



#### CUSTOMER STORY

## Zumiez

Evolving the Channel-less Experience

### ToolsGroup Journey

Zumiez partnered with ToolsGroup in 2016 to manage its stores' product availability via the Dynamic Availability application. In 2018, Zumiez implemented optimized, comprehensive order routing logic via the Dynamic Fulfillment application.

### Company

Zumiez is a specialty retailer of apparel, footwear, and accessories for young men and women ages 12-24. It operates 700+ stores in the US and Canada.

### Results

ToolsGroup's solution has aligned with Zumiez' goals to better serve its customers (no matter where or how they choose to shop) and generate operational efficiencies:

- 10% increase in online product exposure
- Reduced split package rate
- Reduced shipping cost per unit
- More favorable, efficient distribution of volume across the store network

### A "Channel-Less" Pioneer

Walk into a Zumiez store, and you'll instantly understand its brand— authentic, individual, fun, edgy. The shopper feels part of a unique community.

But what happens when a customer goes online to make a purchase, instead of going to their local store?

**That's when Zumiez' integrated "channel-less" strategy is most apparent.** The community feel is just as strong, the brand experience just as seamless, the product selection just as vast and varied.

Zumiez is the pioneer of the “channel-less” strategy, focusing not on distinct retail channels, but instead on empowering the consumer to buy what they want, wherever they want.

As Zumiez CEO Richard Brooks shared in 2018, “We’ve moved toward a channel-less world in which the empowered consumer isn’t focused on going into a store or buying online, but rather transacting with a trusted retailer.”

One key way in which Zumiez builds that trust is by creating connections with its customers through enhanced, localized delivery and store experiences.

In 2015, Zumiez began collapsing traditional divides between stores, e-commerce, and distribution centers. It began fulfilling the majority of its sales (including online) from its stores.

By broadening its fulfillment network, Zumiez was able to offer its customers faster delivery and a wider assortment of products.



## Initial Partnership

While transforming stores into local fulfillment centers presented new opportunities, it also introduced new complexities.

Managing product availability from stores to the website became manual and time-consuming. Zumiez wanted to work with a technology partner that could manage product availability in the “channel-less” world by using automated, data-driven insights.

Finding a partner that understood the empowered consumer was equally as important as the partner’s ability to integrate quickly and flexibly with Zumiez’ existing infrastructure.

In 2015, Zumiez engaged with ToolsGroup on its Dynamic Availability application, leveraging machine learning to intelligently and automatically manage which products and quantities were made available to purchase online.

**Dynamic Availability drove 10+% in incremental inventory exposure, resulting in more online in-stocks and sales, while improving and stabilizing fill-rate.**

The application supported Zumiez’ goals of giving customers access to more products online, while ensuring they would experience the same high level of service they’d come to expect from the brand, no matter where they shopped.



**ToolsGroup helps us use data to make smarter, faster decisions to create an even better experience for our customers.”**

– Paul Kisicki, VP of Omni Channel & Development

Taking a data-driven approach to managing product availability was one way to strengthen Zumiez’ “channel-less” strategy. Next, Zumiez explored the opportunity to optimize its fulfillment logic to more effectively serve its customers.

## Continued Results

Zumiez saw an opportunity for its fulfillment logic—i.e., the logic used to decide where and how to fulfill orders— to better consider new store fulfillment complexities (like location-specific costs and operational variability).

In 2018, Zumiez engaged ToolsGroup to further evolve its best-in-class localized fulfillment strategy. Together, they designed a smarter, more data-driven approach to making order routing decisions.

ToolsGroup's Dynamic Fulfillment application uses AI to evaluate across multiple objectives and all possible fulfillment options— simultaneously, in sub-seconds. By using this sophisticated routing logic, Zumiez was able to ensure that fulfillment outcomes not only met (or exceeded) customers' expectations, but that they also generated cost and operational efficiencies.

By taking a more nuanced, comprehensive approach to order routing via Dynamic Fulfillment, Zumiez quickly saw impressive results, including reduced split rate, reduced shipping costs, and more favorable, efficient distribution of order volume across the store network.



## Future Innovation

"Zumiez has been an incredible partner over the years," shared ToolsGroup Chief of Product, Sahil Gupta. "They're true industry visionaries, and are constantly evolving the customer experience in unique, innovative ways. We're honored that we get to share in that journey."

Since 2015, Zumiez and ToolsGroup have collaborated to support Zumiez' "channel-less" strategy and to evolve ToolsGroup's Decision Engine platform. Using data-driven insights, they'll continue to serve the empowered consumer in new, impactful ways.



**We're excited about what we've achieved with ToolsGroup so far, and we're looking forward to more innovation to come."**

- Tim Morelli, Group Manager of Omni Channel Operations

## + About ToolsGroup

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