

GUTEMARKEN

Stehmann

Case Study: Stehmann

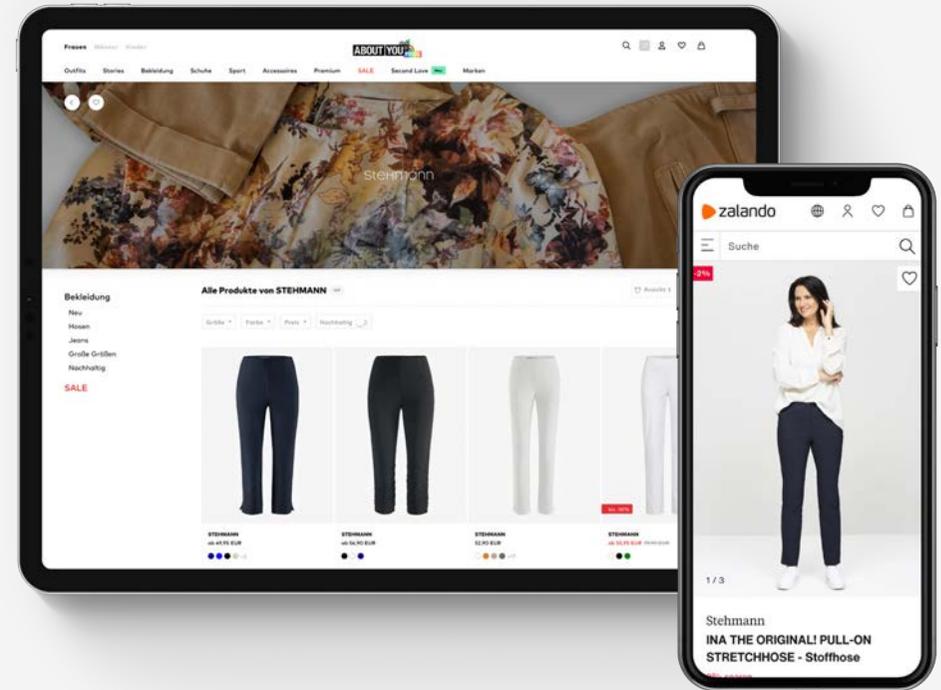
Controlled online growth via
fashion marketplaces

- ✔ +900% sales growth online
- ✔ > 500 pants per week order volume
- ✔ < 50% returns rate

Stehmann Mode GmbH is a traditional family business in its second generation that has been dedicated to women's trousers since 1971.

With a clear focus on quality and a perfect fit, the women's pants specialist supplies its collections to more than 1,250 retailers in over 20 countries. The vast majority of customers are owner-operated, stationary retailers. The company, based in Fürth, Franconia, employs around 70 people and sells three collections per season. The Stehmann range comprises an average of 150 styles, 50 of which are included in the stock program and are available for re-ordering, while 10 styles are constantly re-produced as „never-out-of-stock goods“. The collections appeal to a broad target group, with prices ranging from 39.00 euros to 169.00 euros.

Stehmann wanted to start online sales in the fall of 2020, not only due to the Corona crisis and decreased sales in stationary retail - but also to strengthen the brand's visibility. Since both know-how and human resources were lacking in-house, a cost-effective, convenient option had to be found for a swift start into e-commerce. At the same time, areas such as logistics, fulfillment, customer service and accounting were to be outsourced to take pressure off the team in Fürth. Stehmann chose GUTEMARKEN Online GmbH as an ideal full-service partner.



Stehmann's goals

E-commerce launch through marketplace integration

More visibility for the Stehmann brand

Controlled online sales growth that is easy for Stehmann to manage

Full price control on the internet

Realized by GUTEMARKEN

Connection to online marketplaces Zalando, About You, Klingel, ebay, Otto, Galeria Karstadt Kaufhof, Wenz, Limango

Outsourcing of logistics & returns management to GUTEMARKEN

Outsourcing of fulfillment, customer service, and accounting to GUTEMARKEN

Outsourcing as the fastest and low-risk route to start into e-commerce

Stehmann is an expert in pants and retail, not in e-commerce. New employees with the appropriate know-how would have had to be hired to implement and advance the marketplace business in-house. Stehmann's two-person IT team would not have had the resources for this additional task. „Apart from the fact that it would have been immensely difficult to find qualified employees here, it was also a question of cost and time for us.“

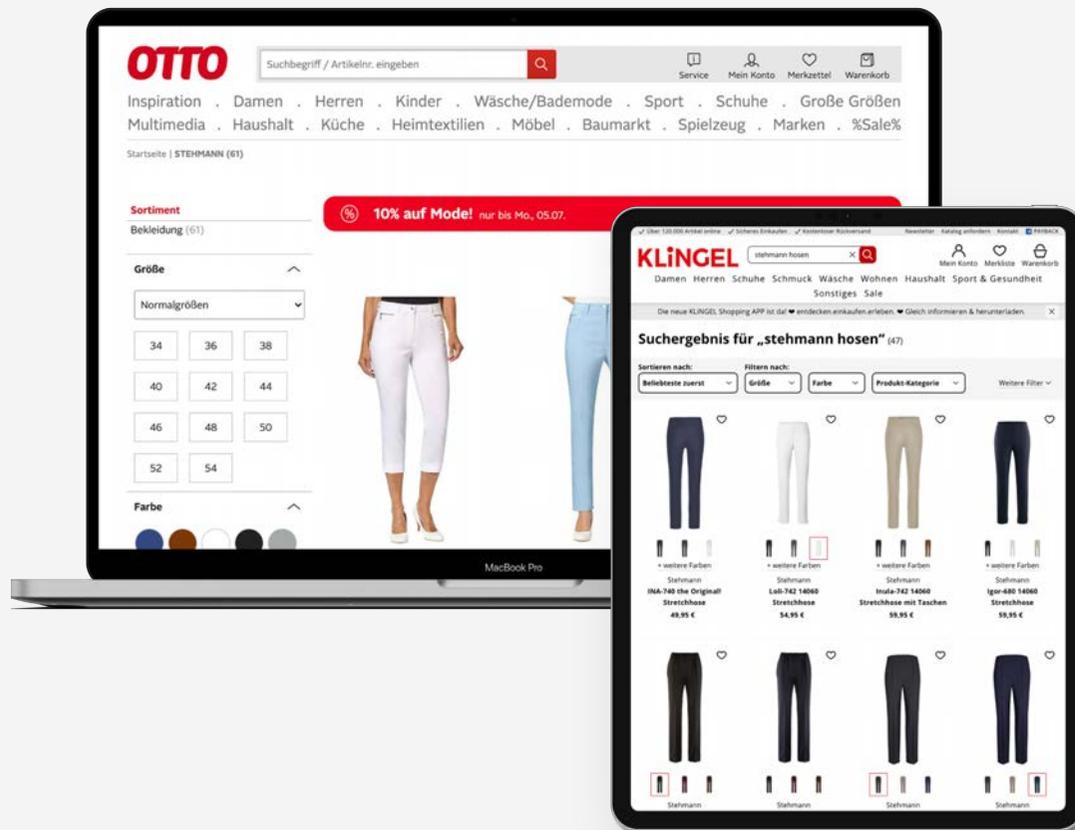
„Outsourcing the marketplace business, including data management, customer service and logistics, was the most cost-effective and easiest way for us to start into e-commerce,“

explains Frank Michel, Head of Sales at Stehmann.

GUTEMARKEN's business model also inspired a great deal of confidence: Participating in Stehmann's online sales via a commission model, GUTEMARKEN has a high self-interest in ensuring high performance on the portals. It took only four weeks from signing the contract to the storage of goods in the GUTEMARKEN logistics center to the onboarding of the products on the marketplaces. Between them Stehmann and GUTEMARKEN developed jointly which collection items should be made available on which portal and in what quantities based on the empirical figures from their combined online and offline expertise.



Price sovereignty prevents price wars with other Stehmann retailers



As a fashion company that sells primarily to brick-and-mortar retailers, launching its own online sales channel was, of course, not entirely free of misgivings: „It’s true, initially many of our retailers were not enthusiastic about this step,“ explains Frank Michel. „Corona helped us here, because everyone has understood by now that business is no longer possible without an online channel.“ Many Stehmann retailers sell via marketplaces themselves and were thus suddenly direct competitors of the manufacturer. But since Stehmann alone determines the prices of its products on Zalando, Otto & Co, there are almost no problems: „We don’t want a price war with our retailers, because if I start reducing my products by one euro in the morning, the pants are 15 euros cheaper in the evening. None of us wants that.“ Keeping pricing sovereignty was one of the most important factors in GUTEMARKEN winning the bid for the collaboration. Stehmann itself only reduces online if it can also pass the reduction on to the retailer via discounted wholesale prices.

„We live from stationary retail and want a good partnership with our retailers. Therefore, price control online was immensely important to us.“

Frank Michel

Easy onboarding and „the best trousers are the best trousers“

At the start of the cooperation, Stehmann not only supplied the pants to kick-off the cooperation, master data for the products also had to be provided. „We are already linked via EDI, so it wasn't too difficult for us to deliver the product data in master data quality to GUTEMARKEN,“ recalls Frank Michel. GUTEMARKEN then takes care of refining and adapting the data to the different requirements of the marketplaces. For example, for the gray Stehmann slip-on pants for senior women to be found at all in the thousands of gray pants in Zalando's range, the quality of the product data is crucial. Appealing and informative product texts are a must and the additional integration of attributes such as „non-iron“ make a big difference. However, one thing has already become clear after six months of marketplace business: „The pants that perform best in stationary retail are also our online bestsellers,“ confirms Frank Michel. Inexpensive pants for 49.95 euros sell just as well as Stehmann trousers for 99.95 euros. Assortment and inventory planning thus turned out to be very predictable.

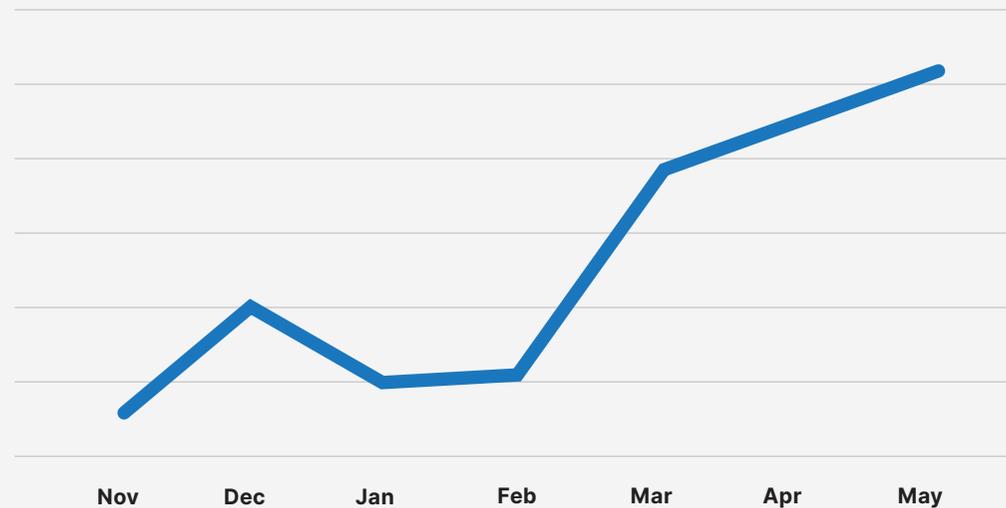


Fast, controlled sales growth and low returns

After six months of experience with Zalando, Otto, Klingel & Co, Frank Michel is very satisfied with the success of marketplace sales:

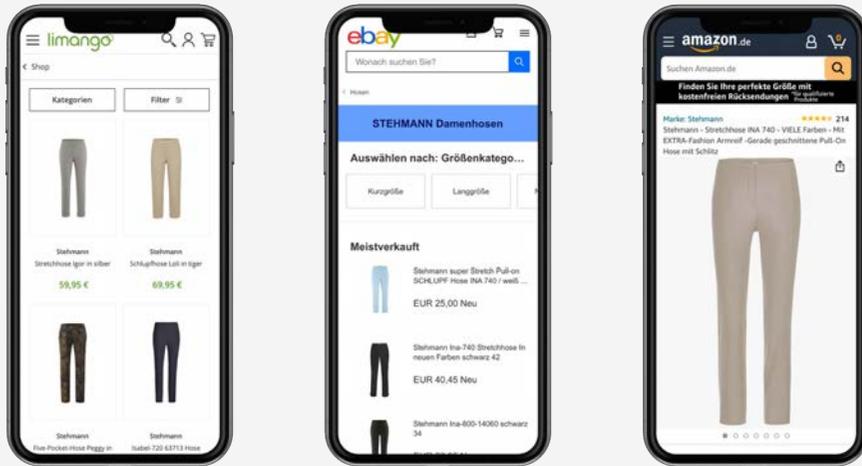
„Sales are developing very well and according to plan, and we know that even more is possible. However, it was important for us to start slowly and gain experience to be sure that we can handle the additional business.“ Frank Michel

Sales development Nov 2020 – May 2021



Stehmann's sales development since the start of marketplace sales six months ago

At the moment Stehmann delivers goods approximately every one to two weeks. When minimum stock levels are reached, Stehmann receives a message. The fact of pants going out of stock is consciously acknowledged as a learning process and saves companies like Stehmann from having to keep unnecessarily high inventories. Frank Michel thus expects further optimizations for the next season resulting in even better performance.



The plan: healthy growth with online marketplaces

Frank Michel is very satisfied with the cooperation with GUTEMARKEN and sees the online channel as a growth driver for the future - in which he also intends to invest. To further improve the performance of the products, all products are to be photographed on the model from the fall/winter season 2021 onwards. Marketing campaigns are also to be tested. Currently, online sales account for less than 10 percent of total sales, but Stehmann is aiming for an online share of 20 percent in the next two years.

40-50 percent of Stehmann's marketing today already relies on bloggers and influencers. Hence, it is important for the company that the products are also available online. Frank Michel sums up: „We therefore want to continue our healthy growth with GUTEMARKEN and steadily expand our involvement in online marketplaces.“

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„We also see the marketplace sales as an important marketing tool for our brand, as it gains high visibility there.“

Frank Michel

GUTEMARKEN

We develop brands with
our system, experience
and passion!



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