

## Have You Been SKU'd Lately?

Almost everyone in America gets SKU'd on a daily basis as the result of some sort of SKU error. A "SKU" is a "Storekeeping Unit." That's not the number that's printed on virtually every piece of merchandise in today's retail establishments—those numbers are called UPCs (universal product codes). However, in many cases they are essentially the same. The SKU number is what the retailer has in the computer to identify the product and, in some cases it can be different than the UPC you see printed on the product. However, when the clerk scans the UPC barcode it always leads the cash register to identify the SKU for the produce or some combination of products such as three widgets for the price of two. However, for the purpose of this observation, asking if you have been SKU'd sounds a lot sexier than asking if you have been UPC'd.

When an item's bar code is scanned, the computerized cash register, usually connected directly to a corporate computer someplace, sends to the store at least two pieces of key information about the item: what it is and how much it costs. At the same time, the corporate computer is advised of "point of sale" activity. In that manner, the McDonald's folks, for example, can sit in their corporate war room and watch the success of their hamburger wars unfold, burger by burger.

I have no problem with this system except when it works to cause undue delay in the checkout process, or when the corporate folks use the information to restrict my choices. Ideally, the system should speed up checkout and make sure that shelves are well stocked with hot selling merchandise, but that isn't always the case.

I'm sure that each case of SKU or UPC error is better remembered than trouble-free checkout experiences, but it does seem to me that my trip through the checkout line is hampered at least two or three times a week as a result of some item not having a UPC number or not being correctly correlated to a SKU "in the computer." In either case, all progress in checking out customers must be halted until the errant codes are clarified. Sometimes this can be done with lower-level staff but, in the case of more serious errors, top management must also be consulted.

It is especially rancorous when a SKU/UPC problem arises from a totally innocuous purchase. For example, I've seen situations where a guy buying several hundred dollars worth of merchandise at a hardware store is held up because the SKU for a five cent screw cannot be found. While we all stand around waiting, finally a manager type comes over with a big book full of computer printouts and finds the missing SKU, which must then be manually entered using the cash register's key board. I'm sure that we have all been tempted to say to the clerk, "look, I'll give you a dollar for the damned screw, but just get me out of here."

Then there is the other side of the SKU/UPC problem, the uses to which the corporate folks put their point of sale information. Again, I'm sure this is a gross exaggeration, but it seems to me that I have weekly experiences with store shelves being empty of items that I buy in quantity, and also empty of items that I only rarely purchase. In the first case, the consumer wonders, "I buy six of these every week, doesn't their computer tell them that they need to put more of these on the shelf?" In the second, we sometimes feel that the corporate computer is being used to narrow our choices. For example, a hardware store may feel that it has too many different types of nails in its inventory so it might use its computer data to identify slow selling nails and then eliminate that type from inventory. Taken to an extreme, this would eventually lead to the store carrying only one type of nail and probably one of the larger sizes. That way, if a customer complained about the store not having smaller sizes, the sales clerk could simply suggest that the customer buy the larger size and then cut off the amount not needed.

The thing that bothers me the most about the SKU/UPC thing is that it seems to absolve the local store manager from having any responsibility whatsoever for the pricing and stocking of merchandise. I've found that in most stores it is a waste of time talking to a manager about stocking issues. They just shrug their shoulders and indicate that "corporate" determines what is going to be sold in their store and how many products will grace their shelves.

Speaking of stocking, have you noticed how shelf space is used in our so-called super markets? Have you noticed how often an abnormally large amount of space is devoted to particular products. That sort of shelf-hogging reduces variety. If Kellogs, for example, were to bribe a chain to give their Corn Flakes a four-box spread on the shelf, that would result in three other varieties of cereal not being available. When you glance down the aisle it looks like they have fantastic selection of cereal, but when you start analyzing the actual variety you find that the selection is not so great.

But back to SKUs. I'm not against the use of SKUs and UPCs or point-of-sale information systems, just their misuse to slow down checkout lines or manage merchandising in a way that reduces my access to a variety of merchandise. Also, trust me, I don't buy anything that is SKU-controlled without carefully checking to see that it has a fully legible UPC bar code. Of course, that still doesn't solve the "not-in-the-computer" problem but it handles most issues. Sometimes, of course, it is very difficult to find an item that has a good bar code. Small plumbing parts often have this problem. They are simply too small to provide a decent surface for installing a legible UPC sticker, but they try anyway. This is one of the reasons a lot of small items now come in plastic bags. The bag provides a place to put a label.

Don't get me wrong, I'm not a Luddite and I don't expect these systems to go away, nor would I want them to. For all the complaints I have about them, I've got to admit that they have a lot to do with making merchandizing more efficient and thus reduce prices.