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GLENN HOLMER,
SOFTWARE ENGINEER,
WEYCO GROUP, INC.

The Company

Weyco Group (NASDAQ: WEYS), designs and markets moderately priced and better-grade men's branded footwear for casual, fashion, and dress lifestyles. The principal brands of shoes sold by the Company are Florsheim, Nunn Bush, Nunn Bush NXXT, Brass Boot, Stacy Adams and SAO by Stacy Adams. Customers include some of the nation's largest and most successful department store chains, shoe store chains, specialty stores, and shoe boutiques. The company also operates 30 retail stores in the U.S. and has over 70 licensed stores in Europe, South America, the Middle East, and Far East.

The Situation

“We had our ecommerce manager re-keying orders into our mainframe-based order management system from emails – it was painfully slow and a waste of resources. Now we are fully integrated between the online store and our order management system, and have successfully freed up key staff to focus on additional revenue generating activities.”

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The Challenges

Weyco Group needed to increase the efficiency of their ecommerce operations without increasing costs, starting with the Florsheim brand. To do that,

- Weyco Group wanted to bring all ecommerce operations in-house
- Weyco Group needed to integrate the online store with existing order management and inventory control systems residing on IBM AS/400 mainframes
- Weyco Group needed to increase the speed of development of new revenue generating features for the online store

The Solution

Elastic Path Software's flexible, developer friendly, ecommerce platform.

The Results

- All software and hardware was brought in-house, increasing the speed of maintenance and management change requests
- The online store was deployed on an entirely open source technology stack, minimizing total cost of ownership
- The online store was easily and fully integrated with the existing order management system, freeing up marketing personnel to execute additional revenue generating activities
- Development time for adding new features was reduced by 50%



The Story

Weyco Group (NASDAQ: WEYS), a Wisconsin-based manufacturer and retailer of men's footwear wanted to increase the efficiency of its ecommerce operations. The company had been conducting sales online since 2000. In 2002 they acquired Florsheim, a prominent better-grade men's dress and business casual footwear brand founded in 1892.

Weyco group is heavily invested in core AS/400 based mainframe software systems for order management and inventory control. However, at the time, the consumer-facing ecommerce infrastructure was almost completely outsourced and orders had to be re-entered into the order management system by valuable marketing personnel. Downtimes required calls offsite to resolve, software changes had to be contracted, and they were looking for a way to make their ecommerce operations sync with their proven business processes.

The answer was to bring the management of this critical sales channel in-house. By moving to an integrated system residing under one roof Weyco Group reduced risk, increased responsiveness, reduced costs and enabled resources to be redeployed to revenue generating activities.

After careful evaluations of numerous vendors, the Weyco Group team selected the developer friendly, Java-based commerce platform from Elastic Path Software.

Weyco Group focused on the key business challenge first, integration. Engineers eliminated the need to re-key customer orders from the online store into the mainframe based order management system. Glenn Holmer, software engineer with Weyco Group, enthusiastically expressed how that one item saved them substantial time during order fulfillment, increased order accuracy, and reduced personnel costs all while increasing customer satisfaction because of the reduced order fulfillment time.

"We were also able to add inventory management functionality without much fuss at all," says Holmer. "When customers visit the online store looking for a specific shoe model in their favorite color, desired size and width, the potential variations add up quickly. Having real-time inventory status available from the AS/400 is critical to producing a positive customer experience. It also reduces customer support calls, which directly impacts our profitability and makes our team look good to management."

Because marketing staff was now free from order re-entry, they were eager to employ additional merchandising and promotional methods.

To motivate users to add additional products to their orders such as belts, socks, or shoe care, Weyco Group has implemented a countdown until free shipping notice on the shopping cart page. Once the \$100 threshold is passed, customers are given free

ground shipping. To make the process of adding additional items easy on users, cross-selling is offered right on the shopping cart screen. The free shipping offer makes users very happy, but makes Weyco Group ecstatic because the average order size has increased.

When a new user registers at the site or signs up during the checkout process, they are subscribed to receive Florsheim newsletters and promotions via email, and can opt out by clicking a single link. This has grown the mailing list substantially, and offers additional marketing opportunities. Those mailing list subscribers are often offered promotional coupon codes that can be used against purchases at the online store such as 'order \$100 worth of merchandise and receive a free gift'. Marketing personnel can easily set date ranges for the promotional coupons so they can run time sensitive promotions with expiry dates. Jill Cummings, eCommerce Manager, notes "everyone likes free merchandise and users tell us our promotions contribute to a very rewarding buying experience."

When dealing with shipping, UPS tracking numbers from the warehouse system are included with the customer's confirmation e-mail, and are available within the user's account. This customer self-service functionality increases efficiency, reduces customer support costs, and contributes to a positive buying experience.

To maximize customer acquisition Weyco Group leverages affiliates, by offering 7% commission on all referred sales. To manage this program, the Florsheim site was integrated with a 3rd party affiliate management system, LinkShare. The fruits of the new initiative continue to be realized as more affiliates are added.

New products are introduced each season. Because all product data is stored in the mainframe system, Weyco Group utilizes product import functionality for all seasonal catalog changes. Holmer states, "By reducing the amount of data entry required, we have become a faster and more efficient organization."

Weyco Group chose to deploy on an entirely open source infrastructure, something no other vendor could offer, which contributed to lower initial costs and an improved TCO.

"Our ecommerce project has been very successful so far and can only grow in the future," Holmer admits, "but I have one regret about our ecommerce project - not purchasing Elastic Path sooner."

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