

GUTEMARKEN



Case Study: Angels

„Outsourcing e-commerce I see as a trend for companies our size.“

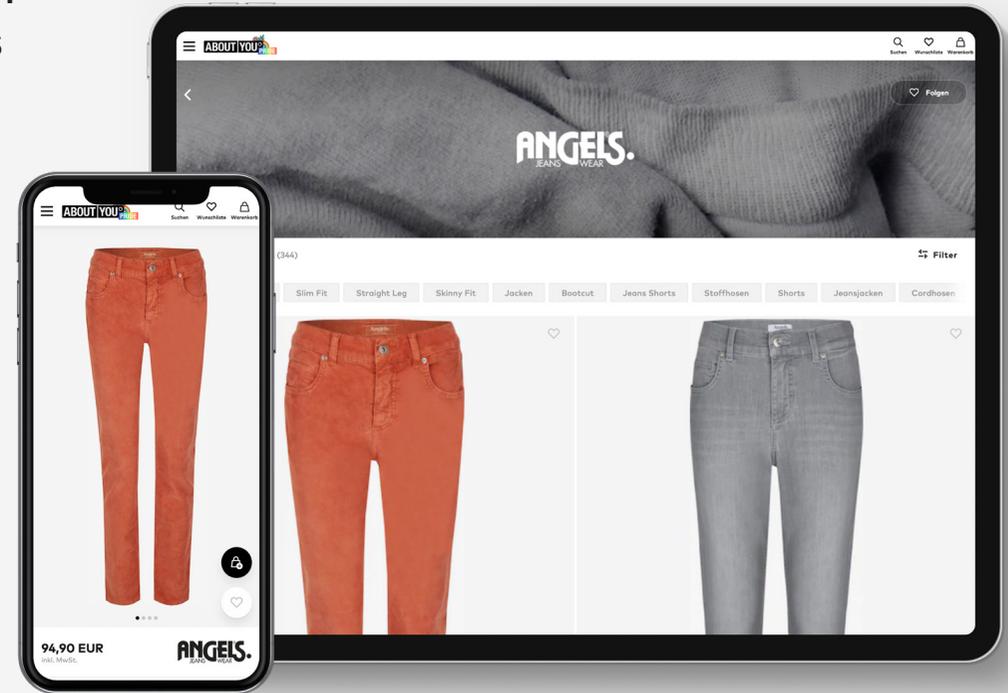
Caspar Borkowsky, Managing Director of ANGELS

- ✔ +400 percent revenue growth online
- ✔ Newsletter recipient quintupled
- ✔ 3,22 percent e-commerce conversion

The ANGELS brand is one of the success stories of the German fashion industry. Founded in 1980 in Nagold in the Black Forest, the medium-sized company soon developed into a highly successful women's pants and denim specialist.

Today, ANGELS sells on average around 1.5 million pairs of pants per year and supplies around 1,300 points of sale (PoS) in Germany. Worldwide, ANGELS sells pants at a total of 2,400 PoS in Austria, Switzerland, Belgium, Holland, Russia, and in Scandinavia. The main price ranges are between 80 and 100 euros. Over 90 percent of retail partners are stationary retailers. For the Corona year of 2020, the fashion company generated sales reaching 31.1 million euros, with exports accounting for 40 percent. The company employs 60 people and produces exclusively in Europe.

In 2017, the company decided to enter the online retail market. ANGELS was looking for a proficient provider who not only had a high level of expertise in the field of e-commerce but also knew the requirements and specifics of fashion retail „inside out“. The company was looking for a partner who could handle the entire e-commerce process independently with a focus on growth, and who could manage the entire product lifecycle from the order to outlet commercialization of the products. As an experienced full-service provider for online retail in the fashion sector, GUTE MARKEN Online GmbH scored the contract.



ANGELS' goals

Launch into e-commerce through outsourcing

Increasing the visibility of ANGELS products online

Sales growth by opening up online sales channels

Realized by GUTE MARKEN

Creation of an online store according to the brand CI of ANGELS

Takeover of all e-commerce services including logistics, returns management, customer service, and accounting

Boosting online sales of the ANGELS products through connection to the online marketplaces Amazon, Zalando, About You, Klingel, Otto, Limango

Starting sales promotion through targeted online marketing measures in the areas of newsletter marketing, SEO, SEA, affiliate marketing, and social media

Clear commitment to a division of labor among experts

In the fall of 2020, the management of ANGELS GmbH changed and Caspar Borkowsky, formerly CFO/COO of the young fashion brand tigha, took over the company's management. Outsourcing the e-commerce business to Gute Marken was ideal in his eyes: „Even though I wasn't there in 2017 when my predecessor decided to outsource e-commerce, I would do it again today in just the same way,“ explains Caspar Borkowsky. He sees great advantages in companies focusing on their core competencies and outsourcing non-disciplinary topics to specialists: „At ANGELS, we are experts in fashion wholesale, not retail. And neither do we have the know-how nor the budget to build up e-commerce retail expertise in-house.“ For companies of their size, recruiting qualified employees is not the only problem; as a lone fighter, it is also difficult to take advantage of cost benefits through effects of convergence. As an individual company, for example, you can never implement areas such as logistics and shipping as cost-effectively as a specialized logistics service provider, which can handle a completely different volume of trade and shipping.



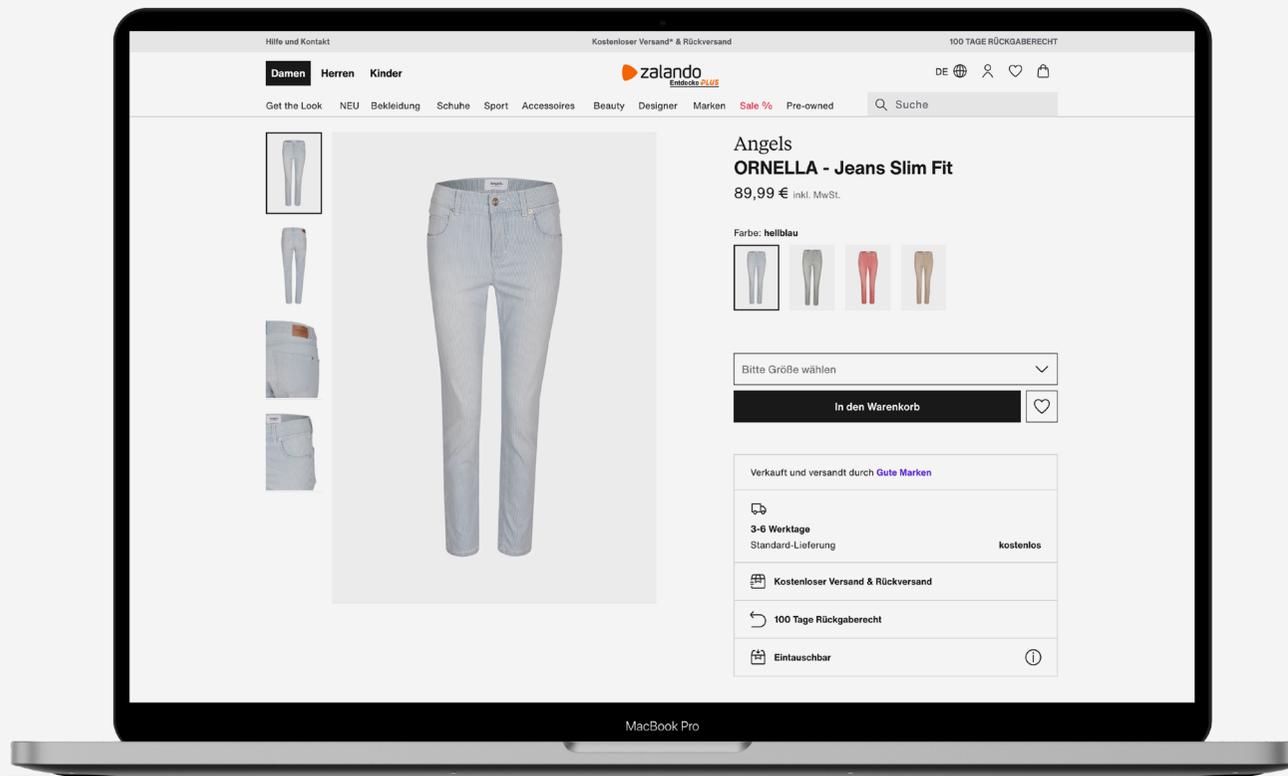
„From my experience in companies with their own e-commerce team, I know how challenging it is to successfully implement e-commerce in-house. This is why I see a clear trend towards outsourcing“,

explains Caspar Borkowsky, Managing Director of ANGELS.

Simple processes and number-based forecasts

Providing merchandise and product data for e-commerce purposes is not a big effort for ANGELS. „We agree on the collection items and their quantities at the fixed pre-order dates, then produce the goods and send them to the GUTE MARKEN warehouse center,“ explains Caspar Borkowsky. About 70 percent of the entire ANGELS collection is listed in the online store. „Since we don’t have any high-fashion pieces in our collection, a very valid forecast for a new order can be made based on previous e-commerce sales figures and empirical values from stationary retail.“ A high proportion of never-out-of-stock merchandise also makes online sales less susceptible to lost sales due to sold-out items.

ANGELS supplies the product data in form of images and product texts as master data via a ready-made CSV template. GUTE MARKEN takes care of the necessary refinement of the content to be able to sell the products successfully via marketplaces. One challenge at the beginning was the size key for women’s pants, which is typical for ANGELS but far too granular for online marketplaces. Together, they found a display option that reflected both the fit information and the requirements of the portals.



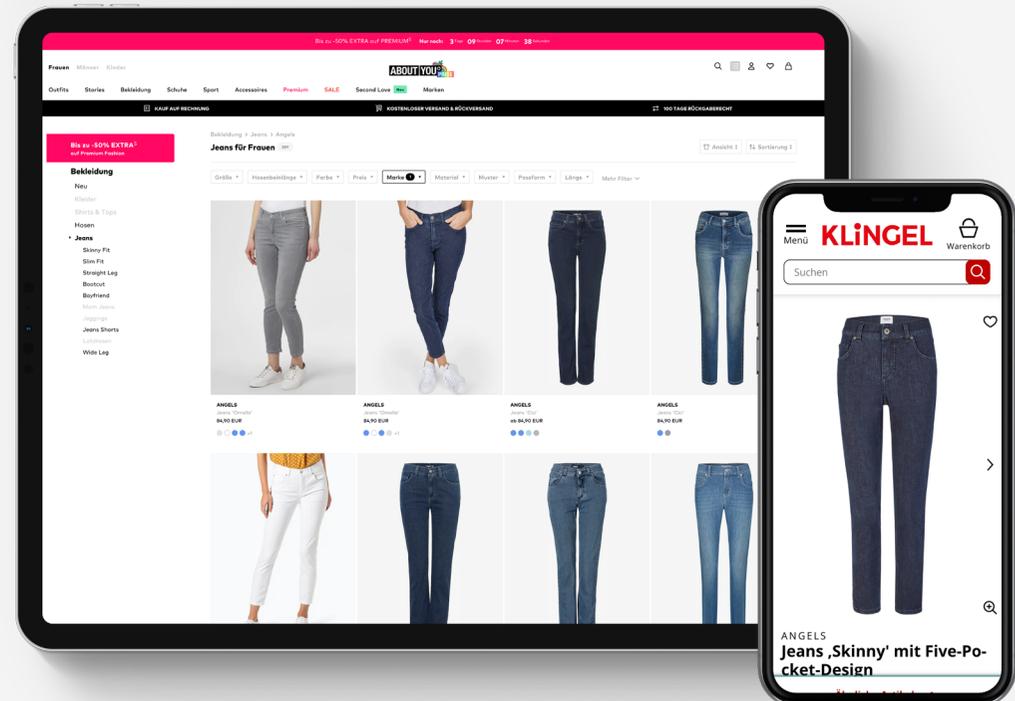
Successful online marketing thanks to close cooperation

The online sales of ANGELS pants via the store and the online marketplaces Amazon, Zalando, About You, Klingel, Otto, and Limango have grown very successfully in recent years. And new portals are constantly being added; negotiations are currently taking place with Vangraaf.com and Galeria Karstadt Kaufhof. „The visibility of our brand online is ensured almost 100 percent by GUTE MARKEN,“ explains Caspar Borkowsky. And he is very satisfied with the performance: The store currently records an average of around 250,000 visits per month. Marketing to existing customers is also an important pillar of online success and has developed very positively. For example, the number of newsletter recipients has increased fivefold since 2018 and, especially in the last year, has grown rapidly.

Close cooperation with GUTE MARKEN is very important to him, because: „The more closely we coordinate our product presentation and customer approach, the more successfully we can reach the customers online and sell our products,“ Caspar Borkowsky is certain. That’s why the collaboration between the two companies is very much based on partnership. „Whether it’s through targeted performance or newsletter marketing, target group-specific merchandising or faster logistics, all our stakeholders at GUTE MARKEN pull together and do everything they can to make ANGELS even more successful online.“ A win-win situation, that also derives from GUTE MARKEN’s business model: Participating in ANGELS’ online sales via commissions, GUTE MARKEN has a strong interest in performing well.

„We want to continue our healthy growth online and see the store and the marketplace presence as an important marketing tool for the visibility of our brand,“

explains Caspar Borkowsky.



Data doesn't lie: How online retail is driving strategic changes in direction

Until now, the fashion company always assumed that the typical ANGELS customer was 50 years and older. A fatal error, as the target group analysis of online female shoppers showed! Because in fact, much younger women also wear ANGELS pants:

„Even internally, many in the team were very surprised when the analysis of our online target group showed that 20 percent of our female customers are younger than 25 and half are not yet 50,“

confirms Caspar Borkowsky.

These figures show that ANGELS has focused too much on one target group in the past. And they also prove that the data gained from online retail is also highly valuable for companies in strategic terms. Therefore, Caspar Borkowsky wants to use this information to align the brand and products much more closely to the target group expecting to generate further sales potential. In order to attract younger female consumers in the future, the range is to be expanded by around 15 to 20 percent and new, more modern fits are to be added. Customer communications shall also be given a more modern and emotional focus. He can even envisage expanding the product range to become a full-range retailer.



Above-average growth and excellent conversion rates

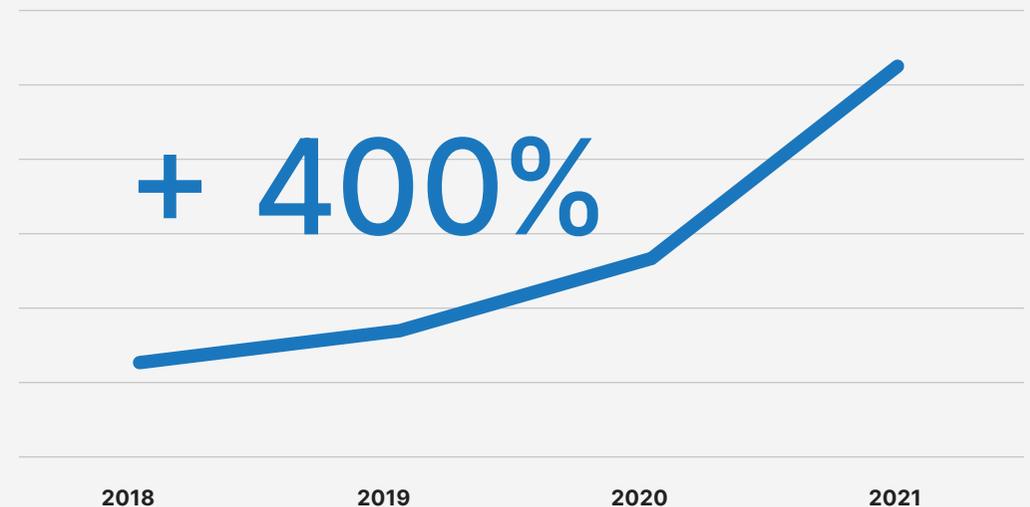
Caspar Borkowsky is very satisfied with the growth of his e-commerce business: „Due to the Corona crisis, we experienced a strong reduction in stationary retail in 2020. We were therefore pleased with our very positive development in online retail.“ A trend that continues unabated in 2021: In the first half of 2021, ANGELS was already able to replicate the online sales of the entire year of 2020. The conversion rate in the store is also above the industry average at 3.22 percent. A development that the fashion company would like to push further in the future with larger online advertising budgets. Overall, Caspar Borkowsky still sees a lot of potential in a detailed evaluation of his online data - with which he is still in the very early stages.

„In the future, we would like to utilize the insights from online retail much more for ourselves and use them to develop products specifically for our individual sales channels.“

explains Caspar Borkowsky.

After all, the CEO sees significant differences in online retail compared to brick-and-mortar retail: „We sell colors and patterns better on the internet than on the floor, for example, and fortunately see a high rate of repeat buyers. Long-tail strategies can also only be implemented online, as a maximum of 20-30 models can be shown at the same time on the floor - online, on the other hand, there is no limit.“

Online retail sales development at ANGELS



Online retail sales development at ANGELS from 2018 to June 2021

GUTEMARKEN

We develop brands with
structure, experience
and passion!



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