

Retail Management Software Expands E-Commerce Sales

Implementing a Web-based retail management solution has helped handbag manufacturer The SAK grow its e-commerce sales from 5% to 18%.

by Julie Ritzer Ross

Since 1989, The SAK has manufactured handbags made of a proprietary fabric called Tightweave. The San Francisco-based company now ranks as the fourth-largest handbag producer in the United States; its merchandise is carried by more than 1,900 department and specialty stores throughout the country, as well as by retailers in more than 22 international markets.

After years of selling only through brick-and-mortar stores, The SAK decided to capitalize on the Internet shopping boom by offering its merchandise through its own Web sites, www.thesak.com and www.elliottluc.ca.com (the latter is The SAK's high-end brand). The company also began selling its wares through such channels as www.ebags.com and www.nordstroms.com.

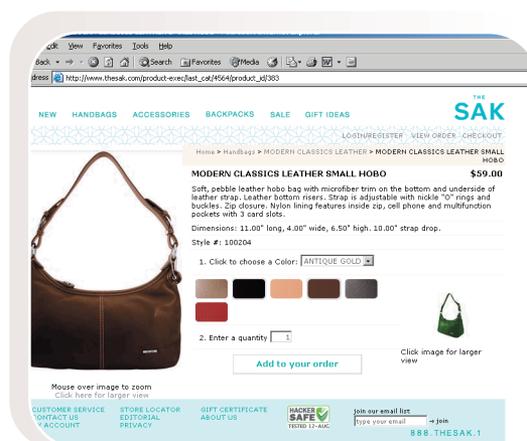
At first, The SAK used a home-grown system to manage the Web sites and its Internet business. But as sales began to increase, management realized the company would be better served by a solution that would allow it to more effectively manage its growing e-commerce arm, while affording it the flexibility to display and promote products in a manner that would best appeal to customers. Also needed was a more efficient

way to manage orders overall.

"The proprietary system was too limited for us," says Kent Griffith, The SAK's controller. "When we wanted to make a change in Web content — for instance, to introduce a new product — we had to have a programmer handle the job. If that person was out sick or on vacation, we were out of luck. Similarly, when an order-related problem came up, it would take a programmer to fix it — leaving the customer waiting and the customer service team feeling helpless."

The company evaluated a number of retail applications. To make the short list, solutions had to be easily maintainable by personnel other than programmers, as well as versatile enough to allow for rapid site content changes. Affordability was a must, too. Retail management software from CORESense was eventually chosen based on the fact that it most closely suited The SAK's requirements.

"Most other applications cost 5 to 10 times our budget," Griffith states. "This one did not, and it had the best mix of price and functionality."



Retail management software from CORESense helps The SAK quickly add functionality, like color options, to its e-commerce site.

Specifically, he notes the solution was found to have the ability to integrate and automate all of The SAK's back office processes across sales channels, from product catalog and inventory management to order fulfillment, customer service, and promotions.

Management also liked the fact that the solution is a Web-based, on-demand option rather than a server-based one. "We wanted to focus on presenting our products and selling them across channels, not worry about data security or what might happen if our server went down," Griffith says.

The SAK began using the application in September of 2004. When it was deployed, e-commerce accounted for approximately 5% of the company's

business; that figure now stands at 18% and is trending upward, according to Griffith. He deems the freedom to quickly implement any new functionality among major benefits of the system. For example, consumers perusing The SAK's handbags on its Web sites can select a zoom icon to obtain more detailed views of particular products or roll across images with their cursors to see how a given item will look in a different color. A function where cybershoppers can view how a handbag looks when carried by different-sized women (i.e. petite, tall, etc.) will be introduced shortly.

Such functionality is powered by the solution's Dynamic Scale Matrix architecture, which also permits Web content to be rapidly changed as well as effortlessly posted on The SAK's Web sites and those of ebags.com and nordstrom.com. This process takes a

few hours at most; with the proprietary system, it often took a few days, according to Griffith. Additionally, the system keeps real-time track of products sold through all sites, rendering it impossible for consumers to order designs that are out of stock and easy for The SAK to transmit inventory availability information to its partners.

System Sparks Decrease In Return Rate

Griffith notes that with the application in place, the company's return rate on e-commerce transactions has dropped to 15% from 19%. "The solution gives customers a better idea of what they are getting and a better post-sales experience in terms of being able to track their orders," he states. The ability to identify customer purchasing trends through data maintained in the system has led to use of more targeted pro-

motions and special offers, increasing customer loyalty.

Further, sales have more than doubled, from about \$300,000 in 2003 to almost \$1 million in 2004. However, there have been no significant personnel additions. "We can operate with basically the same number of people now as when our business was smaller because of the efficiencies gained through the automation of many areas, including the warehouse and marketing," Griffith asserts. "And, we haven't had a single credit card chargeback due to increased fraud protection available in the system. We have a number of additional plans to expand our e-commerce business and this application will play a major role in accomplishing them." □

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