CASE STUDY — *Phase Eight*

Eradicate stock-outs by selling store stock on the web

OneStock

AGILE OMNICHANNEL CLOUD FOR RETAIL

Table of contents

1. The Client

Phase Eight

COUNTRY
United Kingdom

SECTOR
Fashion Retail,
Ready-to-Wear

WEBSITE
www. phase-eight.com

Phase Eight is a well established retailer of ready-to-wear fashion and accessories for the sophisticated woman. Based in London, and with global sales of over £190 million, the brand has built a network of over 400 stores and concessions in the UK, in addition to over 190 points of sale across Europe, Asia, the Americas & Middle East. Phase Eight has grown rapidly in recent years, not only by adding new stores and concessions, but also through development of their online presence. Online sales: £45 million and growing (+34% in 2016).

2. The Challenge

Phase Eight has always managed a broad clothing and accessories offering, with over 600 styles each season, allocated in single size runs across the breadth of the store estate, but replenished daily from the central DC. As a result, from mid-season onwards, the stock of the top 200 best-selling styles was consistently fragmented in stores, and often out of stock in the DC, which could no longer provide replenishment to the online channels. Consequently, the significant online demand for these items could not be fulfilled, with over 30% of size SKUs unavailable for dispatch to web customers from the DC, despite these items still existing elsewhere in the network of stores. Unable to fulfil web orders from the store stock, many of these items were historically sold in store later in the season at discounted prices in the Sale, causing Phase Eight significant profit margin loss.
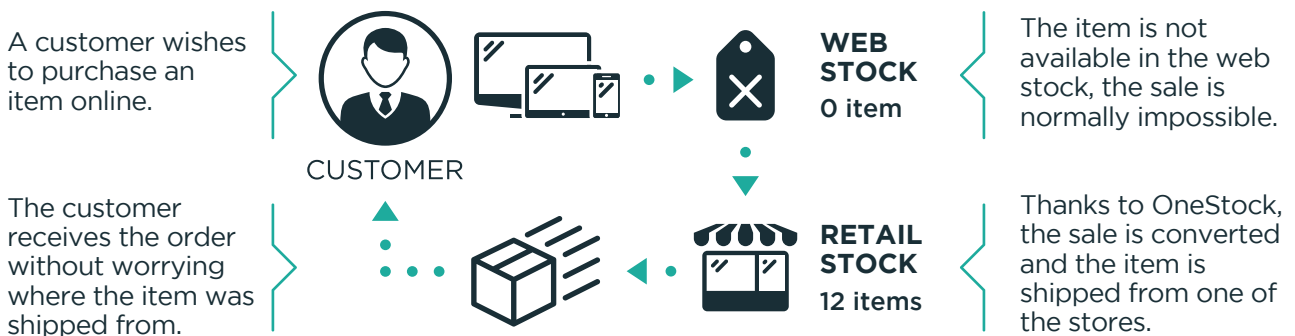
3. The Solution

Ship From Store: the solution to 'Out of Stock'

Concept

OneStock aggregates both web stock and in-store stock across the entire retail network, enabling the shipping of products purchased online directly from any physical store. The stock pool becomes entirely unified for the online customer, and each store seamlessly takes on the same dispatch functionality as the central warehouse.
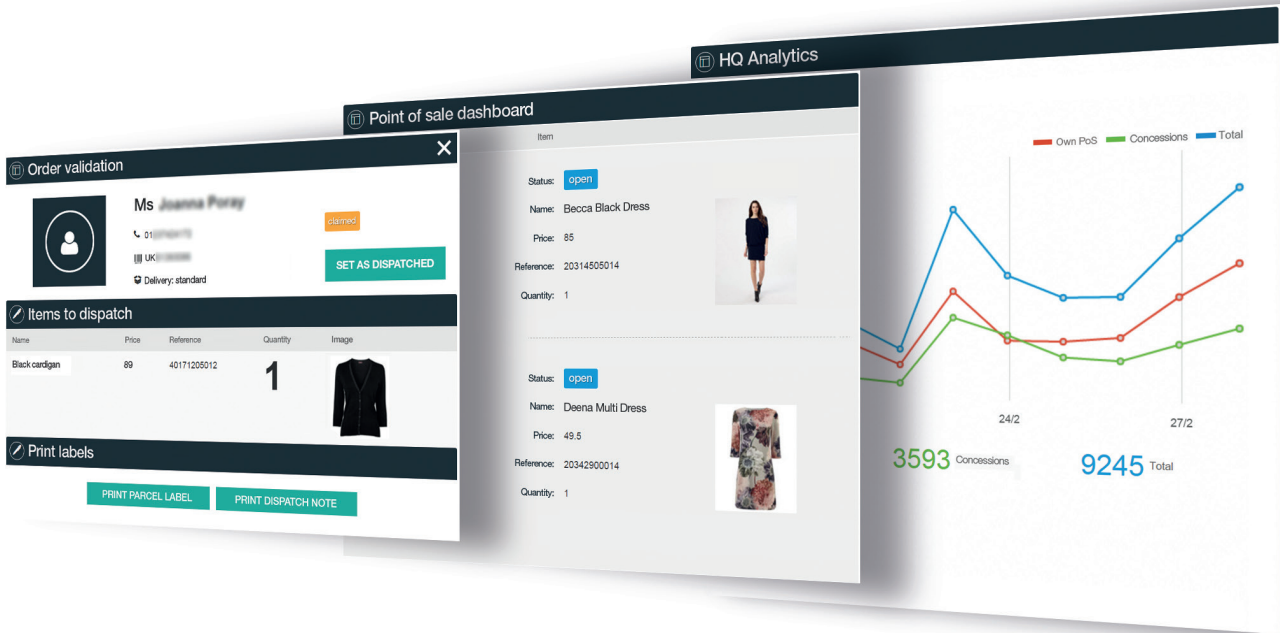
Whether an item is available in the web / central stock or only in one or several stores, it is displayed as available on the Phase Eight website and those of its partners. The customer can then complete the order and receive their product under the same standard conditions.

Eradicating the DC – store stock fragmentation has enabled Phase Eight to optimise inventory and maximise availability until stocks are completely exhausted. By giving a clear overview of stock across different channels, as well as the entire store network, OneStock also facilitates the movement of products between physical locations if necessary.

A customer wishes to purchase an item online.

CUSTOMER

WEB STOCK
0 item

The item is not available in the web stock, the sale is normally impossible.

The customer receives the order without worrying where the item was shipped from.

RETAIL STOCK
12 items

Thanks to OneStock, the sale is converted and the item is shipped from one of the stores.
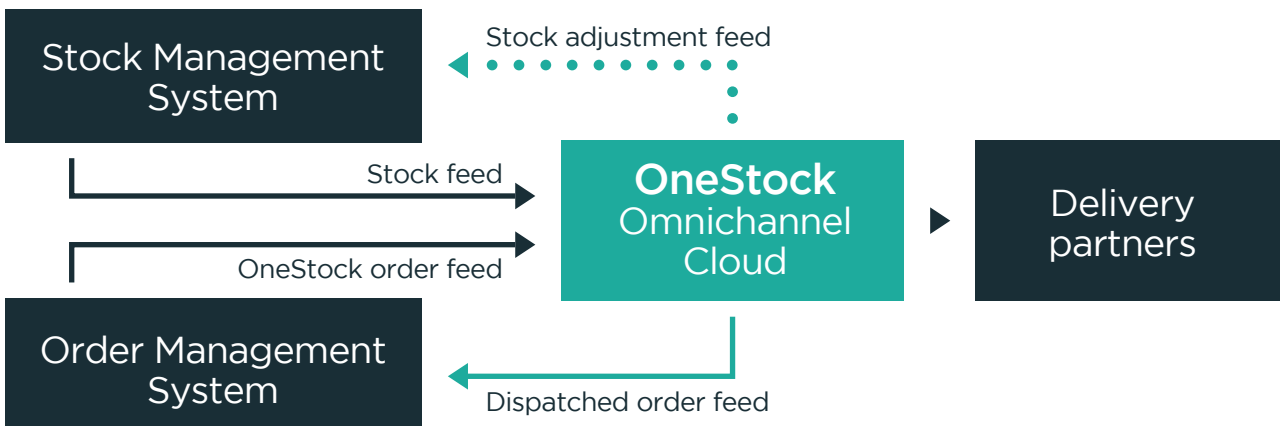
Process

All the magic happens in a user-friendly, web-based dashboard that all store staff have easy access to. Every morning, the dashboard presents the claimable orders for the store, which then updates automatically through the day as orders are received. Orders have been electronically pre-checked against the store's available stock and are available for claim by the store manager. The system offers a highly graphical user interface and logical workflow, clearly displaying the status of orders. Items are selected, picked and packed, together with a courier label printed, and the item marked for dispatch by the store staff for automated courier collection.

Technology

OneStock is platform agnostic, integrating with the clients' existing Order / Stock management system, typically within 8 to 10 weeks from receipt of mandate.
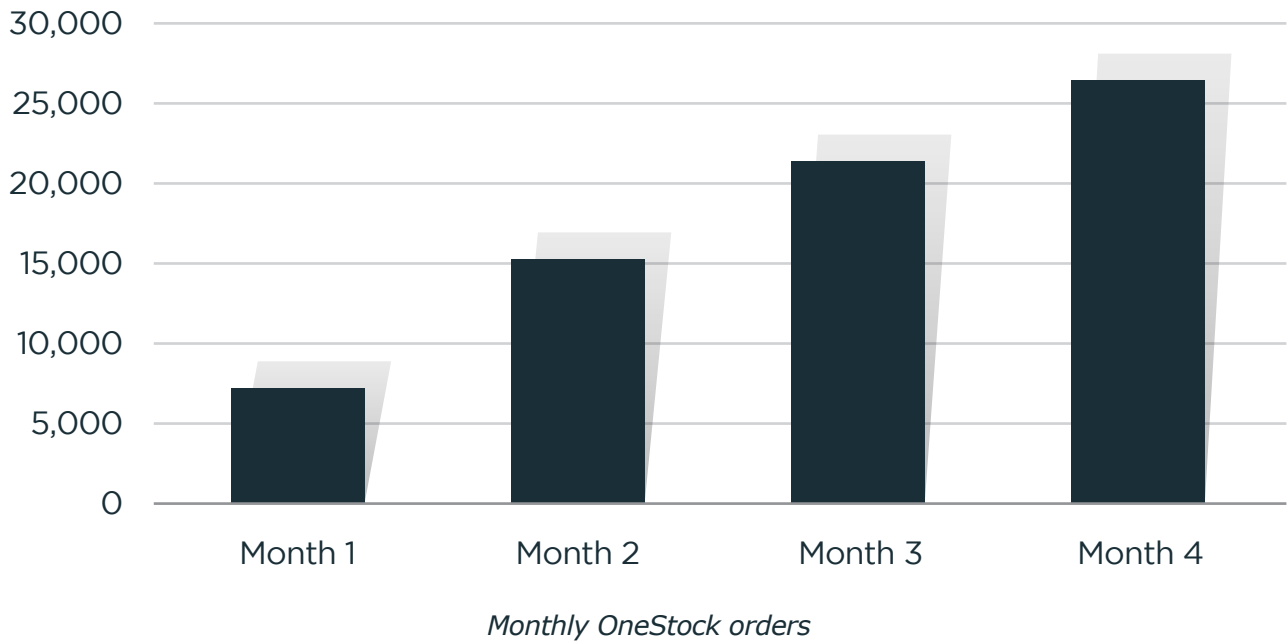
4. The Outcome

OneStock delivered results immediately after implementation: within 24 hours from the moment the system went live, the number of items / sizes unavailable for online order was dramatically reduced from 32% to 18% overnight, across a pilot of only 18 of the brand's stores.

OneStock orders after 1st weekend

The graph chart below displays the rise in orders fulfilled through OneStock in the first months following its rollout. Phase Eight has recorded a rapid increase in the volume of orders: a total of over 100,000 extra fulfilled orders that prior to OneStock would have been lost as (full price) sales. The retailer has recorded an average of 321 extra online orders fulfilled daily.

Monthly OneStock orders

Key figures:

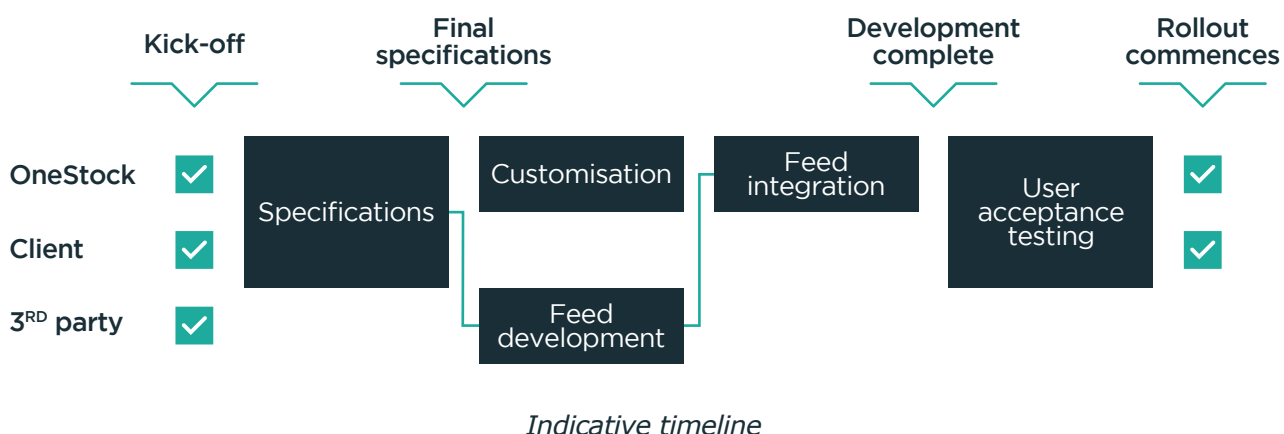| +16%	Increase in online conversion rate
£1.1m	Additional sales in just 8 weeks
£6-£8m	Projected net Full Year additional revenue
+30%	Further increase in OneStock turnover following integration with Debenhams

5. Implementation time frame

The OneStock solutions can be swiftly implemented, with very little integration. The implementation timeline from kick-off to full store rollout is 8 to 10 weeks and takes place in 3 key phases:

• Client functional specifications: following the kick-off meeting, the client is assisted by OneStock to specify the details of how Ship From Store should be implemented in its operational, technical and business environments.

• Integration with the client's information system: while OneStock carries out the customisation of software functionalities, the client's Order / Stock management system provider develops the required feeds, which are then integrated by OneStock.

• Test and roll-out across retail estate: once the technical development is complete, the software is tested by the client in live conditions, in order to make sure it meets all requirements before launching the rollout across all retail stores.

Indicative timeline

6. Change management

OneStock is a complete solution that operates on multiple levels, from website, to head office, to retail network. As a result, the solution requires clear internal communication and collaboration between a variety of departments within the business: it is key for people from e-commerce, IT and retail to work closely together.

OneStock are able to provide active support in helping the client manage these changes, making sure that all members of retail and head office staff are appropriately trained to take over the solution's features before running live.

7. Integration with Click & Collect

Besides Ship From Store, the OneStock software suite powers a Click & Collect solution, which makes perfect sense, considering that on average up to 30% of Click & Collect orders can typically be fulfilled directly by the chosen store – materially saving logistics overhead, as well as improving the speed to customer.

OneStock Click & Collect has a light touch integration and implementation process and can be ready to go live within 2 months.

Additionally, the OneStock Clienteling solution links the online browse history of a client to its Click & Collect record and generates machine learning based recommendations on the vendor's device. This not only makes it easier for shop assistants to cross sell at parcel collection, but it also allows brands to unify the online/offline experience - when a cross-sell is made, the two purchases will be linked together.

8. Quotes

Lee HARLOW
MD
Phase Eight

"Prior to the implementation of OneStock, we would show certain sizes or styles as 'out of stock' online, as they were sold out in our warehouse, despite often still existing in our physical stores and concessions. Our CS team fulfilled ad hoc customer requests, but we were missing a significant sales and service opportunity. Straight after deployment, we recorded a important increase in our online sales. Within the first 8 weeks, we delivered over £1 million of OneStock orders through our store estate for items that would previously have been out of stock. Store teams have also responded incredibly positively to the added sales opportunity."

Guy TAMBLING
IT and E-Commerce Director
Phase Eight

"Stock availability is moving the needle more than any other initiative. Thankfully we've already made this a reality using OneStock, who delivered the project on time and budget, and provided us with great agility for further enhancements and fine-tuning. Integration of OneStock with other cross-channel initiatives has brought us additional business benefits in terms of both sales and cost reduction."

9. About OneStock

OneStock is the editor of a cross-channel retail optimization software suite, revolutionising ecommerce sites by enabling them to sell products that are out of stock in the central warehouse, provided they are present in the points of sale. Such aggregation of stocks generates a 2-digit growth in web sales.

Founded in 2010 after ten years of research and labelled French Tech, the company is located in Bristol, Paris and Toulouse. It has a significant customer base in Europe, with a clear focus on the fashion, footwear and giftings industries.

In the UK, OneStock is the preferred solution of retailers as diverse as LK Bennett, Jigsaw, Phase Eight, Coast, Whistles, The Perfume Shop, Thomas Pink, Get The Label, Fortnum & Mason, etc.

A few references

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