

Health, Beauty & Wellness Retail: 5 Replenishment Pitfalls AI Can Help You Eliminate

Newly emerging categories, overnight product hits, and social media trends driving demand patterns crazy globally - demand forecasting in health, beauty, and wellness retail can no longer be one-size-fits-all. Hunch-based adjustments to order plans built solely on historical data can undermine your business gains.

Here are 5 replenishment pitfalls that are eroding your bottom lines and can be eliminated with AI-led automation.

While Product Mix Changes Rapidly, Replenishment Planning Lags

Challenge

The product mix in health, beauty, and wellness retail changes rapidly - many new SKUs are being launched while some are being phased out, making traditional forecasting unreliable.

Solution

AI-led hierarchical forecasting learns from similar products and categories, ensuring SKU-store level precision even for products with limited historical data.



Not Planning for Demand Distortions Induced by Overlapping in-Store Promotions

Challenge

Diverse types of in-store promotions running in parallel affect demand differently. Some grow the category, others just shift sales within it, while traditional forecasting models only demand lifts.

Solution

AI-led auto-replenishment solutions can model demand shifts as well as demand lifts uniquely for each offer type, enabling precise replenishment and preserving promotional gains.

Demand Shifts and Category Impact from Quick Sellers

Challenge

New launches in health, beauty, and wellness can rule the market. Not planning for demand distortions from new launches imbalances the stock, leading to overstock and stockouts, hurting margins.

Solution

AI-led replenishment planning factors in the new launches, and models demand shifts across categories for all store locations. So, retailers can ensure every store is stocked just right.



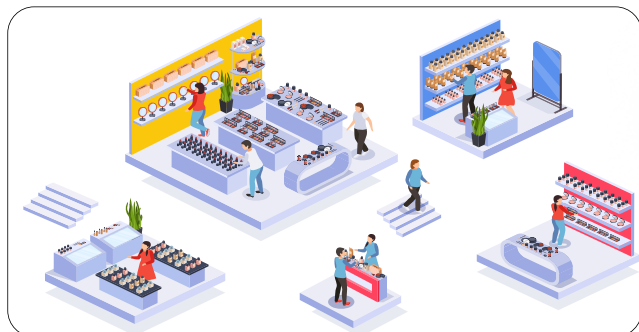
Overlooking Revenue-Driving Products

Challenge

In health, beauty, and wellness retail, 80% of products (the slow movers or long tail of assortment) contribute to 40% of sales, and overlooking them means missing revenue.

Solution

AI-driven solutions offer uniform forecasting and replenishment planning rigor for all kinds of products, including slow movers, ensuring SKU-location level accuracy at all stores.



Missing the Brand Loyalty and Social Media KPIs

Challenge

Brand loyalty and social media influence are strong in health, beauty, and wellness products, but traditional forecasting tools can't factor in such variables to optimize order plans.

Solution

AI-driven demand planning and replenishment solutions can factor in unlimited demand influencers, like brand loyalty and social media KPIs, ensuring accuracy even when demand is driven/expected to be driven by social media campaigns.

