

# Women's Apparel Company Case Study



## Women's Apparel Company

**Situation:** A Women's Apparel Company's Senior Management Team engaged with First Insight in an effort to improve their current product development and selection processes.

**Critical Issue:** When introducing new dresses, the Women's Apparel Company had a relatively low forecast accuracy rate of 48%. They were having difficulty aligning customer demand with product selection, creating the need for heavy markdowns. It was taking far too long to move inventory and the Women's Apparel Company's margins were down.

**Reasons:** The Women's Apparel Company's current in-store testing method was expensive, timely and potentially led to biased results. The company could not afford to test the majority of new dresses. Those dresses that were tested were featured in a limited number of stores for up to nine weeks. In that time, sales associates tended to "push" the new dresses harder than a typical dress, optimistically skewing sales forecasts.

**Vision:** To select the "right" inventory that resonated best with customers, enabling the Women's Apparel Company to achieve highest full price sales and reduce the dependency on markdowns. The company knew they needed a faster and more cost-effective way to accurately test new products.

**We Provided:** The investment guidance First Insight provided, enabled merchants to make more accurate buying decisions based on direct-from-consumer valuation data. The speed and scale in which First Insight could generate preference and pricing information on products showed a measurable improvement to their current testing methods. In as little as 72-hours, the Women's Apparel Company had the ability to gain an accurate, forward-looking view of the most profitable dresses to source and bring to market.

**Result:** An improvement in test accuracy by 13%, which directly relates to a decrease in markdowns and represents a multi-million dollar value proposition for the Women's Apparel Company.