

GUTEMARKEN

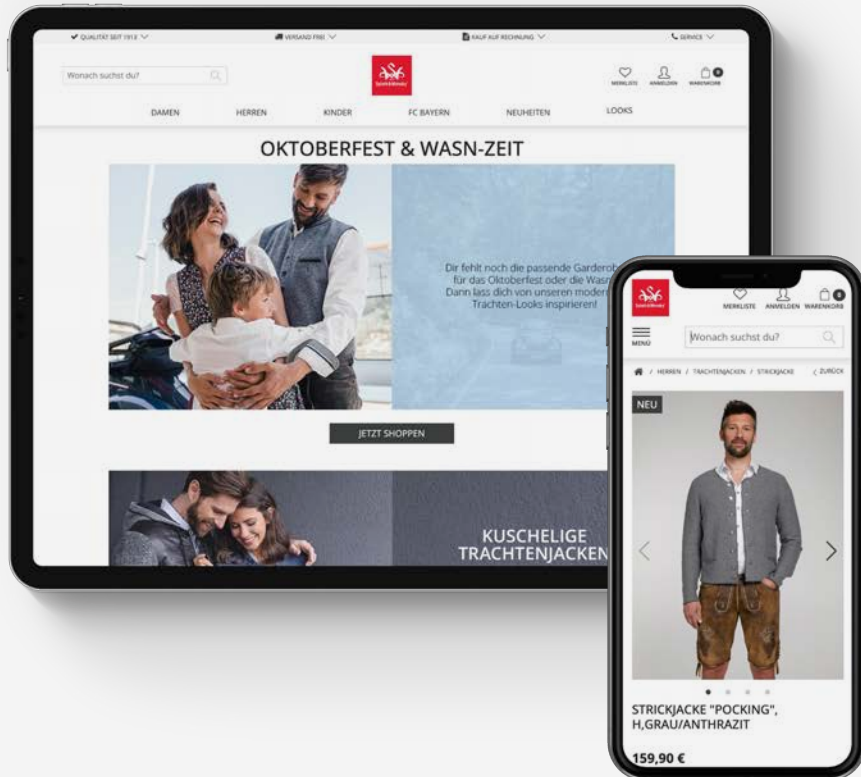


Case Study: Spieth & Wensky

Trachten online: “There are just no traditional costume shops in Hamburg, but customers.”

- ✔ Sales Growth Online: +45%
- ✔ 20% of Online Customers Buy Directly in Shop
- ✔ 70.000 Visitors/Month in Online Shop

Spieth & Wensky is the largest full-range supplier of traditional costume fashion for women, men and children in the German-speaking world. The fourth-generation family business was founded in 1913 and is based near Passau.



The range is characterised by high quality and good value for money. In 2019, before the Corona crisis, the traditional costume fashion manufacturer generated 21 million euros in sales and 10 per cent of that in e-commerce. Spieth & Wensky has seven of its own shops and sells its collections through around 400 wholesale partners in southern Germany, Austria and South Tyrol. The traditional costume manufacturer employs 130 people and is also a licence partner of the FC Bayern Munich traditional costume collection.

Spieth & Wensky was not active online until 2016. The company wanted to change that, as it had recognised that the internet represented a great opportunity to develop new target groups and would help to establish the Spieth & Wensky brand in the market. The traditional costume manufacturer chose GUTEMARKEN as its partner for entering the online business. As a full-service provider for e-commerce and specialist for the fashion trade, the team from Munich was the ideal partner to jointly advance the traditional costume trade on the Internet piece by piece. The business model also convinced the manufacturer: participating in online sales via commissions, GUTEMARKEN has a strong vested interest in performing well and making the traditional costume manufacturer successful online.

Goals

Launch into e-commerce

Increase brand awareness

Sales growth by opening up new buyer target groups

Realised by GUTEMARKEN

Creation of an online shop according to the brand CI of Spieth & Wensky

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

Connection to the online marketplaces Zalando, About You, Otto and Amazon

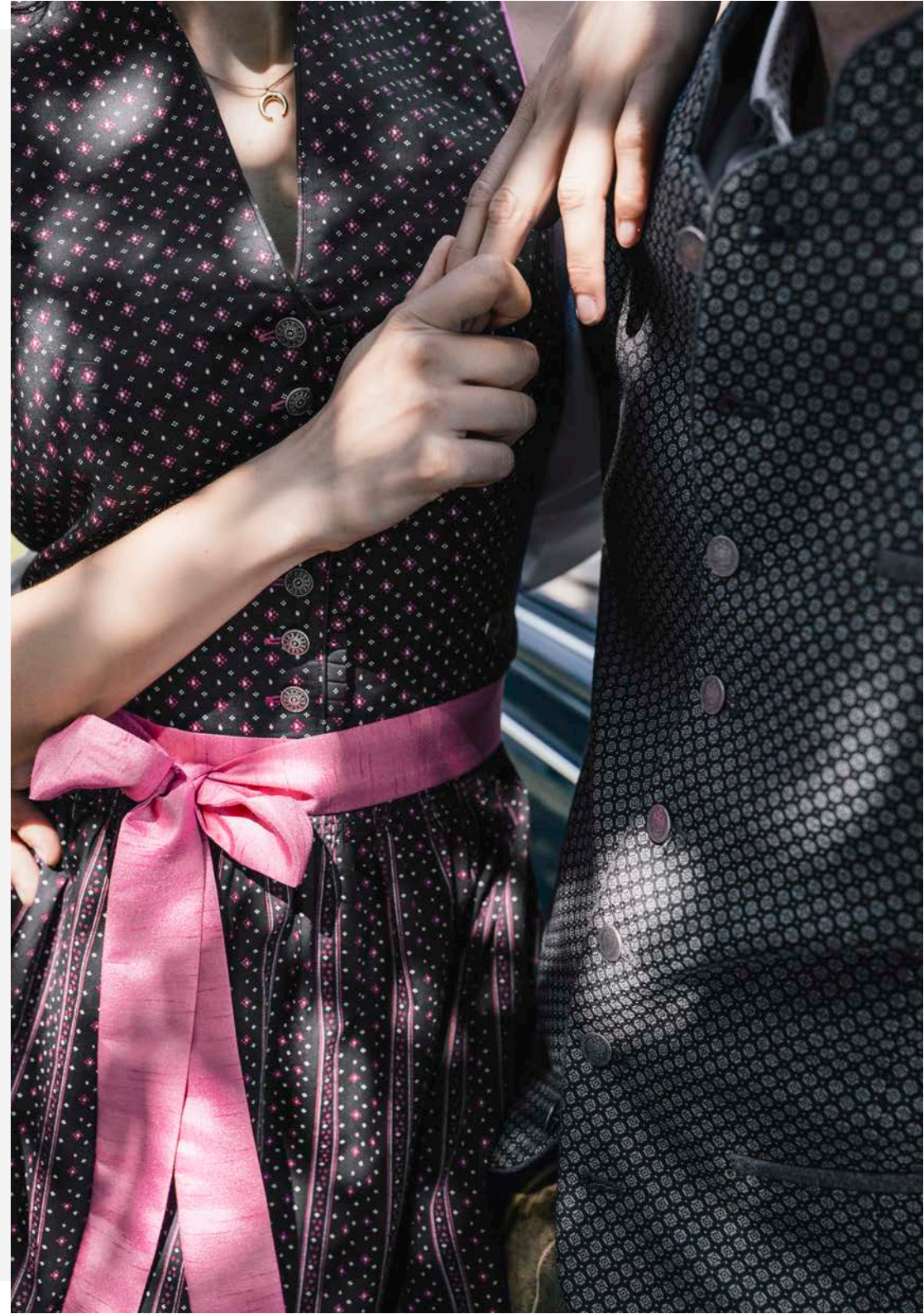
Marketing of the Spieth & Wensky collection through targeted online marketing measures in the areas of newsletter marketing, SEO, SEA, affiliate marketing and social media

A lot of potential for traditional costumes in online retail

For many potential customers, the Internet is the only source of supply for traditional costume fashions. This is because, unlike southern German customers, people in Hamburg do not have a local traditional costume shop where they could buy a dirndl or lederhosen. However, due to the boom of Oktoberfests all over Germany, the public can now be found all over Germany or even internationally, and thus the Trachten market is much larger than it was ten years ago.

However, there are big differences between the Trachten and fashion business: customers who buy Trachten are hardly oriented towards brand names – if at all, then only in certain very high-priced segments. Moreover, traditional costumes are often very similar and thus price and quality are the main factors that determine whether a customer decides in favour of supplier A or supplier B. At the same time, traditional costumes are rarely sold with discounts because the collections change little from year to year. Spieth & Wensky also does not sell its goods online at a discount, partly to avoid conflicts with its own wholesalers. Moreover, the traditional costume season only lasts eight to nine months; hardly any traditional costumes are sold between the end of October and March.

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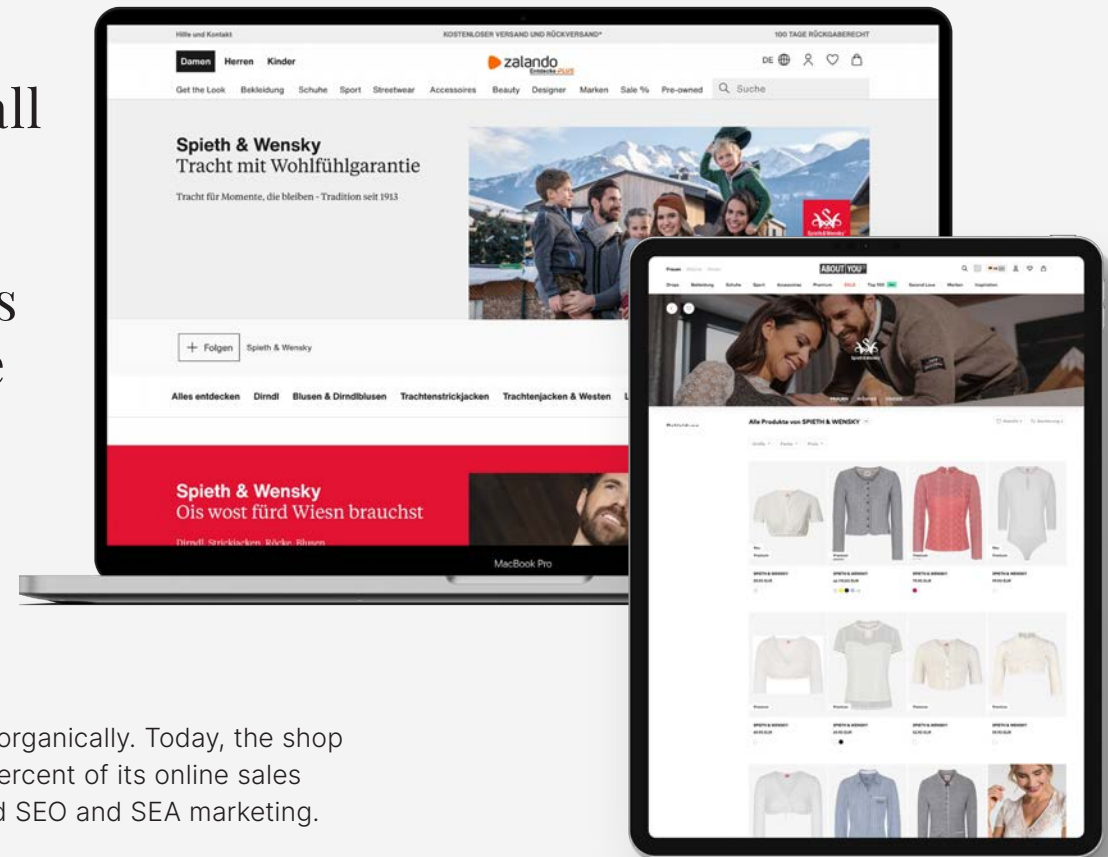


Customised e-commerce strategy

Since there is hardly any brand awareness among traditional costume customers so far, the marketplace business is of great importance for Spieth & Wensky. Zalando and About You are the main revenue generators here. But in order to anchor the brand awareness step by step in the target group, it was important to the company from the beginning to also have its own online shop. It was clear to them that this was the only way to build a bond with the customer. Various marketing measures support this goal: newsletter mailings address existing customers and regularly draw attention to new products or occasions. Social media campaigns via Facebook or Instagram primarily serve to attract new customers.

Marcus Kraft explains:

„Every year, there is a special folk festival calendar in Germany in which all regional festivals and their dates are listed. Then, when a festival takes place in Regensburg, GUTEMARKEN launches targeted social media advertising in the region to address potential new customers.“



Since the launch in 2016, the number of visits to the online shop has grown organically. Today, the shop records an average of 70,000 visitors per day. The company generates 20 percent of its online sales through its own shop. This value is to be steadily increased through targeted SEO and SEA marketing.



Then as now: in-house e-commerce is not an option

Building up the online business in-house was never an option for Spieth & Wensky. Human resources, know-how and space for logistics were lacking. The company's location also played a major role in this decision. Marcus Kraft, CFO at Spieth & Wensky, explains:

„Obernzell is a very rural area. It would have been illusory to find the necessary specialists for online retail in our region. By the way, that hasn't changed until today.“

Since the traditional costume manufacturer had not sold online before, the assortment of around 250 pieces had to be digitised at the beginning: Photos were professionally made to fit the requirements of the marketplaces, product texts were created in-house. Since traditional costumes, unlike „normal“ fashion, have a life cycle of four to five years, the initial effort was high, but has subsequently been greatly reduced. Today, three people in the Spieth & Wensky team take care of e-commerce.

More turnover in 2022 than before the pandemic

In the cooperation with GUTEMARKEN, the teams from Munich and Oberzell have complemented each other ideally: „We are specialists for traditional costumes, GUTEMARKEN experts for their online distribution,“ confirms Marcus Kraft. By 2019, the company had grown strongly online. From 2018 to 2019, Spieth & Wensky was able to increase its online sales by almost 50 percent. However, the Corona crisis then brought a deep cut: „Occasion fashion such as traditional costumes were almost not bought at all during the pandemic, neither online nor offline, as there was simply a lack of occasions,“ explains Marcus Kraft. Due to the cancelled festivals in 2020 and 2021, the manufacturer lost a lot of sales. When it was officially announced at the end of April 2022 that Oktoberfest 22 would take place in Munich, demand suddenly returned. It was noticed that people had a great desire to celebrate and dressed for it anew. Tourists who had discovered Bavaria and Austria as a summer holiday destination for the first time now also bought traditional costume fashion.

Marcus Kraft confirms:

„We are currently experiencing a real boom for traditional costumes. In the first five months of this year, we made more sales than before the pandemic in the same period.“

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Demand peaks: rapid scaling of logistics and fulfilment

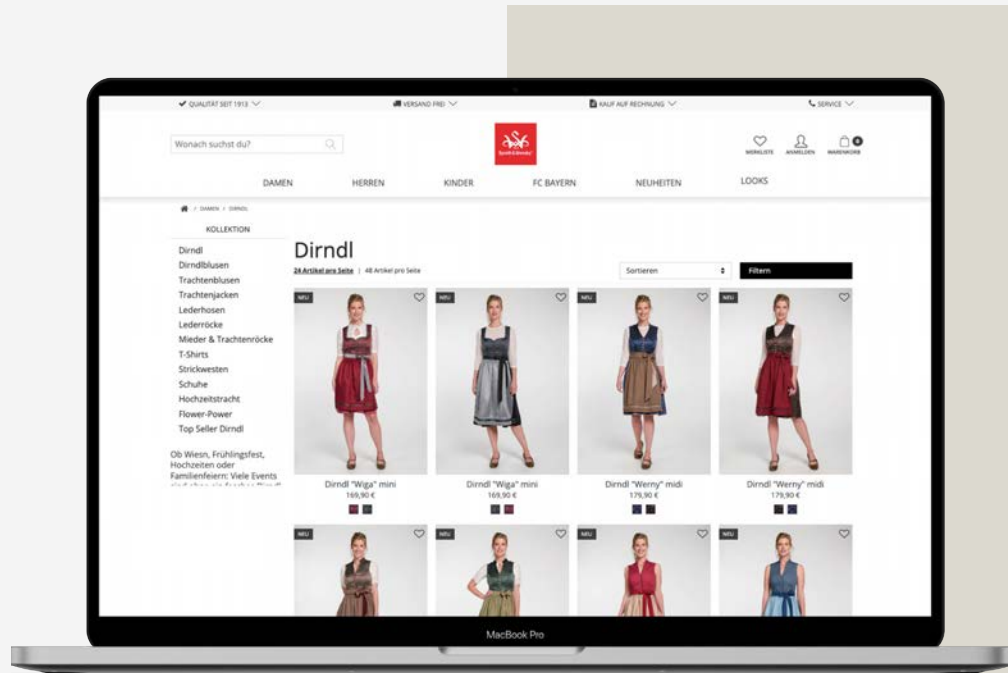
But this extreme fluctuation in demand in 2022 was also problematic. At the end of March, i.e. before it was clear whether the Oktoberfest would take place in Munich or not, Spieth & Wensky had to write its order for the peak season in late summer/autumn 22 with the supplier. In addition, the corona-related high stock levels made a cautious pre-order necessary. When it was announced four weeks later that the party would be back in Munich in September, new goods had to be ordered quickly – which was only partially successful. After all, production plants cannot triple their capacity overnight. However, GUTEMARKEN's logistics were able to manage the sudden boom in goods very well. The fact that there were too few goods on the market was something all costume manufacturers had to contend with.

„In April and May, our sales skyrocketed and we could have sold a lot more if only we had the goods. GUTEMARKEN's logistics handled this unplanned peak brilliantly,“

confirms Marcus Kraft.

Trendscout online trade for further growth

Together, Spieth & Wensky and GUTEMARKEN have learned a lot about the special requirements of the online costume market. While the assortment on the marketplaces was very broad at the beginning of the cooperation, it has been reduced in the meantime and concentrates on the orderers and NOS products. In order to tap additional sales potential, both companies want to launch a Dirndl offensive next year to push sales in this product group. To this end, Marcus Kraft wants to invest additional budget in marketing campaigns. Both also want to strengthen international sales:



„Thanks to online trade, we recognise trends much faster today, also in the target groups. For example, we see that the Netherlands is becoming an increasingly interesting market for us and can now address this target group directly via the marketplaces,“

explains Marcus Kraft, CFO at Spieth & Wensky.

For the future, the main focus is on further joint growth. The goal is to increase online trade to 20 percent of Spieth & Wensky's total turnover. For the coming year, Markus Kraft expects a relatively normal season. In addition to the targeted pushing of the Dirndl product group, the main plan is to increase the depth of the range to 300-400 items per article.

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We develop brands with
our system, experience
and passion!



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