managing their workforce, particularly during peak hours or seasonal fluctuations. The Juganu platform can streamline operations, improve productivity, and reduce labor costs. By leveraging store analytics and data-driven algorithms to forecast customer footfall, retailers can optimize staff productivity. This involves aligning workforce resources with demand, thereby avoiding overstaffing or understaffing scenarios.
The result is reduced labor expenses and increased operational efficiency, contributing to a positive ROI.

2-4% ↑

Labor impact on EBIT [1]

How do we do it?

1. We monitor store traffic, queues and trends, ensuring sufficient staff during peak periods and avoiding overstaffing during slower times.
2. Employee Performance Analysis: Video AI can evaluate employee efficiency using heatmaps. Retailers can use these insights to optimize workforce allocation .

Source:
1. According to McKinsey & Company report

4. Saving Electricity Consumption

Energy costs represent a significant portion of a retailer's operational expenses. Juganu's smart lighting solution can contribute to substantial energy savings by implementing energy-efficient lighting while delivering the highest quality of lighting available today.

For instance, LED lighting consumes significantly less electricity than traditional lighting, resulting in reduced energy bills and maintenance costs. Additionally, integrating smart fixtures with occupancy sensors, automated controls, and dimming ensures optimized energy consumption. The ROI achieved through energy savings is evident in reduced operating expenses, enhanced sustainability, and improved brand reputation.

70%
Consumption savings by replacing traditional fixtures*

30%
Consumption savings by replacing LED fixtures

*Comparison between lighting only

Summary

In the competitive world of retail, investing in the right technology can yield substantial returns for businesses. By focusing on four key parameters - reduction of thefts, digital identification of product stock-outs, workforce optimization, and electricity consumption savings - retailers can unlock significant ROI. Leveraging advanced retail technology not only enhances operational efficiency and customer experiences but also results in reduced losses, increased sales, lower labor costs, and improved sustainability.

3.9%	**Automated shelves management**
1.13%	**Shrinkage reduction**
2-4%	**Optimizing labor of the Workforce**
30- 70%	**Consumption savings**

www.juganu.com

The Information provided herein is subject to change without prior notice by Juganu. Any information included in this document is and shall remain, at all times, the exclusive property of Juganu Ltd. and/or its licensors. Neither the furnishing, receipt or possession of any information thereof shall constitute the granting or transferring of any right or license to copy, use or reproduce such information or any physical article or device, or any part thereof, nor to derive any benefit therefrom, in any way, unless approved otherwise in writing by Juganu Ltd.