

# Leading Footwear Retailer Captures 14x ROI with Syrup's AI Demand Forecasting + Inventory Management



## Challenge

- Over-deployment as a strategy
- Combination of over- and under-stocks

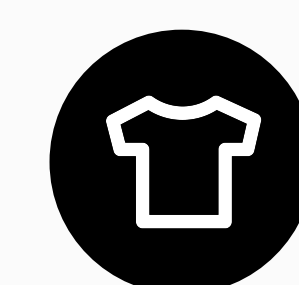
## Solution

- AI-powered demand forecast
- Allocation and Replenishment recommendations

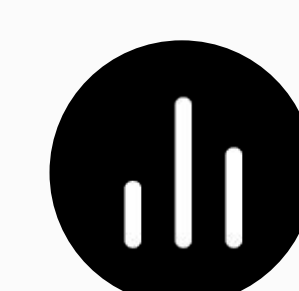
## Key Results



+5.3% revenue increase



+12% in-stock rate with -13% WOS



14x net ROI

## Challenge

A prominent North American footwear retailer, with annual revenues exceeding \$3 billion and a portfolio of premium lifestyle brands, faced significant challenges with their traditional inventory management approach. Operating across multiple sales channels including retail stores, e-commerce, and wholesale partnerships, the company manages a complex network of both full-price and outlet locations.

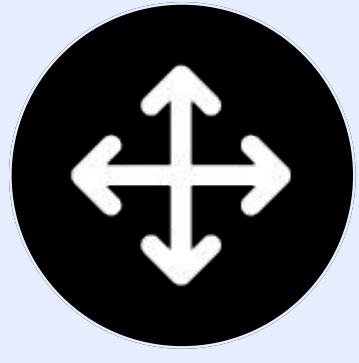
The retailer's peak season strategy reflects the complexity of its operation. Each year, the team executes a massive inventory build in August and September, pushing hundreds of thousands of units through their retail network. This approach requires maintaining 13-14 weeks of supply to cover the critical period through the cyber holiday season. Around 60% of the retailer's annual revenue is concentrated during peak season

To accommodate this substantial inventory position, the company invests in additional storage facilities near their retail locations as well as seasonal help, creating significant operational overhead.

## Several operational inefficiencies have emerged:

- Heavy reliance on manual processes for inventory decisions
- Demand forecasts not at the SKU level
- Over-deployment of inventory as a risk mitigation strategy
- Inconsistent stock levels across store locations
- Capitally inefficient mix of under- and overstocks stemming from inaccurate initial allocations

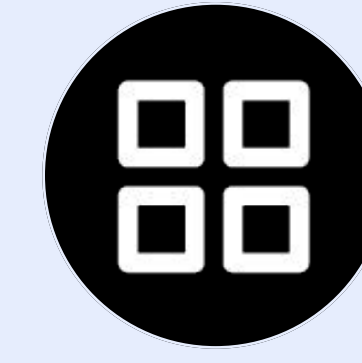




Controlled test during  
fiscal Q3 and Q4  
(peak season)



Coverage of full product  
assortment across 21  
North American stores



Implementation across  
two major brands and  
three distinct store formats

## Solution

The retailer partnered with Syrup, an AI-powered decision support system specialized for apparel and footwear brands, to transform their inventory management approach. Syrup's technology was particularly well-suited to address the retailer's challenges due to its footwear-tuned machine learning models and ability to process complex, non-linear relationships in purchasing behaviors.

The implementation leveraged Syrup's advanced demand sensing capabilities across two key areas:

- Initial allocations to support monthly drops
- Dynamic replenishment to maintain optimal stock levels multiple times per week

The solution was designed to not just provide predictions, but to deliver actionable recommendations that would directly impact the retailer's top and bottom lines.

## Syrup's Demand Sensing Model And Allocation Workflows

- Automated demand sensing at granular levels (style, size, location)
- Real-time responsiveness to changing market conditions
- Integration of e-commerce insights to enhance brick-and-mortar forecasting
- Incorporation of promotional and markdown data
- Allocation and replenishment recommendations based on current demand

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Syrup is either **hitting or outperforming every single metric** we determined as a success criteria.

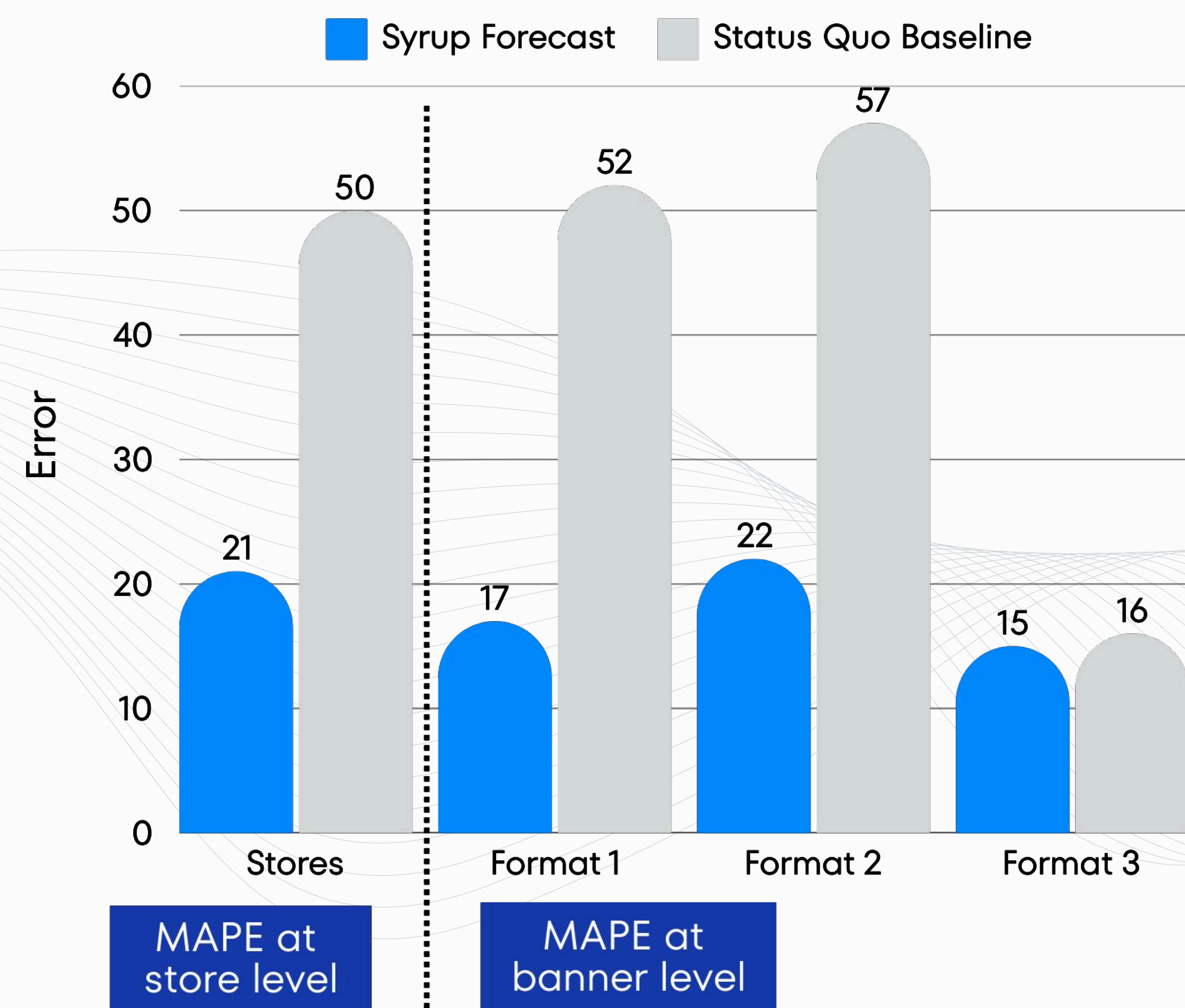
Director of North America Planning & Allocation

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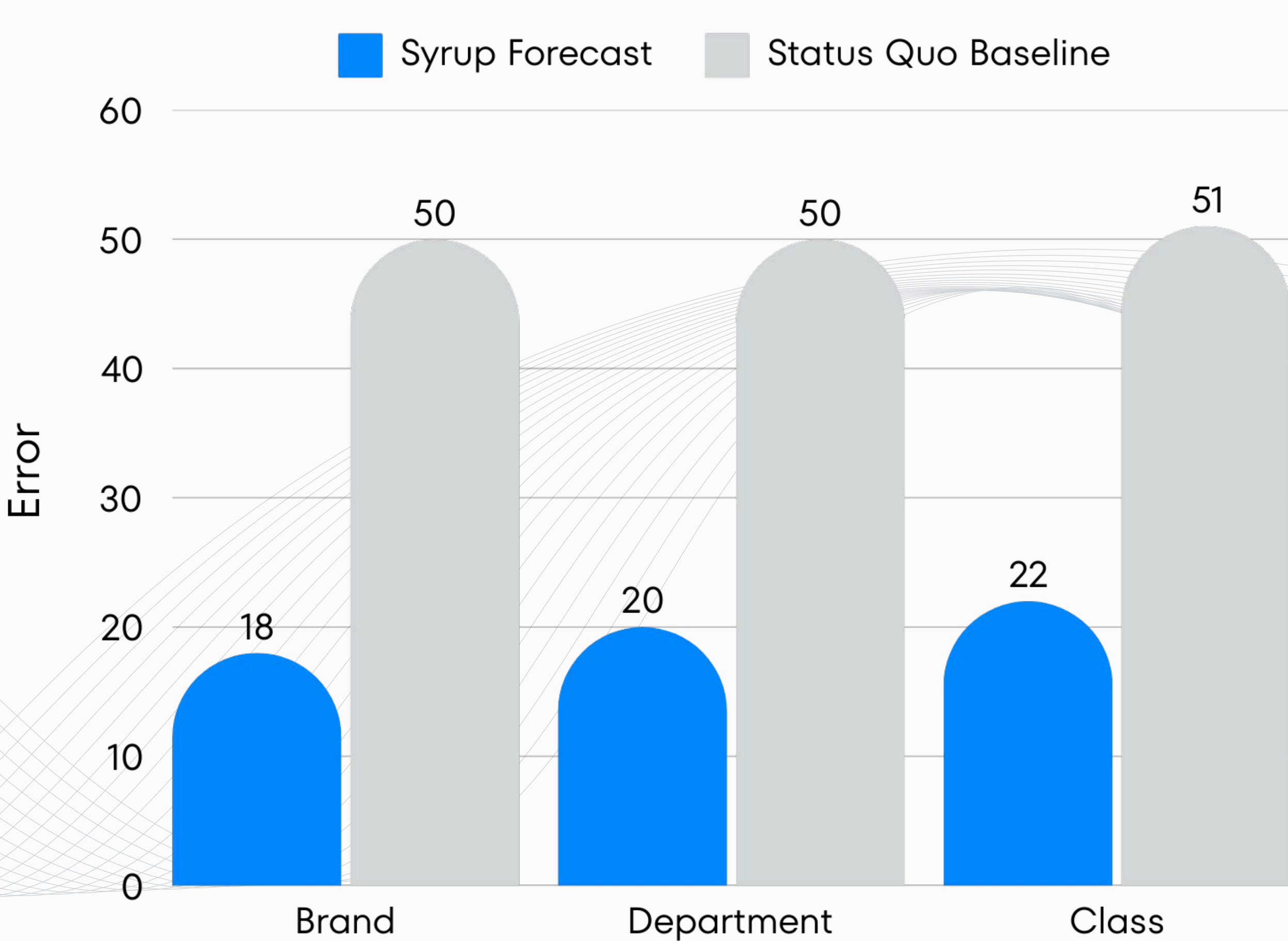
FORECAST ERROR

Channel



FORECAST ERROR

Product Hierarchy



Quantitative Impact

Revenue and Margin Performance	Inventory Optimization	Operational Efficiency
<p>The AI-driven approach delivered significant financial benefits through smarter inventory deployment and improved sell-through:</p> <ul style="list-style-type: none"><li>+5.3% revenue gains across 21 test stores (vs. control)</li><li>6% higher sell-through rates in test stores</li><li>14x net ROI</li></ul>	<p>Better forecasting led to more efficient use of working capital while maintaining high service levels:</p> <ul style="list-style-type: none"><li>87% forecasting accuracy, outperforming baseline by 4pp</li><li>12% reduction in missed demand due to allocation</li><li>In-stock rate increase achieved with 13% less inventory</li></ul>	<p>Process improvements resulted in significant time and resource savings.</p> <ul style="list-style-type: none"><li>Implementation completed in under 8 weeks (vs. industry average of 9-18 months)</li><li>Allocation process reduced to under 1 hour daily</li><li>Delayed peak build by 2 weeks compared to control stores</li></ul>

14x ROI

Qualitative Impact

Enhanced Decision Making	Operational Excellence	Team Adoption
<p>The solution empowered the merchandising team with data-driven insights:</p> <ul style="list-style-type: none"><li>Improved visibility into cross-channel inventory opportunities</li><li>Better alignment between online and physical store inventory</li><li>More nuanced handling of promotional and markdown periods</li></ul>	<p>The implementation drove improvements across the entire inventory management process:</p> <ul style="list-style-type: none"><li>Reduced reliance on external storage facilities</li><li>More balanced store-level inventory distribution</li><li>Streamlined allocation workflow with minimal manual intervention</li></ul>	<p>Strong collaboration and user-friendly design led to rapid adoption:</p> <ul style="list-style-type: none"><li>High user satisfaction with interface and recommendations</li><li>Successful parallel running of old and new systems during transition</li><li>Effective partnership between retailer and Syrup teams</li></ul>



## White Glove Service, From Integration Through Results

### Technical Integration

- Ingestion services curated for the client's data infrastructure
- Integration of data sources including:
  - Historical transactions
  - E-commerce performance data
  - Promotional calendars
  - Store analytics
- Implementation of footwear-tuned machine learning models configured to the client's specific business requirements

### Ongoing Success

- Weekly calls with dedicated CSM and Solutions Architect throughout project covering success reports and diagnostics
- Recurring strategy conversations unlocked hidden insights for allocation team – including temporary store closure recommendations
- Feedback from working team informed product and UI improvements delivered within the project timeframe

“ **It's magical, what would typically take us years to implement...we did within the same quarter. I've never seen anything like this.** ”

Director of Global IT

### Looking Forward

Following the successful pilot, the retailer is moving forward with a global implementation of Syrup's solution, expecting to realize similar benefits across their entire retail network. The implementation roadmap includes staged rollouts across North America, EMEA, and APAC regions, with potential expansion into buying optimization.

*This case study has been anonymized to protect client confidentiality. All figures and results are actual outcomes from the implementation period.*



Connect with our team to analyze the margin + revenue improvements you can expect with Syrup. Visit [syrup.tech/demo](https://syrup.tech/demo) or email us directly at [sales@syrup.tech](mailto:sales@syrup.tech)