



INTRALOGISTICS FOR ONLINE FASHION RETAIL

Special requirements, flexible storage solutions

The online fashion retail sector faces a constant need to adapt to rising growth rates and wider product ranges. Moreover, **seasonal changes, peak periods and fast-moving trends** demand maximum flexibility in terms of logistics, and the sensitive materials used in fashion design create special warehouse design requirements. Successful e-fashion businesses therefore also face particular challenges in terms of logistics: like all e-commerce businesses, they must contend with ever faster growth over relatively short periods of time – but uniquely, they cannot always precisely forecast what that rate of growth will be.



The fashion industry also needs to constantly adjust its product range over the course of the year and respond to fast-changing trends. In order to remain relevant on the market, it is essential to continuously update and add to product ranges in response to customers' demands. Moreover, companies need to hold a large and **diverse range of products** in stock in order to deliver goods promptly to customers. Consistent **product availability** and ever-faster delivery times are now standard customer expectations. Fashion retailers must process a particularly high number of returns compared with other e-commerce sectors.

The trend towards **online clothes shopping** continues to hold

The online fashion market is still far from satiated, and the strong growth of the past few years will continue into the future.

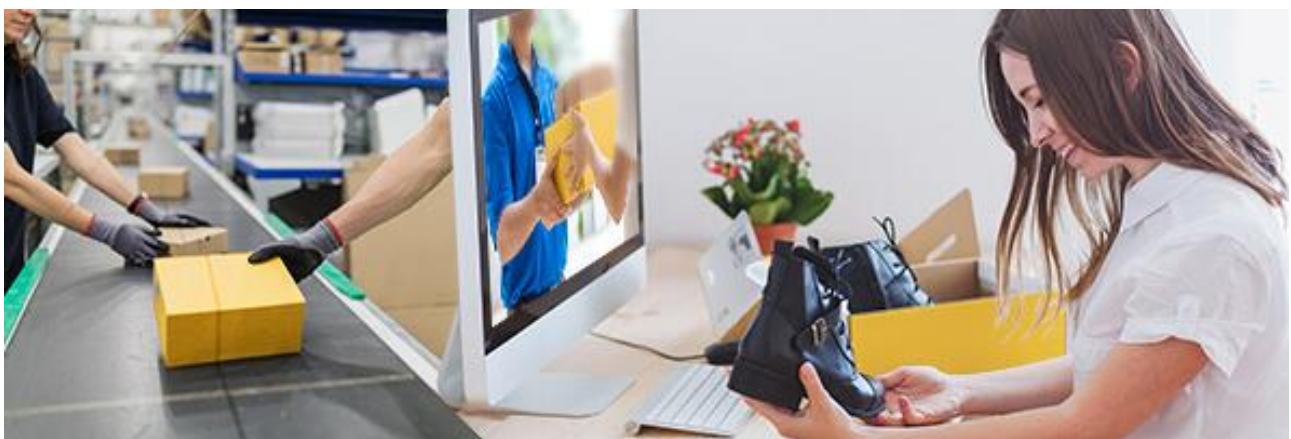
In 2017 alone, online shoppers spent approximately €340 billion on clothes, shoes, bags and accessories worldwide. By 2022, this figure is expected to rise to nearly €600 billion



(Source: Statista). In Germany, current revenue stands at approximately €12.35 billion, with online shops Zalando, Bonprix and H&M leading the pack.

The trend for purchasing contemporary fashion online will therefore continue as well. Here, the customer can choose from a broader range of prod-

ucts than is traditionally available in brick-and-mortar stores. Goods are delivered direct to their home, where they can try them on in private and in their own time. This is a benefit that many customers already take advantage of – and one that many more will use in future. All of this means that the number of **e-fashion** orders is rising – with customers expecting delivery times to remain short, with products reaching them in good time.



Logistical challenges for e-fashion

The trend towards an omnichannel approach in e-commerce

But what does this mean for company logistics in the fashion retail sector? What do companies need to do with this trend in consumer behaviour in order to stay competitive? How can fashion retailers adapt to the ever-growing online shopping market and how can they deal with the difficulty of forecasting future developments in growth and demand?

An **omnichannel approach** to retail frequently combines traditional brick-and-mortar stores with online sales. As a result, traditional stores' product ranges are becoming somewhat smaller than they were in the era before online sales, as are storage rooms (where these still exist at all). Such providers see customers buying some items in-store, then going online for the items they cannot find in person. These products are then sent directly to the customer's home – or, alternatively, they can be picked up in-store (**Click & Collect**) where the customer can try them on before committing to the purchase.

More and more clothing, shoe and accessory retailers are also establishing themselves as purely online operations, marketing themselves as pure e-commerce businesses within the **fashion retail market**. Each of these sales strategies presents numerous logistical challenges for the companies in question.

Seasonal fluctuations, high **return rates** and tricky forecasts

The fashion market is particularly affected by strong seasonal variations. Apart from anything else, changes in season automatically mean constant changes to product ranges, meaning that warehouses must be permanently but flexibly stocked and easy to clear out. The fashion industry is also heavily influenced by changes in styles and new trends, which means that customer demand cannot always be accurately predicted. For online retailers, this is another reason why real flexibility and simplicity are so valuable when designing storage sites. Then there are phases such as sales, when demand and order volumes rise significantly for temporary periods. This creates a need for flexibility in how products are picked.



Managing returns

The e-fashion sector is also distinguished by high rates of returns. Goods are sent back to online retailers more often here than in other sectors – either because items do not fit, they do not meet the customer's expectations, or the customer simply does not like them. This means not only that returns need to be received and sorted as quickly as possible, but also that they need to return to the warehouse as quickly as possible and placed back in their proper position so that they can be sold again.

Where return rates are extremely high, it can make financial sense to set up complete returns warehouses using **shelving systems** with multiple tiers and shelf dividers. These “pigeonholes” help with sorting and directly restocking returned goods.



Ensure fast delivery – Free up stock

For customers, ordering online also means getting products shipped to their homes as quickly as possible. In order to avoid delays in shipping, online retailers need to hold large amounts of all products, in as many sizes, colours and other variations as possible. The enormous breadth and depth of these product ranges, and the large quantities held, mean that significant **storage capacity** is required in order to ensure constant availability of all products (as far as possible) and therefore to guarantee fast delivery times.

How often is each item ordered? Which collections sell quickly, which sell more slowly? What is the most significant trend this season that might create a hit? How many orders are we receiving? How is demand generally? Forecasting order volumes and sizes, growth, and demand for specific items and ranges, is very difficult to predict in the fashion industry – just as it is for e-commerce businesses, too.

An even more frequently asked question is, “How should I design my warehouse? And how can I create the **most flexible storage solution possible?**”

Specialist **logistical solutions** for online fashion retail:

What factors are most important?

Online fashion retail does not just require high capacity for holding stock: it must also be possible to expand or rearrange the storage system used, allowing the retailer to react as flexibly and quickly as possible to constantly changing market conditions.



In the fashion industry, it is also essential to protect the **sensitive materials** used in clothes, shoes and accessories during both storage and picking. For **textile logistics** in particular – especially high-value clothing and brands – the type of equipment used in the warehouse is therefore a key consideration in ensuring that sensitive materials are properly protected. Storing goods with care will also indirectly help to reduce return rates or keep them low.



Depending on order volumes and the number of items sold, it is worth considering whether **manual or automated storage** makes more sense from a logistical perspective, and/or whether a combination of the two system types would be the ideal option for storage and picking.

How should goods be picked? In online fashion retail, **multi-level picking** is a common choice. Here, items are picked individually and only later consolidated into specific orders. Shelving systems with adjustable shelf dividers can be used as “put” shelves for collecting orders in individual trays. Here, the trend for picking directly into the despatch carton has become particularly prominent.

The fastest sellers of all and the top products in general are sometimes held in an outer warehouse for **cross-docking** so that they can be picked direct from the pallet they were received on, saving time, money and travel distance.

Shelving systems: a flexible storage solution

For logistics in the e-fashion sector

Manual storage systems offer the most flexibility, as they always have done. Shelving systems are therefore a key component of warehouse design even in the e-fashion sector. BITO shelving systems can be easily assembled, reassembled or expanded to meet the user's needs. They can be serviced from both sides and are ideal for storing and picking containers, cartons and items of various sizes. Various shelving depths are available depending on the items to be stored, or the containers or cartons in which they will be stored. Shelf heights are easy to adjust, allowing you to position various numbers of shelves at varying heights within the rack.

Shelf dividers: increased space, ideal sorting aids

Light, individually positioned dividers and dividing walls can be positioned on shelves to create sections of various sizes, making it easier to organise products. Practical accessories include 150 mm high dividers made of yellow plastic. These are available in various depths to match the shelf depth. Our **plastic dividers have no sharp edges**, and their colour makes them clearly visible, ensuring that the size of each compartment is clear to see. Dividers can be positioned anywhere along a shelf to create compartments of any size. They can also be moved around easily.

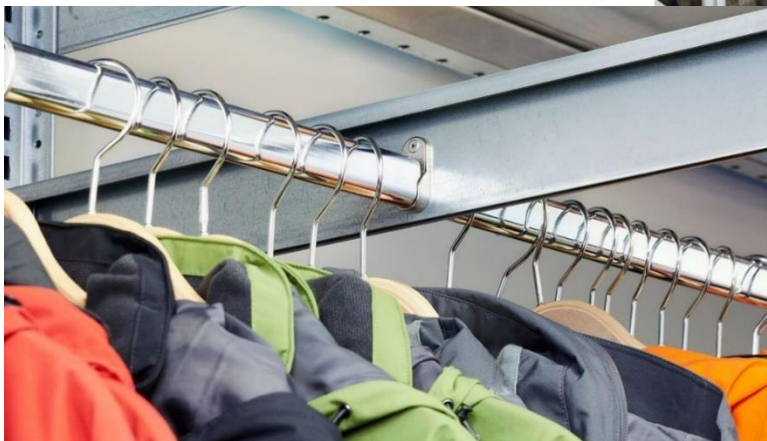


Using dividers maximises the density of the storage space within a shelving system, making unused space available once more. This smart sorting aid efficiently simplifies every imaginable step in the storage and picking process, including the all-important returns process for online retail, saving time and money and making everyone's jobs easier. Goods can be placed directly on shelves or stored in cartons (e.g. shoe boxes).

High-quality shelving systems also avoid sharp edges and corners. This is particularly important for storage solutions in e-fashion. This way, sensitive textiles are not only kept safe during storage, but the risk of accidentally damaging delicate materials and items of clothing is significantly reduced.

Easily view and pick hanging items

Manual hanging racks are also particularly good for carefully storing valuable clothes. Inserts integrated into shelving systems are an ideal solution for hanging clothes on rails to store them without the risk of creasing. This storage option is ideal for storage rooms in brick-and-mortar stores. This way, goods are clearly visible and can easily be picked up and taken out onto the sales floor.



BITOBOXES and trays for e-fashion retail

The stable long-term solution for cartons

How can you store textile items such as shoes and accessories which do not necessarily need to be hung up, but which do need to be protected, conserved, well sorted and clearly organised? An ideal solution here is the individually labelable, highly stable and **moisture-resistant** BITOBOX. These plastic containers are available in many different sizes and colours depending on your needs, with numerous printing options for identification, dividers to better sort small items, and optional lids.

BITO trays are ideal for transporting goods or cartons which cannot be transferred to containers for time reasons. These particularly stable holders allow you to safely move loads of various sizes on conveyors. They also help protect goods, since cartons are not **impact-resistant** and in particular do not have a very long lifespan.



About us: A global player, proud of its region

BITO storage solutions stands for innovative storage technology. As one of the few full line providers in this field, BITO supplies shelving & racking, bins & containers, order picking and in-house transport solutions for all industries. Our customer-oriented and innovative product range as well as our competence as full service provider made us one of Europe's leading intralogistics providers with currently more than 70,000 customers. Storage systems and material handling equipment made in Germany: We are a long established, medium sized family business, locally rooted, yet acting on a global scale.

Ever since BITO was founded in 1845, our company headquarters including research & development as well as our production facilities have been located in our region.



+ **FINDING THE RIGHT STORAGE SYSTEM FOR ANY INDUSTRY, ANY PRODUCT AND ANY BUSINESS**

We have gathered a selection of particularly interesting projects to demonstrate our ability to provide the ideal storage solution for the widely varying needs of different industries.

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Do you need more information on our products and services or are you interested in a customised offer? We are pleased to provide personal advice. Simply fill in your details below and we will contact you immediately.

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