

# ESL Implementation

Electronic Shelf Labels (ESLs) can be a powerful tool with the potential to help retailers improve pricing accuracy, save on labor costs and increase customer satisfaction. This real-world retail study examines a full-store ESL implementation at Germantown Hardware to determine best practices and potential return on investment.



## The Challenge

As the retail landscape evolves and store-level technology advances at a rapid pace, it is imperative that retailers stay informed about the latest developments that could potentially benefit their operations. Over the last several years, retailers have been examining the perceived benefits of implementing Electronic Shelf Labels (ESLs). To vet this concept, Orgill worked with Germantown Hardware to conduct a real-world evaluation of ESLs and their efficacy.



## The Solution

Marshalling the resources of its internal technology team along with representatives from Central Network Retail Group (CNRG) and Tyndale Advisors, Orgill selected VusionGroup's SESimagotag system to test the ESLs using Germantown Hardware as a living laboratory. The implementation team rolled out 26,000+ ESLs at Germantown Hardware in September 2023, in just six days. The goal was to determine how the ESLs would positively impact the operation and how to evaluate return on investment.



## The Results

The ESLs essentially eliminated pricing mismatches between shelf and register, improved speed and accuracy of price changes and freed staff from manual tagging duties. Initially the teams advised that ROI calculations based solely on labor savings might be shortsighted. Instead, they felt any ROI evaluation of ESLs should also consider "soft metrics" like enhanced customer trust, consistent margin control and improved inventory visibility pointed to a more realistic two- to three-year return. The Germantown Hardware case reinforces that while ESL implementation requires upfront investment and planning, the operational efficiencies, pricing precision and customer experience improvements have the potential to yield long-term benefits. It also demonstrates how real-world, data-driven testing can inform retail strategies across broader networks.

"It's definitely been a game changer for us and it provides us with a degree of **confidence knowing that our prices and shelf-level information will always be accurate.**"

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**Chris Clark**

Store Manager,  
Germantown Hardware



## The Benefits of ESLs

### Accurate Shelf-level Pricing and Data

Discrepancies between the bin price and the price in the POS frustrate customers. ESLs update automatically when a price changes in the POS so the prices always match. Having accurate price and item data displayed on the ESL tags also helps mitigate any regional retail compliance issues or any potential fines associated with items missing or having inaccurate prices.



### Nearly Immediate Pricing Updates

Over the last several years, as the home improvement industry has experienced massive pricing fluctuations on some products and competition has become even more focused, the importance of having rapid implementation of price changes has never been more important. ESLs allow retailers to respond quickly to price changes more accurately and thoroughly than manual changes.



### Labor Savings

The amount of time retailers typically dedicate to processing price updates can be a meaningful strain on their payroll dollars. Additionally, employees who are tied up doing price updates aren't free to provide customer service. When it comes to return on investment, labor savings may be one of the most easy-to-calculate benefits of implementation.



### Enhanced Customer Service

The effects ESLs have on the overall customer experience may be more difficult to quantify but may offer the biggest benefit overall. Having a clear, accurate price displayed on every item creates a better customer experience and is a better alternative than the damaging effects of inaccurate prices. Customer response from the trial at Germantown Hardware has been positive, suggesting that customers easily adapt to this new technology.



## Go behind the scenes! Read the full case study now.

Read the full story behind the ESL rollout at Germantown Hardware to see what the Orgill and CNRG teams learned about the benefits of implementing this new technology. The full case study will dive deeper into how ESLs work and the best practices Orgill gleaned from a real-world test case.