

How TFG is weaving digital into the fabric of its business

JSE-listed retail group TFG is realising the positive impact of a clearly defined digital strategy and R500m investment into its digital transformation, with the roll-out of invaluable retail technologies, despite the upheaval of Covid-19.



TFG CIO Brent Curry

The company says that its digital transformation plan, launched three years ago, meant it was geared to manage the challenges of the Covid-19 lockdown. This includes being able to remotely communicate to more than 25,000 employees, re-open stores safely and efficiently, and meet the substantial spike in e-commerce demand.

Key areas that TFG has focused on to become more agile include: RFID (Radio Frequency Identification), e-commerce growth through the launch of its jewellery brands online, the launch of the myTFGworld and <u>Sportscene apps</u>, the integration of OneStock, the Yoobic merchandising system, and apps for staff like TFGLearn and TFG-on-the-go.

Inventory management

More than 1,850 TFG apparel stores were RFID-enabled within 18 months, one of the largest and fastest implementations of RFID globally. RFID enables stores to know what stock is in store with a quick and efficient stock take.

Each product in store has a tag with an antennae and micro battery, which emits a pulse. Staff simply pull the trigger on the RFID device to do a stock take in 15 minutes, with 97% accuracy, explains TFG CIO Brent Curry.

TFG says the implementation of RFID in-store has improved on-shelf availability in brick and mortar stores, reduced warehouse needs, and sped up the fulfilment of online orders from stores.

Previously all TFG brick and mortar stores were isolated in terms of stock levels, but the introduction of the OneStock agile order management system, has allowed TFG e-commerce to connect customer demand with stock no matter where it is. This enables online shoppers to access stock from any of TFG's stores as well as its warehouse.



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E-commerce expansion

With jewellery brands Sterns and American Swiss going online in August 2020, TFG now has 20 online stores in its e-commerce marketplace including the likes of @home, Totalsports, DueSouth, Markham, Fabiani, Foschini, donna and The Fix. During Covid-19 hard lockdown e-commerce traded throughout (no deliveries), with the April/May online turnover seeing an 88% growth.

Apps are an increasingly important e-commerce tool and 36% of myTFGworld sales have come through the myTFGworld app since its launch in July 2020. The app already boasts 45,000 downloads and 33,000 active users. The Sportscene app, which includes Sportscene radio, launched in September 2020.



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Visual merchandising

The Yoobic visual merchandising system has been rolled out in 90% of TFG stores, enabling TFG to send instructions on how to dress store windows to a store manager's phone or tablet. Once the window is complete, staff photograph their display. If Yoobic does not measure a 99% correlation with the required specifications, a field manager is sent an alert to request staff to redo the display.

The field manager does not have to visit stores, saving time and money, enabling a quicker turnaround time for fixing store windows, and limiting staff contact during Covid-19.



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Employee apps

TFG has also invested in apps for its staff: TFGLearn is for digitised staff training while TFG-on-the-go gives more than 18,000 TFG Africa staff out in the field access to their HR information including pay slips, sick leave and annual leave

status. Use of these platforms allows for reverse billing so that there are no additional data costs to staff.

"These apps meant we could re-open stores safely and efficiently post lockdown, by sharing Covid-19 learnings and instructions. We could simply drop content onto the mobile devices of our staff," says Curry.

TFG-on-the-go was also used to share Covid-19 permits and letters of authorisation for staff to show the police if they were stopped on their way to work during lockdown.

"We began our journey three years ago with a clear digital strategy. We didn't stop investing during the tough times which is paying off, as our digital transformation continues to yield positive results including enhanced customer engagement," concludes Curry.

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