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Shoeby boosts revenue by 2.96% using the WAIR AI Replenisher

About Shoeby

Shoeby is a leading Dutch fashion retailer with 240 stores located across the Netherlands and Germany, as well as an online shop. Founded in 1981, the company helps customers discover affordable, stylish clothing that matches their personal taste. Shoeby sells 4.9 million products a year, with 2,800 different styles and 15,000 Stock Keep Units (SKUs), providing a variety of options to ensure shoppers can always find their next favorite addition to their wardrobe.

The Challenge

Shoeby was using a traditional replenishment system that didn't let the team work as efficiently as they wanted to. Stock levels (min/max) were set based on the initial distribution of the product and replenishment was set to maintain these initial levels throughout the whole season. This system didn't take into account how well items performed at different stores, which was especially frustrating when dealing with limited collections where the same SKU would be in-demand at one location and be marked down at another.

The Challenge

Shoeby was using a traditional, 1-to-1 replenishment system and didn't have the time and resources to manually optimize all stores and products.

The Solution

Shoeby uses WAIR's AI Replenisher to make SKU-level sales predictions for the brand's 240 physical stores. Min/max stocking limits are automatically adjusted in the ERP based on trends in customer demand and sales performance.

The Results

- 4% increase in inventory turnover
- 2% reduction in end-stock
- 3% growth in total revenue
- Based on 30% replenishment stock

With a team of 6 merchandisers responsible for managing inventory at all 230 stores there was only time to manually optimize the high and low performing products. The team also didn't have the resources to analyze unique sales trends of specific stores, which led to inaccurate sales predictions.

Shoeby wanted a way to optimize replenishment for all products that would improve sell-through and reduce the cost, and waste, of overstock. The company also needed a solution that wouldn't involve a long implementation process or require the busy merchandising team to adopt a whole new platform.

The Solution

Shoeby chose the WAIR AI Replenisher to efficiently maximize the revenue of their stock. The AI Replenisher provides Shoeby with a custom machine learning model for replenishment of physical stores. It takes into account sales data, product information, regional demand, individual store performance, and unique business insights and priorities to make SKU-level sales predictions that allow Shoeby to allocate stock based on revenue potential.

The model continuously learns customer behavior and recommends small adjustments to replenishment that add up to big bottom-line improvements in sell-through rates, overstock reduction, and revenue growth.

The AI Replenisher is a layer of intelligence that integrates with a company's enterprise resource planning (ERP) software so teams can leverage the full power of WAIR directly from a familiar ERP interface. Shoeby implemented the AI Replenisher with Microsoft Dynamics 365, powered by ACA Fashion Software's XPRT solution, in just 10 days.

Now, intelligent sales predictions are sent directly to the ERP and are used to automatically adjust the minimum and maximum stocking limits. Shoeby merchandisers have the freedom to override recommendations, set business rules, and switch between algorithmic and manual control of any store, category, or SKU as needed.

The Results

With the AI Replenisher Shoeby is now able to execute a replenishment strategy that boosts the full-price sell-through rate of all products, in a fraction of the time it previously took them to optimize only the high and low performers.

At the beginning of each season Shoeby assigns 20% of product to be used for ongoing replenishment. By improving the performance of this 20%, in one year the AI Replenisher led to a 4% increase in inventory turnover and a 2% reduction in end-stock.

Shoeby saw a 2.96% growth in revenue in the first year of implementing the AI Replenisher, which equates to €2.9 million added value.

About WAIR

WAIR is an Amsterdam based startup founded in 2019 with the idea that top-shelf technologies should be accessible to retailers of all sizes. With a team of retail experts and machine learning engineers working side-by-side, WAIR designs solutions that allow businesses to add intelligence without breaking processes, platforms, or the bank.

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