

Multi-Billion Dollar Global Brand Increases Annual Margins with INTURN

In 2016, INTURN worked with a multi-billion dollar lifestyle company that sells apparel and accessories for men, women, and children. This Global Brand faces the same challenges as many other global brands that impede their margins.

CHALLENGES

INTURN's platform was designed to address these very challenges:

- 1 Global Brand sells its excess merchandise in the off-price market at various levels of discounts. Products are first offered to buyers at 40% off wholesale. The product that does not sell at that percentage is then offered at 50% off and then 60% off wholesale.
- 2 Global Brand is unable to provide full product information and visuals to its buyers. This leads to much of its inventory left unsold at each market level. The remaining product is then eventually sold to the buyer who will buy the most units. Usually the selling price discount is very high, giving the brand the lowest recovery possible.
- 3 Global Brand sends offers to buyers in a linear fashion. It can take weeks to transact, given some buyers can take weeks to respond to an offer. This process takes too much time and causes value loss due to a decrease in demand for that product over time. Additional cost is added with holding costs for that inventory.
- 4 Global Brand deals with inefficient use of time post-transaction due to the manual and error-prone order entry and reconciliation process.

SOLUTION

Global Brand onboarded to INTURN's platform. INTURN consolidated, or "mapped", Global Brand's product information and images from their various backend systems, allowing Global Brand to provide this extra information to its buyers in its first INTURN offer listing. The merchandise was marked at 40% off wholesale.

The final buyer of the listing offer was Buyer A, a global online company that sells American and European merchandise at up to 70% off MSRP.

WHAT HAPPENED

Buyer A bought 25% more units of merchandise with INTURN than it previously would have. According to Buyer A's head buyer, this was a result of actually knowing what they were buying because of the rich product information they were provided.

The negotiation time between Buyer A and Global Brand pre-transaction occurred with an 80% reduction in time compared to transactions the two parties had made prior to using INTURN. Additionally, the purchase order and order entry process was effortless and free of errors, saving both companies even more time and frustration.

RESULTING BENEFITS

Buyer A was able to purchase and receive in a shorter period of time more product that it actually knew it wanted, allowing the company to sell that merchandise at a higher value to its end consumers. The increased efficiency and elimination of errors used less manpower that could be put to better use on another project.

Global Brand enhanced its annual margins by 16% and reduced the sales cycle time by 80%. It sold more merchandise at a higher price, as the 25% more units Buyer A purchased would have been sold at 50-60% off wholesale to another buyer.

