

Proposal to Digitize Best Buy Mobile Pacific Center's Price Tag System

For Stephen Arcay, Best Buy District Manager
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Introduction

Background

Paper is one of Canada's most wasted products (ibfgroup.ca). Not only does it require an immense amount of fossil fuels to produce, but it requires tonnes of water (ibfgroup.ca).

Environmental awareness has spiked dramatically over the past decade and our generation is one of the most informed, curious, and aware. As a Best Buy Mobile employee, I have seen where paper consumption and retail service collide and believe the issue should be addressed.

Purpose

Best Buy has updated 240 stores worldwide to ESLs (electronic shelf labels), leaving behind archaic paper price tags. Nearly 20% of their US stores have implemented ESLs, but where does this leave SASs (standalone stores)? No SASs exist in the US after Best Buy closed all 250. Meanwhile, Canada has nearly 60F. Through careful research and surveys with Best Buy Mobile employees (management, full-time, and part-time), this report will outline/examine why Best Buy Canada's should implement a digital price tag system.

Limitations

Considerations include the following:

- The report is still being conducted
- Several employees have yet to complete the survey

Scope of the Inquiry

This report covers topics of environmental awareness, paper waste, ESLs, and the Best Buy corporation.

Conclusion

It is recommended that Best Buy Canada follow in the footsteps of its American neighbor and digitize the price tag system.

Report

Environmental Impact

It takes approximately 324 litres of water to produce 1kg of paper (ibfgroup.ca). Paper manufacturing is actually one of the largest industrial consumers of water. Unfortunately, only about a quarter of paper we use is actually recycled (ibfgroup.ca).

More statistics to come

Best Buy Mobile

It is estimated that at least 40 hours per week goes into managing paper price tags. In Canada, there are at least 56 Best Buy Mobiles, not including the ones inside big box stores. This means approximately 2000 hours are spent every year changing price tags. This time could be better spent helping customers, maintaining stock and stores, and in other words, be used more efficiently.

In terms of paper, around 100 sheets are used daily for contracts, pricing grids, and price tags. This does not include the hundreds of receipts that are printed daily as well. In a given week, a single store will use a minimum of 1000 sheets of paper. Consider this number across the numerous SASs and 136 big box stores.

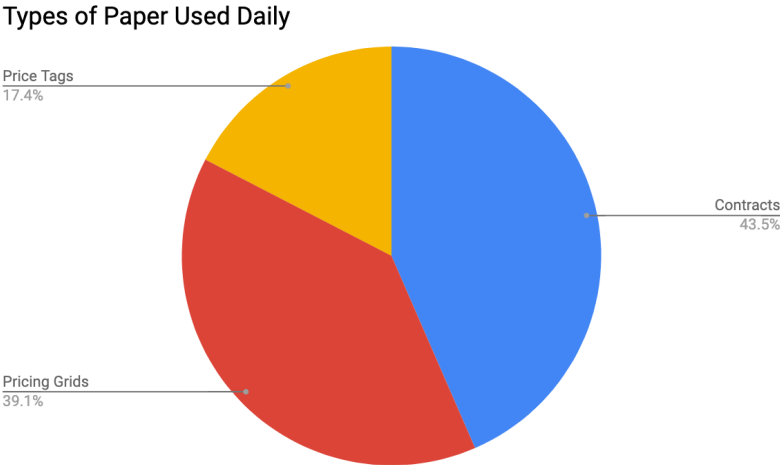


Fig 1. Various uses of paper at a given SAS store. Does not include the hundreds of sheets used for receipts.

Digital Price Tags

ESLs (electronic shelf labels) are used by retailers to display the prices of products on shelves. They are controlled by a central server which can update them at a moment’s notice. The market is expected to grow dramatically over the next few years, with grocery giants like Superstore implementing them in all locations (Electronic Shelf Label Market to hit \$1bn by 2024, Global Market Insights).

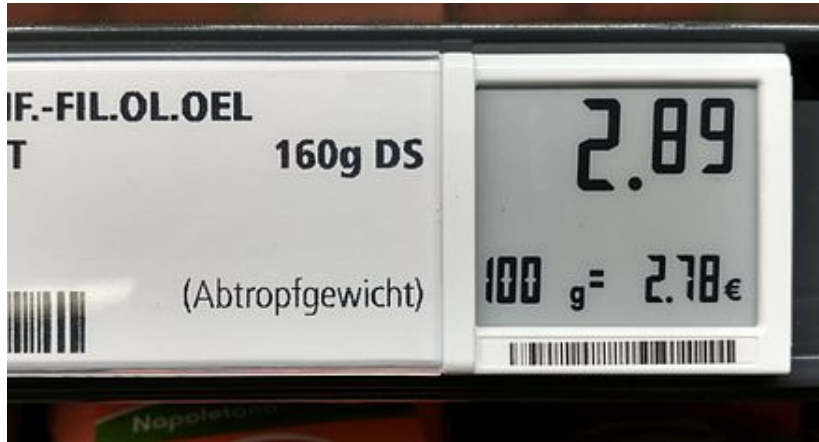


fig 2. Example of ESL.

American Best Buys currently use Pricer brand ESLs (electronic shelf labels) in over 150 stores, costing the company around 36 million dollars (Best Buy Commits to Additional Pricer ESL Deployment, Pricer). This is around \$240k per store. Seeing that the Canadian Best Buys are comprised of not only big box stores, but much smaller SASs, it should cost much less for Pacific Center's location.

The potential drawbacks of ESLs is the initial investment. Installation is marginally high, making the monetary benefits hard to quantify immediately. However, the benefits of ESLs include accurate and consistent pricing across all systems as employees will not be required to manually replace each price tag (leaving room for human error). Not only would it save employee time, but it would save the stores from having to spend money to print out price tags. Additionally, ESLs also enable more accurate stock count which helps both customers and employees save time (There's More to Electronic Shelf Labels than Pricing, Eileen Keehan).

Conclusion

As consumers become more aware of their environmental impact, large corporations are taking notice. Not only are ESLs a step towards environmental sustainability, but it's an act of social responsibility. Considering the energy it takes to produce paper, the amount that goes to waste, and the sheer tonnage consumed by retailers, it seems natural for Best Buy Canada to adopt the same digital price tag system as its American counterpart.

It is recommended Best Buy Canada begin implementing ESLs immediately. Especially in high profile stores like the Pacific Center location, which has high traffic and therefore uses an exceptional amount of paper. While replacing paper price tags with ESLs may seem like a small step towards sustainability, it is exactly why it should be done. As we know, small changes accumulate to produce large results.

Surveys

Survey Questions for Best Buy Mobile full-time/part-time employees

I am an undergraduate student at UBC currently enrolled in a technical writing course. The purpose of this survey is to obtain data on full-time and part-time employees opinion about the current price tag system. The final formal report will be addressed to the Best Buy British Columbia District manager. My research combined with the surveys will culminate in a recommendation regarding the current price tag system. The survey contains a mix of short answer and multiple choice questions. It should take no longer than five minutes. Your responses are voluntary and anonymous. Thank you for your participation in this survey.

1. Duration at Best Buy Mobile thus far
 - a. Less than one year
 - b. 1-2 years
 - c. 3-5 years
 - d. 5 years +
2. Indicate current position
 - . Full-time
 - a. Part-time
3. Opinion on current price tag system
 - a. It's perfect
 - b. It's efficient
 - c. It works well
 - d. It needs work
 - e. It's terrible

4. Opinion on digital price tag system
 - a. Great idea
 - b. Okay idea
 - c. Bad idea
 - d. Terrible idea
 - e. Unsure
5. Might a digital price tag system save time?
 - . Yes
 - a. No
 - b. Maybe
6. Why does the current price tag system use paper?
 - . It's how it's always been done
 - a. It's simple
 - b. Its efficient
7. Which might be the most eco-friendly option instead of paper tags?
 - . LED
 - a. LCD
 - b. E-Ink
8. Opinion towards the recommendation of a digital system
 - . Yes, switch to a digital system
 - a. Unsure
 - b. No, do not switch to a digital system

Survey Questions for Best Buy Mobile Management

I am an undergraduate student at UBC currently enrolled in a technical writing course. The purpose of this survey is to obtain data on management's opinion about the current price tag system. The final formal report will be addressed to the Best Buy British Columbia District manager. My research combined with the surveys will culminate in a recommendation regarding the current price tag system. The survey contains a mix of short answer and multiple choice questions. It should take no longer than five minutes. Your responses are voluntary and anonymous. Thank you for your participation in this survey.

1. Duration at Best Buy Mobile thus far
 - a. 2 years
 - b. 3 years
 - c. 4 years
 - d. 5 years +
2. Opinion on current price tag system
 - . It's perfect
 - a. It's efficient
 - b. It works well
 - c. It needs work
 - d. It's terrible
3. Might a digital price tags system save money?
 - . Yes
 - a. No
 - b. Maybe
4. Why does the current price tag system use paper?

- . It's how it's always been done
 - a. It's simple
 - b. Its efficient
5. In your opinion, why doesn't Best Buy use a digital system? (Open ended)
6. Which might be the most eco-friendly option instead of paper tags?
- . LED
 - a. LCD
 - b. E-Ink
7. Opinion regarding the recommendation of switching to digital price tags
- . Yes, switch to a digital system
 - a. Unsure
 - b. No, don't switch to a digital system