



Automate the **Runway**

Fulfillment automation
guide for fashion brands

Customers are spoiled for choice

They are constantly presented with a multitude of options for purchasing products, with social commerce platforms such as TikTok Shop and Instagram Shopping now leading the way. This development has granted customers even more power over their shopping experiences while also prompting retailers to adapt to new expectations for convenience, speed and personalized service. The evolution of digital commerce has fundamentally changed the way people shop, and it shows no signs of slowing down.

- ▶ In 2024, it is estimated that 110.4 million people in the US will participate in social buying, constituting 42.0% of internet users and 50.3% of social media users.^[1]



- ▶ By 2029, the online fashion retail sector as a whole could account for over 219 billion dollars in sales in the US alone.^[2]



As the path to purchase involves increasingly more channels, retailers are getting creative to meet consumer demand and keep them constantly engaged.

The market expects retailers to satisfy customer expectations with the right products and styles at the right time, place and price. A try-and-buy fast fashion environment means nearly 96% of buyers expect free shipping and 79% want free returns.^[4]

As a result, fashion fulfillment centers are burdened with high SKU counts, seasonal demand fluctuations and a scarcity of storage space. Retailers not only have to flex to meet demand and seasonal trends but also to process more orders and returns across multiple channels faster than ever – all while protecting their bottom lines and keeping pick operators happy.

According to the Aberdeen Group:^[3]



Companies with the strongest omnichannel customer engagement strategies retain an average of 89% of their customers, as compared



33% for companies with weak omnichannel strategies.



Retailers are catching up

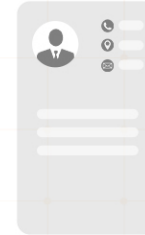
The adoption of modular, scalable automation technologies is helping retailers gain competitive advantages.

Smart warehouses can sort, store and ship items faster and more accurately than traditional warehouses. New technology can better handle the complexity of various clothing styles, sizes and seasonal trends, as well as fluctuating demand across the year.

- **Daniela Klotz**, Principal and Fashion & Luxury Sector Lead at supply chain consultancy Inverto.^[5]

“The future of smart warehousing lies in the interconnectivity of all these data systems,” emphasizes TMX's Andjelkovic, underlining the necessity for brands to gain full visibility of their inventory.”

“There are still manual interventions between systems that don't talk to each other. The North Star really is that you can see everything from end to end, and it's all interconnected. You can then do intelligent decision making, and real-time decision making.”



Gartner

A 2023 Gartner study titled 'Smart Decisions About How and When to Automate Your Warehouse'^[6]

suggests that 98% of companies say they either have or are considering cyber-physical automation




59% of these companies say their biggest motivator is labor availability



41% of them say it is labor cost.

In both cases, labor needs are a major factor for warehouses trying to keep up with rising customer expectations.



Multiagent orchestration (MAO) — better together

The combination of
state-of-the-art orchestration
for people + software + bots

Automation aims to replace menial, repetitive tasks humans find undesirable – tasks like pushing carts or running extra shifts over weekends.

When implemented correctly, automation facilitates the transition of workers into roles where they can contribute value more effectively and allows operators to focus on tasks around continuous improvement, quality assurance and analytics, reducing the warehouse's labor needs and making better use of the people on the floor.

GreyOrange's omnichannel automation solution enables priority order fulfillment, faster return-to-resale time and accelerated shipping times by leveraging GreyMatter™, an MAO platform with the ability to coordinate bots (agnostic of vendor), people, existing systems and manual processes to optimize the end-to-end fulfillment process.

Advantages of omnichannel fulfillment automation include:



Increased fulfillment speed with higher order accuracy and throughput



Faster time to go live via seamless integration with existing systems



Optimized inventory flows



Maximized storage efficiency



Dynamic real-time distribution and order prioritization



Highly scalable operations

How do you stay ahead of fashion fulfillment requirements?

01

Turnaround time for order picking



What needs to be done?

Same-day deliveries require a quick turnaround time that can be as short as 30 minutes from order allocation to completion.

How can GreyMatter solve it?

GreyMatter delivers the optimized movement of inventory, robots and people to match the real-time need for speed and uses AI to decide order priority.

02

Efficient storage and putaway



What needs to be done?

Retailers need a fulfillment and storage strategy for an ever-increasing variety of SKUs.

How can GreyMatter solve it?

GreyMatter is highly configurable to manage SKU proliferation. With user and system-directed storage flexibility, it enables faster putaway.

03

Managing peak season problems



What needs to be done?

Fulfillment centers need to stay ahead of peak season demand surges.

How can GreyMatter solve it?

GreyMatter uses MAO to manage workflows in real-time, optimizing workload distribution.

The ease of implementation and system integration means retailers can scale their robotic workforces up or down as required in just a few days.

04

Building better omnichannel experiences



What needs to be done?

Customers need flexibility and easy ways to order, pay and choose across fulfillment channels.

How can GreyMatter solve it?

GreyMatter seamlessly handles complex operations like omnichannel, same-day delivery, MFC and returns. It prioritizes orders, reallocates resources and adapts business rules in real-time, enhancing the customer experience across all channels.

05

Getting returns from returns

What needs to be done?

Businesses must recoup value from returned items.

How can GreyMatter solve it?

GreyMatter can leverage returns inventory across different channels and order types to suit customers' business needs. It can selectively prioritize returns inventory over fresh inventory to fulfill orders.



Return this product

Reason – Size does not fit



06

Making it personal

What needs to be done?

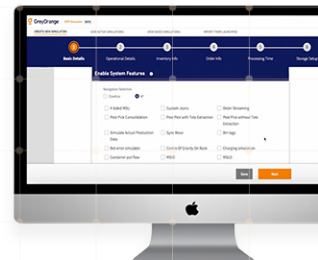
Every step of the customer journey should be personalized.

How can GreyMatter solve it?

GreyMatter AI delivers highly tailored product recommendations based on shopper behavior. With predictive sorting, retailers can connect customers to the products they seek faster. AI can also improve searches by automatically placing popular items ahead in the picking order to enable more efficient outcomes.



Size XS S M L XL XXL



With GreyOrange, get tailor-made automation that is smart and responsive



GreyMatter sends bots along optimized paths to multiple locations and floors to make picks and transfers at the right time.

Working with humans and diverse fleets of robots, GreyMatter guarantees fulfillment SLAs and throughput from the contracting stage, promising:



Task allocation across systems and agents based on business rules to achieve the best outcome



Traffic management to optimize the movement of agents on the floor



Real-time visibility across the system to understand bottlenecks and areas for improvement



Data-driven decision-making across the system



Customer Story

A leading North American apparel giant sought to streamline operations, reduce reliance on its WMS and improve its workflows. Its warehouse spans 110,000 sq ft and operates two shifts of seven hours each to process an inventory portfolio of over 600,000 clothing, merchandise and beauty products.

The retailer implemented GreyOrange's MAO solution, GreyMatter, integrating goods-to-person bots and mobile sorters for efficient fulfillment, which resulted in:

- A rapid payback period of 2.7 years
- A 50% reduction in order fulfillment times and labor cost savings
- A remarkable increase in the units per hour (UPH) rate from 50 to 300
- A decrease in variable costs per unit of 60%, while 80%+ tote utilization led to substantial transportation cost reductions

Sources –

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- [6] Tunca, Abdil. Gartner, Make Smart Decisions About How and When to Automate Your Warehouse.

Visit solution.greyorange.com to explore our suite of robust products and automation solutions.

Or, schedule a call with one of our automation experts for more in-depth information.

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