



# Tanishq Case Study



**Industry:** Jewelry Retail | **Headquarters:** Bangalore, India

## Fast Facts

- Inventory turns are **up by 22%**
- Overall sales are **up by 12%**
- Average age of inventory in stores is down from 125 days **to only 75 days**

*"I am happy to share that, at last, after many years of search, by associating ourselves with Onebeat, we have found the right science, helping us to have the right merchandise mix, at any given point of time, in each one of our stores. Our TOC journey has helped us to re-define the way they look at constraints and conflicts in our supply chain"*

**L R Natarajan – CMO, Tanishq**

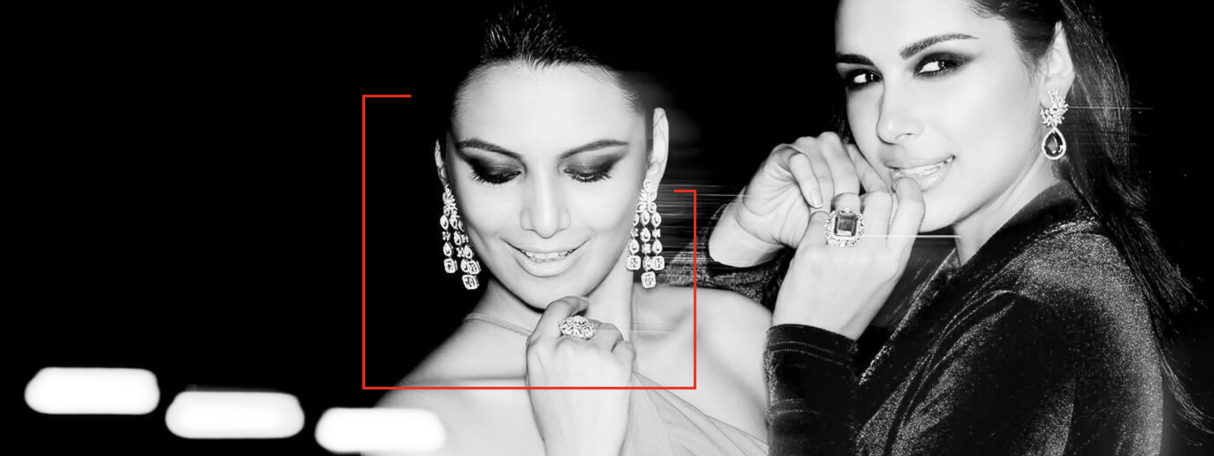
## Company Overview

Tanishq, a part of TATA group, is the largest organized jewelry retailer in India. Tanishq is a very popular brand, with 150 showrooms today across India, and a yearly revenue of approximately \$1B USD.

## Key Challenges

As many other jewelry retailers, Tanishq was suffering from very high inventory levels comprised of a wide range of SKUs – around 5,000 SKUs per store. There was a real challenge determining which items out of a universe of 100,000 variants should go to each store, and how much to keep from each one.

Stores many times suffered from lack of freshness, as about 30% of the inventory at the stores had an age of more than six months, and the average inventory turns per SKU was 3.7.



## The Solution

The suggested strategy was to improve Merchandise Effectiveness through availability of “fast movers” and refreshing “slow movers”. On a broad level, it means “Having the right inventory, in the right store, at the right time”. To do that, Onebeat was used to divide the universe into three main groups: Head, Belly and Tail.

The scope of the solution was simple:

### 1. Quick replenishment of best sellers (Head)

Onebeat’s DBM and Smart Replenishment Solutions enabled fast replenishment to support sales and a better allocation of stock.

### 2. Daily indenting of SKU-wise “best alternative” (Belly)

For each “Belly” SKU that was sold, Onebeat helped choose the best alternative available in the WH. Store Managers can change the default by selecting an alternative item from a closed list.

### 3. Rotation or Liquidation of aged inventory (Tail)

A research showed that 15%-20% of the “Tail” items are best sellers in other stores. Using Onebeat’s Inter Store Transfer module, a tail rotation process was put in place.

## Results

First, the new portfolio of products being renovated constantly provided a fresh look to the stores. Motivation of store managers and staff was substantially increased due to the new inventory rotation processes and focus on the right products.

Key Results derived from the implementation:

1. Inventory turns are **up by 22%**
2. Overall sales are **up by 12%**
3. Average age of inventory in stores is down **from 125 days to only 75 days**
4. Best sellers **sales have increased** in an average of 50% per store