

IEMS 308 Assignment 2 Executive Summary

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Executive Summary & Introduction

With the increase in online shopping services, such as Amazon and eBay, shoppers these days are so used to convenient shopping experiences. No matter where you are and no matter when it is, you can simply go to the website, look around different products, and order the product you want in one spot. On the other side, due to the increasing standard of shopping convenience, offline stores that offer less convenient shopping experience have been implementing different strategies to make the whole shopping journey seamless.

Modifying the planograms based on the technique called “association rules” would help Dillard’s reach that goal. By going through transaction data, I identified 332 pairs of product groups that are correlated and that have a high likelihood of happening in many Dillard’s stores. Since they are correlated, those pairs can be used to perform strategic promotions.

But more importantly, assuming that products with the same Stock Item Classification (CLASSID of POS) are displayed close to each other, I recommend 35 SKUs that could be moved to 36 different locations to decrease the inconvenience of buying one item here and finding the related item at the opposite side of the store. Luckily, other than those 35 cases, every product group pair was close to each other, and there was no need to change anything at the department level. This will reduce the estimated cost of this rearrangement operations.

In addition, all of those 35 SKUs that were recommended for rearrangements came from CLINIQUE and CELEBRT Department. Therefore, Dillard’s does not need to rearrange all 60 departments but instead, start from two departments and expand if necessary. Also, considering that all those SKUs were by Clinique and LANCOME, the store managers can put extra focus on displaying products from those companies.

With all these efforts, it is expected that Dillard’s would have a clear understanding of what products to move to improve the consumer’s convenience and promote better experience at Dillard’s.