



# CASE STUDY

How did a regional merchandiser adjust his buy to avoid overstock on a declining trend thanks to Heuritech?

\*For confidentiality reasons, the name of the brand has been omitted.





The plaid coat was a best-selling trend last winter. In general, plaid has been one of the hit trends of the last year, and has already spread over to the mass market. Our client, a regional merchandiser for a fast-fashion brand, had to decide on the product assortment for his region during the buying season, and was unsure whether to invest as much in plaid coats as the year before.

He was interested in forecasting the level of demand in his market in the next 6 months, in order to adapt the depth & the width of his offer for this style.

The objective was double:

- Buy the right number of SKUs for this style: he had to choose between 6 colors and 3 lengths in the collection catalogue
- Buy in the right quantities to avoid overstock or stock shortage.

## THE CHALLENGE: BUY THE RIGHT QUANTITY TO MEET DEMAND

Our client's positioning:

- Target: 20 to 45 year-old women
- Price range: between 80€ and 200€
- Time-to-market: 6 months

# WE APPLY OUR VISUAL RECOGNITION TECHNOLOGY TO SOCIAL MEDIA IMAGES

IN-HOUSE METHODOLOGY

METHODOLOGY



## DATA

Heuritech analyzes 3 million Instagram images and videos daily. We have defined 4 representative panels of consumers, from superstars to macro and micro influencers to mass market.

3 MILLIONS IMAGES ANALYZED



## IMAGE RECOGNITION TECHNOLOGY

Heuritech has developed a technology which analyzes image content in a very detailed way: we can recognize fashion trends by product type as well as by defining features: colors, patterns, textures, shapes, details etc.

2000 PRODUCT DETAILS DETECTED



## TREND RELEVANCE ASSESSMENT

With the help of our algorithms, we identify the relevance of a trend through 4 sets of criteria: its past behavior (automatically clustered into 7 categories), magnitude, forecasted upcoming growth and adoption.

7 TREND BEHAVIORS



## TREND FORECASTING TECHNOLOGY

Heuritech has developed an in-house technology that can forecast how trends will evolve over time and understand their adoption from influencers to the mass market.

80 HISTORICAL TRENDS BACKING OUR METHODOLOGY

# THE PLAID COAT TREND IS DECLINING SO OUR CLIENT BOUGHT 3 SKUs INSTEAD OF 6 AS ORIGINALLY PLANNED

## RESULTS



By analyzing our predictions, our client discovered that the plaid coat trend would start declining slowly in his region over the next months, earlier than in other markets. He should therefore be conservative when buying in showrooms to avoid overstock.

## -10% vs last year

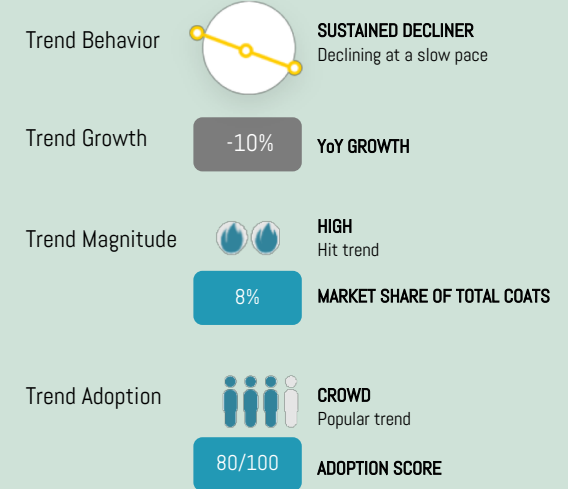
Including plaid coats in his offer was important however, since in terms of volume, this style would still account for a high market share of coats.

## 8% of the coats market share

He decided to adjust his buying plan to narrow the offer, focusing on only 3 SKUs instead of the 6 initially budgeted in his collection plan and decreased the quantities bought by -10%.



## FORECAST in 6 months



## CONCLUSION

Our client avoided overstock by buying 3 SKUs instead of the 6 SKUs originally planned, and thus increased his operating margin by 8% for this buy.



# ABOUT HEURITECH

Heuritech is a cutting-edge technology company that provides fashion brands with the vision they need to stay ahead of today's dynamic market and trends.

Using advanced artificial intelligence (AI) to translate real-world images shared on social media into meaningful insights, Heuritech empowers brands to forecast demand and trends more accurately, produce more sustainably, and achieve unprecedented competitive advantage.

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