

FITTING THE NEEDS OF FASHION RETAILERS

INSPIRING SHOPPER LOYALTY AND INCREASING PROFITABILITY

Manage every aspect of your operation with greater efficiency and control. SAP for Retail solutions help fashion retailers gain a deeper understanding of shopper needs, manage the merchandise life cycle, optimize supply chain operations, and manage the buying experience to inspire shopper loyalty.

How do you meet the needs of your basic shoppers – the ones who know what they want and what they want to pay – as well as fashion-focused shoppers interested in the latest trends? More important, how do you meet their needs while maintaining profitability and supporting your brand image? With disparate software solutions to manage core business processes, accomplishing these objectives can be a challenge.

practice templates allow you to start using and adapting the solutions immediately to drive enterprise-wide best business practices. With SAP for Retail, you can deliver a shopping experience that heightens not only short-term sales revenue but long-term shopper loyalty – and boosts residual sales generated by promotions, up-selling, and referrals.

An Inspired Shopping Experience

With an integrated software solution, you can gain an accurate understanding of shopper demand and achieve the control you need to drive effective operational strategies. The SAP for Retail solution portfolio addresses these needs by enabling you to create a business process platform that serves as a foundation for establishing and implementing cohesive strategies across your retail chain. This approach lets you leverage insight into shopper behavior, use it to define your merchandise strategy, and optimize your supply chain operations (see figure). Your organization evolves into an integrated, responsive, and agile business, able to react quickly to changing fashion trends and competitive conditions.

Delivering an inspired shopping experience requires deep insight into shopper behavior, careful strategizing and planning, and the flawless execution of those plans. SAP for Retail helps you every step of the way with the tools to positively impact performance and profitability. The software supports these objectives through the following five-step process:

- **Discover the insight** – Access clean data to better understand your target shoppers, the competitive environment, and how to create demand.
- **Define the strategy** – Align the organization's short- and long-term goals in a streamlined manner to quickly differentiate your offerings and to keep up with changing fashion trends.
- **Develop the plan** – Develop a proactive plan that guides all levels of the business through each shopping season.
- **Drive the execution** – Deliver newly launched items quickly and accurately to the right store, at the right price, and based on the most up-to-date store-level information.

A Complete Solution Framework

SAP for Retail provides you with a complete framework that helps you effectively meet the needs of your shoppers and execute your strategies. Using the SAP® solution portfolio, you can deploy the functionality you need in a modular fashion as you need it. Preloaded best-



- **Deliver the experience** – Deliver an outstanding shopping experience by having the desired merchandise in stock, an appealing assortment, and the expected level of customer service.

Discover Insight Through Accurate Data

To provide a more inspired shopping experience, you need to gain insight into lifestyle trends, shopper behavior, competition, and key economic indicators that influence buying habits. SAP for Retail software includes data management and analysis functionality that helps you compile and harmonize internal and external data to support your strategic and tactical decisions. Working from one clean set of data increases efficiency and creates a single view of shoppers across all channels. Coupling this with external data about shopper trends provides you with the

insight you need to understand how to drive demand among your shoppers.

The software supports collaboration with your vendors and suppliers so you can develop product launches in line with trends to create demand. By sharing information electronically with design and development, merchandising, vendors, factories, agents, and global trade offices, you can communicate more quickly and efficiently, saving time and reducing costly mistakes. Also, by enabling the fast creation of reports and dashboards, the software facilitates the delivery of actionable information for key business stakeholders.

Define Strategies Based on Comprehensive Understanding

As you understand more about your shoppers, you can establish more effective strategies to continually enhance

your brand identity by quickly developing the right new products. Once you identify the merchandise you want to

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create, SAP for Retail helps you manage the style development process. You can share concepts and plans both internally and externally. As you launch new product lines, all departments are in sync with the strategy so that the items arrive in the right store at the right time. With better collaboration tools, you can strategize and execute more quickly. These tools also help ensure a consistent auditing and approval process to keep all plans within budget throughout your enterprise.

Develop Plans to Meet Objectives

With your strategies in place, SAP for Retail provides merchandise life-cycle tools to help you develop effective tactical plans that support your objectives. By supporting a comprehensive approach to life-cycle pricing that leverages understanding of all factors influencing shopper demand, these tools help you plan and assort your merchandise based on that demand – and shape demand in line with your brand image. You can assess sales data to build



Figure: How SAP for Retail Supports Retail Processes

store-level plans and deliver inventory to the stores where shoppers want it. You can communicate these plans to individual stores so each knows when a style is expiring and what the appropriate new line will be. That way, you won't miss out on the sale as inventory turns.

Additional merchandise, assortment, and store- and fixture-capacity planning features help you determine exactly how much merchandise each store can and should display. You can also set up alerts to identify fast-moving and slow-selling products to drive procurement or markdown strategies.

Drive Supply Chain Execution

Plans are only as beneficial as your ability to execute them. With SAP for Retail, you can leverage comprehensive functionality to optimize the flow of merchandise through the supply chain to help ensure that suppliers deliver the right stock on time to the expected destination at the lowest cost – including newly launched lines. The software supports demand-driven supply chain planning, collaboration, and the automation of export and customs tasks to move your inventory in a timely manner. You can synchronize supplier deliveries to distribution centers and stores through integrated strategic, tactical, and operational planning functionality, which can be tied into the generation of purchase orders to support your accounting processes.

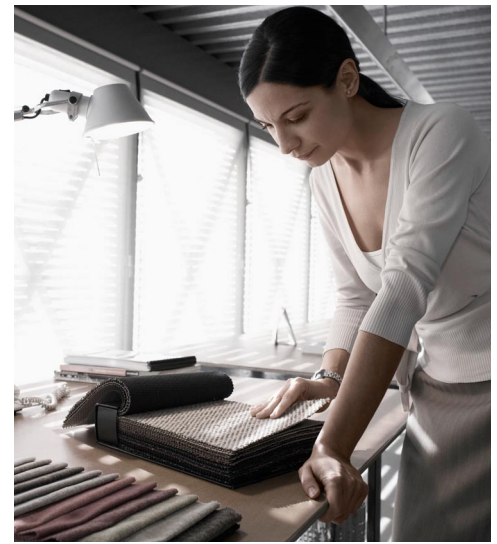
Real-time sales and inventory visibility drives more accurate and focused replenishment and reallocation processes.

Sale and stock exceptions alert location managers to the best and weakest sellers to drive reallocation decisions and pricing strategies. This visibility helps you to track to your plan and prevent problems. For example, you can avoid early store deliveries that prompt sales before advertising reaches consumers, diluting the impact of the event – or late deliveries that result in lost sales, as stores are unable to fulfill advertising-generated demand.

Deliver the Experience Your Shoppers Expect

Ensuring positive experiences for your customers when they shop with you is paramount to retain their business and maintain your brand identity. SAP for Retail helps you empower your sales associates to deliver outstanding customer service while maintaining security and reducing risk. Workforce and talent management functionality supports your efforts to plan staff availability based on predicted demand and to develop and retain skilled sales associates.

By using analytics to understand each shopper and generate targeted marketing, you can create events and personalized sales approaches to support lifestyle shopping and make the experience easier for your shoppers. SAP for Retail also helps you configure highly flexible point-of-purchase solutions to match your needs and sales venue, be it in-store, online, or via catalog. These solutions can be configured with shopper analytics to extract performance data while also auditing the sale to identify possible fraudulent transactions, thereby reducing risks.



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Realize the Benefits

SAP for Retail helps enable the key processes that are critical to delivering a first-class shopping experience. By focusing on these processes, you are instilling shopper loyalty to ensure short-term sales and long-term gains. Not only will your shoppers find the products they need, but they are also likely to buy additional goods and services and to spread the word about their positive shopping experience. SAP for Retail gives you the tools to transition shoppers who visit your store just because it's convenient into shoppers who view it as their store of choice.

For More Information

To learn more, please call your SAP representative or visit us online at www.sap.com/industries/retail.

Summary

The SAP for Retail solution portfolio enables fashion retailers to create a business process platform that serves as a foundation for establishing and implementing cohesive strategies across the retail chain. This approach lets you leverage insight into shopper behavior, use it to define your merchandise strategy, optimize your supply chain operations – and deliver an inspired shopping experience.

Business Challenges

- Access clean and consistent data to understand what drives shoppers to purchase
- Improve planning processes
- Improve inventory and sales visibility
- Enhance customer service

Supported Business Processes and Software Functions

- **Shopper analysis** – Gain insight into lifestyle trends, shopper behavior, competition, and all other factors critical to your business
- **Strategy management** – Define business goals and performance measures at the corporate, zone, store, department, and shopper levels
- **Assortment planning** – Define the assortment of products by store to help ensure that the right items are at the right store and sold at the right price
- **Replenishment** – Replenish and reallocate based on shopper demand
- **Fraud and risk prevention** – Examine and evaluate every point-of-sale transaction for procedural accuracy and potential integrity issues

Business Benefits

- **Maximize sales and increase profit** with the right assortment and reduced markdowns and innovative growth strategies based on market opportunities and shopper trends
- **Establish a single view** of the shopper across sales channels to support decisions
- **Improve collaboration** to speed planning, product development, and deployment
- **Establish a consistent and audited approval process** for all plans to control spending
- **Optimize supply chain** based on store data and inventory visibility to allocate merchandise and deliver items cost-effectively
- **Increase shopper loyalty and revenue** through trained associates and proper staffing levels
- **Customize shopper experience** based on lifestyle and sales history

For More Information

Call your SAP representative, or visit us online at www.sap.com/industries/retail.

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