

CASE STUDY

“Changing paper price labels is an employee’s least favorite task but it’s very important to our business.” Robert Heuser - Heuser Ace Hardware



The Business

Ace Hardware Corporation is an American hardware retailers' cooperative. Based in the United States, the company is proud to be the world's largest hardware retailer cooperative, as well as being the largest non-grocery American retail cooperative. As of 2019, Ace Hardware boasts 5,200 locations in 60 countries. In addition to retail locations throughout the world, Ace Hardware Corporation operates 17 distribution centres in the United States, and additional distribution facilities in China, Panama and United Arab Emirates.

Robert Heuser is the General Manager of Heuser Ace Hardware in Hardeeville, South Carolina. Heuser Ace Hardware was outfitted with Danavation's Digital Smart Label™ system in September 2022.



The Solution

Heuser Ace Hardware reached out to Danavation to learn more about our Digital Smart Label™ solution, and how they could benefit from this proprietary technology. The solution included integrating into their point-of-sale system and more than 50,000 Digital Smart Labels™ and shelf accessories for their store. "There were two reasons we implemented the Digital Smart Label Solution," explains Robert Heuser. "There's the man-hours associated with manual price changes and the promotions that occur multiple times per month. With all the price changes required for promotions, it was near impossible to keep up and sometimes, if we didn't change the pricing in time, we would have to honour the promotion price," says Robert Heuser.

The Results

Following the installation of their pilot and eventually the entire store, Digital Smart Label™ automation technology was proven to be an effective, cost positive investment. *"You take 800-1000 price changes in a week, estimating it takes about 40 hours a week to do these changes. The math quickly shows the business case for installing Digital Smart Labels. We can't wait to install them in our other three stores,"* says Robert. Danavation's system not only met Ace Hardware's expectations, but allowed the business to incorporate new ways to increase revenue and create a positive customer experience.

Key Benefits

- Ability to capture margins 100% of the time
- Rapid ROI
- Operational efficiency
- Enhanced customer experience
- Danavation service



Labour Savings

One of the main reasons for transitioning from paper labels to Danavation's Digital Smart Labels™ was the extensive labour involved with manual pricing. With over 3500 price updates received from Ace Hardware Head Office each month, replacing paper price labels became a task that needed to be both managed and prioritized. "When we're changing pricing, we use a senior staff member familiar with our marketing programs and sales. There are only one or two people on each floor that can do that," says Robert. Not only are price changes now simplified, but the time and resources associated with this task can be reallocated elsewhere in the store.

Margin Erosion

With frequent price updates, it was essential to execute the changes as soon as possible. "Our Enterprise Resource Planning and point-of-sale systems have reports that we would run that would tell us which product price should be changed first to minimize margin erosion," shared Robert. Previously, it was difficult to implement every change on the reports because manual price changes were very time-consuming. Since price changes can now be executed right away, Heuser Ace Hardware is able to capitalize on margins every time and generate additional revenue.

