



Puma improves Gross Margin by 5% with AssortSmart

OPPORTUNITY

PUMA is a global manufacturer of athletic and casual footwear, apparel and accessories. It has ~14,000 employees as of 2020, and an extensive distribution network spread across 120 countries, clocking sales of over €5B. PUMA US has an eComm website (us.puma.com) and 89 outlet stores across popular outlet malls, caters to various demographic segments across diverse weather belts.

PUMA's assortment decisions were driven based on last year sales and a mix of subjective factors like recent fashion trends, economic outlook etc. However, the traditional approach failed to factor in the effect of variables such as demographics, weather and product attributes, resulting in a suboptimal product mix across stores.

Developing an SKU level assortment strategy, that takes into consideration the effects of all pivotal variables, was imperative for deciding an optimized product mix.

ACTION

PUMA partnered with Impact Analytics and adopted AssortSmart, a flagship product backed by AI, to determine product assortment at the most granular level. AssortSmart leverages an intelligent clustering process to segment stores, using various performance metrics, budget and product attributes. The tool also provides an optimal budget allocation at a subcategory level, and furthermore, it optimizes depth & choice-count using historic data, product attributes and various outlet & DC constraints.

The easy-to-understand user workflows enable the buyers and planners at Puma to make edits as needed and generate customized outputs like buy sheets, reporting dashboards and buy-roll-ups, to efficiently execute their buy plans.

OUTCOME

PUMA buyers and planners can now generate buy plans for their outlet and eComm businesses, within a few minutes, using a completely automated AI-based product. AssortSmart's hyper-localized approach factors in sales trends & product attributes, and curtails the likelihood of lost opportunities that arise due to an imbalanced assortment.

4-6%

Improvement in Gross Margin

<15min

To create an assortment plan

<1min

To generate detailed reports

WHAT'S NEXT?

AssortSmart is currently helping PUMA plan the initial product allocation for outlet stores and eComm business. As a next step, the two teams are partnering to use IA's advanced forecasting engine to determine in-season allocations based on real-time demand. An ideal future state would have a seamless process of initial assortment to in-season allocation.



About Impact Analytics

Impact Analytics is a fast-growing, AI-powered software solutions company. A leading provider of planning, merchandising and forecasting tools for the retail, CPG and grocery sectors. Its suite of products for Assortment Planning, Allocation Optimization, Markdown Optimization and Promotion Planning is empowering leading retailers to make smart data-based decisions and transform their businesses and achieve substantial business benefits. To learn more, visit www.impactanalytics.co

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AssortSmart has helped our teams leverage AI on internal/external data to plan localized assortment down to a store size level. We can unearth and apply key trends that are critical for stores and our growing e-com business. AssortSmart is able to handle planning for 1000s of SKUs with ease and helps run different Buy scenarios which have been especially helpful during volatile COVID period. The IA implementation team has been very responsive and could configure AssortSmart to fit exactly in our workflow.

- VP Retail Merchandising

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