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Lauren Seabrook
Head of Merchandising | The Perfume Shop

The Perfume Shop boosts customer experience through agile O+O replenishment

CASE STUDY: INCREASED RESPONSIVENESS TO MAINTAIN HIGH AVAILABILITY ACROSS OFFLINE AND ONLINE CHANNELS

PROJECT SCOPE

With 200+ stores and a dedicated web shop, The Perfume Shop is the U.K.'s largest specialist fragrance retailer. As part of the business's commitment to offering customers a truly seamless shopping experience, The Perfume Shop has invested heavily in developing its supply chain.

PROJECT DELIVERABLES



Supported a 200% increase in online orders



Maintained responsive replenishment & allocation to maximise availability across all channels



Enhanced visibility to mitigate risk amidst evolving trading conditions



Background

As one of the U.K.'s leading retailers, The Perfume Shop strive to offer customers a seamless experience across all channels. Given that the customer journey almost always involves offline plus online, O+O is the new standard for retail and it describes how customers shop today.

The traditional strategy of O2O (online to offline or offline to online) from the past generation drove customers from one channel to another, however O+O is totally different. It is more about creating an integrated experience to better serve customers' needs, that enables them to shop across any channel, anytime, anywhere.

As **Lauren Seabrook, Head of Merchandising at The Perfume Shop**, explains: "Given that Covid restrictions have been implemented at critical periods throughout the retail calendar, often with very limited notice, we have had to adapt our O+O strategy to the changing circumstances."

Sean Wallis, Supply Chain Director at The Perfume Shop goes on to add: "Despite the recent disruption, we remain as committed as ever to provide our customers with the best possible shopping experience. However, to maintain consistently high levels of availability across all of our customer channels, our supply chain is an integral part of O+O retail and it has had to become far more agile."

Agile allocation

The Perfume Shop has worked with Slimstock for several years. Following the successful implementation of Slimstock's inventory optimisation platform, Slim4, the planning team at The Perfume Shop has established a solid foundation for forecasting, allocation and replenishment.

Highlighting how the partnership with Slimstock helped the retailer to navigate the pandemic, **Sean** states: "By working alongside us to support our stock management to achieve our O+O strategy, Slimstock's expert consultants have worked as an extension to our team. With their continued support, we have been able to take decisive action to mitigate the disruption caused by Covid-19."

"Across Black Friday and peak trading, we made decisions on where our stock should be to best support our customers and levels of service across this key consumption period; this allowed us to offer the best O+O experience for our customers, despite the impact of lockdowns on our stores," explains **Sean**.

Slim4 supported the quick transition from centralised distribution to help The Perfume Shop transform affected stores into micro e-commerce fulfilment centres. By tactically holding inventory back to support online sales as stores were forced to close, the retailer was able to fulfil the increasing number of online customer orders; "we were able to leverage our physical store network to support our O+O strategy and delight our customers in a new way."

As restrictions were relaxed, the planning team could then swiftly re-allocate inventory to support the full re-opening of stores.

Lauren adds: "By working in this dynamic way, we were able to ramp up our operations as soon as stores were given the green light to reopen. But more importantly, we have been able to fulfil a 200% increase in online orders many of which were fulfilled via our stores. Ultimately, Slim4 has played an important role in helping us to maintain consistently high levels of availability across both our online and offline channels. Put simply, without Slim4, we would have required significantly more manpower to respond effectively to the changing conditions."

Responsive replenishment

Highlighting how disruption from Covid has created data blind spots, **Lauren** states: "We depend on robust data insights to optimise replenishment across all our customer channels. However, with the impact of local measures such as the introduction of tiered restrictions and even one-way traffic systems in shopping centres, demand behaviour over the last few months has been extremely volatile in every store."

By allowing the team to easily exclude affected periods from store-level forecasts, with Slim4, the planning team could quickly address these data challenges. Furthermore, with Slim4's flexible forecasting engine, the planning team could use demand history from previous periods to gain a clear picture of future inventory requirements.

"With Slim4, we could work flexibly with our data to quickly determine replenishment requirements for each store. As a result, we're able to ensure responsive replenishment," states **Lauren**.

Next steps

Explaining the retailer's plans going forward, **Lauren** highlights: "As we move forward from the impacts of Covid, we are well positioned to continue to leverage our O+O strategy that have rapidly grown and developed over the last 12 months. Slimstock has partnered with us to ensure our technology is aligned to our strategy and future success following the pandemic."

Satisfied with how the business has responded to the Covid-19 pandemic, **Sean** concludes: "In what has been a turbulent period, Slimstock has offered exceptional support. As we pursue our long-term growth objectives, we look forward to further strengthening this partnership."