

# Abercrombie & Fitch Delivers a Consistent Brand Experience Worldwide

When Abercrombie & Fitch laid out a strategy to expand worldwide, the company wanted to ensure that customers would have the same coveted brand experience in every store. "If you walk into a store in the U.S. and you walk into a store somewhere else in the world, they will look exactly the same; they'll sound the same and they'll smell the same," explained Jon Rudy, VP of Merchandising Systems, Abercrombie & Fitch, at Oracle Retail CrossTalk.

Abercrombie & Fitch required a platform that would centralize processes while enabling the business to cater to the unique requirements of each country. In 2009 Abercrombie began moving its merchandising operations to Oracle Retail with the goal of establishing a single global instance for retail operations, enable aggressive planned international expansion, while simplifying the data center and reducing IT costs.

Next Abercrombie & Fitch implemented Oracle Retail stores solutions across its nearly 1,000 stores worldwide to centralize pricing and promotions and create a consistent look and feel for both customers and associates. Oracle Retail merchandise operations management and Oracle Retail stores solutions handle multiple languages, address fields, third-party payment compatibility, and tax and reporting requirements, giving Abercrombie & Fitch more immediate visibility into sales, inventory, and store performance.

## Centralized Retail Operations Help Accelerate Expansion

"Once you have committed as a business to a very aggressive strategy, you have to make sure you have the right platform in place. Abercrombie & Fitch is on a very focused path toward both globalization and topline growth. As a consequence, we have to have this sort of support from a system or technology standpoint that allows us to enable and not hinder what the business processes need to get accomplished," said Rudy.

With Oracle Retail stores solutions in place, Abercrombie & Fitch opened 15 new international stores in three years—reducing the time to open a new store to just three months—and in 2012 reported a 63% increase in international sales over a full year sales cycle.

# Seasonal Buys are Made Later, Received At the Right Time

Abercrombie & Fitch attributes much of its success to consistent, well-informed merchandising operations run out of its Columbus, Ohio, office. By 2011, Oracle Retail merchandise operations management and Oracle Retail stores solutions were accommodating 4,600 users, 855,000 SKUs, and a highest daily volume of 48 million transactions. The number of item and price records sent to stores averaged 18 million per day and 48 million at the peak.



Industry/Sector: Fashion Retailer

Geography/Locations:
Worldwide

Stores: 950+

Website: www.abercrombie.com



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Abercrombie & Fitch



By improving visibility into merchandising operations, the retailer can split orders and receive merchandise when and where it is needed. By 2012 Abercrombie & Fitch reduced shipments by air to 8% of the total shipments; previously it was above 25%.

Globally, Oracle Retail merchandise operations management accommodates critical international business requirements including harmonizing tariffs, enabling management of inventory and profitability by country, and handling taxes and international currencies.

Rudy says business users leverage Oracle Retail merchandise operations management to achieve an impressive list of operational gains, such as making seasonal buys later and with more timely insight into demand; supporting expanded retail operations with a planning team that remains small relative to growth; reducing transportation costs by consolidating commitment and purchase order processes; and tightening up third-party logistics for effective sourcing and distribution, multi-leg allocations and distribution facility management. Through these efficiencies and visibility gained in the purchasing process, Abercrombie was able to see supplier compliance across the top 6 suppliers improve from 93-95% before the implementation to 100% post implementation.

"Abercrombie made a decision some years ago to narrow down who it was going to partner with as it understood the complexities of going global. Oracle is a key member. The reason for our commitment to Oracle is the maturity of its product, the global footprint and the ability to not have to worry about whether we have picked the right platform. We rely on the fact that the underlying platform is solid and dependable," said Rudy.

Helped enable 63% growth in global markets by 2012

Reduced shipments by air to 8% of total from over 25%

Improved supplier compliance across 6 top vendors from 93-95% to 100%

Simplified the data center and reduced IT operating costs

Running a single global instance for merchandising operations management

Supported all POS, language, tax and reporting needs for stores worldwide with a single solution

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