Acumatica
The Cloud ERP

Distribution, Retail, and Commerce: Fashion, Footwear, and Apparel
Industry Digest

IN THIS DIGEST

INDUSTRY OVERVIEW
Page 2

ERP FEATURES
Page 3

INDUSTRY RESOURCES
Page 4

ACUMATICA BENEFITS
Page 5

SUMMARY

Fashion, apparel, and footwear businesses face constant change. Styles frequently change with seasonal stock change-over. Today's fashion world demands flexibility with omnichannel purchasing, returns, and exchanges.

Fashion and apparel retailers, etailers, and distributors require specialized software to track inventory by size, style, color, and other attributes.

Connections with multiple online marketplaces, commerce storefronts, brick-and-mortar retail outlets, or pop-up stores with point of sale are essential for growing sales with seamless connections to backoffice ERP applications for order fulfillment, shipping, financial analysis, and reporting.

Companies using legacy ERP or entry-level accounting applications and digitally native retailers looking to expand into pop-up locations struggle to manage omnichannel experiences while synchronizing systems with manual data exports and imports. As a result, information is delayed and inaccurate resulting in late fulfillment, canceled orders, and unhappy customers. Conversely, modern ERP applications couple front-end commerce with back-end ERP functionality for a holistic, bi-directional system to manage every part of the business for a better customer experience and faster order fulfillment.

This Industry Digest provides an overview of the fashion, footwear, and apparel industry from a retail and wholesale distribution perspective with insights into the industry's future, critical features to consider when evaluating a new ERP application, and a list of resources for additional information.

Discover How Retail and eCommerce Companies Grow with Acumatica

LAUNCH THE VIEWER >

The fashion, footwear, and apparel industry faces a myriad of challenges with disruptive supply chains, evolving commerce storefront technologies, and new compliance mandates such as chain of custody (COC) for sustainability and ethical product management. These changes impact the entire fashion industry forcing wholesale distributors and retail merchants to adopt modern ERP applications and innovative technologies to drive growth in an uncertain, and globally competitive market.

The fashion industry was expected to decline nine percent from 2019 to 2020 due to the "retail apocalypse" caused by the global coronavirus pandemic. However, the market is projected to recover and grow by 11 percent through 2023.[1] The pandemic put many fashion companies out of business and disrupted the supply chain with significant increases in costs and longer sourcing lead times. A 2021 USFIA study[2] points out that 97% of respondents anticipate sourcing cost increases, citing shipping and logistics as a primary concern.

Consumer demand is driving fast fashion, athleisure, subscription services, and luxury apparel category sales. Fashion businesses are scrambling for new ways to leverage social media and online influencers to reach younger buyers. In addition, augmented and virtual reality plus wearable technologies are on the verge of changing everything with virtual changing rooms and smart-fit technologies. The industry is also experiencing smarter online commerce and in-store point of sale technologies that offer more profound personalized experiences and recommendations based on big data and analytics.

Retail fashion businesses are identified by SIC Code 56, 5944, and parts of 5999 or NAICS Codes 448 and 451130. Fashion wholesale distributors are classified by SIC Code 5131-5139 and parts of SIC Code 5084-5087 and 5199 or NAICS Codes 4243 and 423940. An industry breakdown for US companies by employee size is provided below.[3]

INDUSTRY SEGMENT	1-20	21-50	51-100	101-250	251-500	501+	TOTAL
Fashion Supplies	12,700	1,317	342	143	49	30	14,581
Distribution	3,032	372	127	79	28	19	3,657
Retail	9,668	945	215	64	21	11	10,924
Men's and Boy's Fashion	23,087	6,613	2,320	1,505	2,481	501	36,507
Distribution	3,985	371	186	111	38	47	4,738
Retail	19,102	6,242	2,134	1,394	2,443	454	31,769
Women's and Children's Fashion	102,192	12,271	4,312	5,273	2,985	631	127,664
Distribution	3,136	359	129	119	25	24	3,792
Retail	99,056	11,912	4,183	5,154	2,960	607	123,872
Shoes and Other Footwear	26,519	4,605	1,403	1,427	189	81	34,224
Distribution	1,052	119	29	24	9	12	1,245
Retail	25,467	4,486	1,374	1,403	180	69	32,979
Other Fashion and Apparel	47,238	4,911	1,475	597	170	100	54,491
Distribution	585	34	7	7	2	3	638
Retail	46,653	4,877	1,468	590	168	97	53,853
TOTAL	**211,736**	**29,717**	**9,852**	**8,945**	**5,874**	**1,343**	**267,467**
DISTRIBUTION	11,790	1,255	478	340	102	105	14,070
RETAIL	199,946	28,462	9,374	8,605	5,772	1,238	253,397

1. Source: Shopify—The State of the Ecommerce Fashion Industry March 2021
2. Source: USFIA 2021 Fashion Industry Benchmarking Study
3. Source: Data Axle 2021

ERP Features

The [Acumatica Retail-Commerce Evaluation Checklist](#) and [Distribution System Evaluation Checklist](#) provide a starting point to evaluate ERP requirements, including point of sale, commerce, accounting, purchasing, sales order, inventory, and other capabilities. The checklist below provides a shortlist of critical ERP features for fashion, footwear, and apparel businesses.

FEATURE	BENEFIT	PRIORITY	Acumatica		
Inventory Management	Perpetual inventory with lot/serial tracking, physical inventory, transfer orders, and bins.		✓		
Matrix Items	Create product families using size, style, color, and other attributes. Create orders using matrix views.		✓		
Up-Sell/ Cross-Sell	Designate higher-cost items for up-sell and complementary products for cross-sell.		✓		
Item Substitution	Identify recommended substitute items to show during order creation when an item is out of stock.		✓		
Warehouse Management	Native mobile WMS with barcoding for pick, pack, and ship with directed paperless picking.		✓		
Prior Sales	Create orders based on the customer's sales history.		✓		
Stock Reservations	Reserve inventory for specific orders for fulfillment.		✓		
Drop-Shipments	Create purchase orders to drop-ship products from suppliers to customers from sales order entry.		✓		
Shipments	Create shipments with packaging details and packing slips with connections to shipping systems.		✓		
Commerce Connectors	Native connectors for B2B and B2C eCommerce storefronts with bidirectional integration for inventory items, customer information, and order processing.		✓		
Personalization	Capture information such as names or special instructions at the time the order is created through to fulfillment.		✓		
EDI Transactions	Connected EDI applications for invoices, purchase orders, advance ship notices, and other transactions.		✓		
Demand Forecasts	Native inventory replenishment formulas to predict demand by period based on sales history and seasonality.		✓		
CRM	Embedded CRM for marketing and sales management.		✓		
Omnichannel	Back-office order management, eCommerce storefronts, and brick-and-mortar retail sales with omnichannel returns and exchanges.		✓		
Pricing and Promotions	Flexible pricing and promotions, including customer pricing, volume discounts, and date-specific promotions.		✓		
Purchasing	Purchase orders with blanket purchase orders and requisition management.		✓		
Order Entry	Flexible order entry from SO screens, online storefronts, point of sale applications, imports, EDI, and more.		✓		
Point of Sale	Native point of sale with connected cash registers, scanners, receipt printers, credit card terminals, and more.		✓		
Financials	Streamline and automate financial reporting with a full suite of native accounting applications.		✓		
Business Intelligence	Gain real-time insights into your business with role-based dashboards, business analytics, reports, and inquiries.		✓		

INDUSTRY Resources

Resources are provided below to aid fashion, footwear, and apparel distributors, retailers, and etailers in their digital transformation projects. Attend industry trade shows, read about ERP software and technologies in trade media and industry analyst reviews, network with peers in associations, and access Acumatica resources to learn more about ERP software to automate and streamline business and sales operations.

INDUSTRY EVENTS
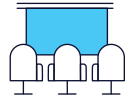
- Agenda Las Vegas (Link)
- ASD Market Week (Link)
- Atlanta Apparel Shows (Link)
- Atlanta Shoe Market (Link)
- COAST (Link)
- Coterie – Miami and New York (Link)
- Footwear Show New York Expo (Link)
- JCK Las Vegas (Link)
- Magic – Las Vegas and New York (Link)
- New International Lingerie Show (Link)
- New York Fabric Show (Link)
- Outdoor Retailer (Link)
- PLMA Annual Conference (Link)
- Sourcing at Magic (Link)
- Style Max (Link)
- Swim Show (Link)
- Texworld USA (Link)

INDUSTRY ASSOCIATIONS

- American Apparel & Footwear (Link)
- American Fur Council (Link)
- Canadian Apparel Federation (Link)
- Costume Society of America (Link)
- Cotton Incorporated (Link)
- Council of Fashion Designers (Link)
- Fashion Footwear Assoc. of NY (Link)
- Fashion Group International (Link)
- Fashion Industry Assoc. (Link)
- Footwear Distributors & Retailers (Link)
- Int'l Textile and Apparel Assoc. (Link)
- Leather and Hide Council (Link)
- National Council of Textile Org. (Link)
- National Retail Federation (Link)
- National Shoe Retailers Assoc. (Link)
- Outdoor Industry Assoc. (Link)
- SEAMS: Sewn Products Assoc. (Link)
- Textiles, Apparel & Materials (Link)
- Textile Society of America (Link)
- United Shoe Retailers Assoc. (Link)
- US Fashion Industry Assoc. (Link)

TRADE MEDIA AND ANALYSTS

- Accessories Magazine (Link)
- Business of Fashion (Link)
- California Apparel News (Link)
- Capterra (Link)
- Drapers (Link)
- Fashion Magazine (Link)
- Fashion Network (Link)
- Footwear Insight (Link)
- Footwear News (Link)
- Focus On Shoes (Link)
- G2 Crowd (Link)
- InStore Magazine (Link)
- JCK Online (Link)
- Just Style (Link)
- MR Magazine (Link)
- Outdoor Retailer Magazine (Link)
- Retail Info Systems (Link)
- Retail Week (Link)
- Software Advice (Link)
- Sourcing Journal (Link)
- Textile World (Link)
- Trends Magazine (Link)
- Uniform Market News (Link)
- Vogue Business (Link)
- Vows Magazine (Link)
- Women's Wear Daily (Link)

ACUMATICA RESOURCES

Access the Resource Center to learn about Point of Sale, Acumatica Commerce Connectors, Inventory Management, Sales Order Management, and Purchase Order Management for Acumatica Retail-Commerce and Distribution Editions.

Visit the Resource Center

Discover How Wholesale Distributors Grow with Acumatica

LAUNCH THE VIEWER >

Fashion, apparel, and footwear retailers and distributors prosper with Acumatica Cloud ERP. Manage omnichannel orders through back-office ERP applications connected with B2B and B2C eCommerce storefronts and point of sale applications for in-store sales. Manage inventory and item data inside Acumatica with bidirectional connectivity with commerce and retail systems for order management, returns, and exchanges.

ACUMATICA FOR THE FASHION INDUSTRY

Acumatica's robust inventory management application supports matrix items to create and manage apparel and footwear product families based on item attributes. eCommerce, point of sale (POS), and field service applications extend Acumatica for businesses that sell online (B2B, B2C, and D2C) or provide on-site services. Leverage automation, workflows, and document management to connect data and processes throughout the distribution business for improved service, retention, and growth. With Acumatica, fashion and apparel executives can:

- **Boost sales** with flexible pricing, promotions, up-sell and cross-sell suggestions, and integrated CRM for marketing and sales automation.
- **Simplify inventory** management with lot and serial tracking, native warehouse management, and configurable unit of measure conversions.
- **Optimize stocking levels** with robust inventory replenishment to avoid rush orders and stock-out situations with increased inventory turns and lower carrying costs.
- **Delight customers** with inventory stock reservations, faster order processing, and streamlined fulfillment.

Acumatica provides ease of use and an adaptable platform facilitating rapid integrations to connect modern technologies, including cloud computing, big data and analytics, and specialized automation systems for streamlined processes and meaningful insights across a company's operations. Acumatica delivers an unparalleled experience for users and customers alike. It is built on a scalable and future-proof cloud ERP platform with open architecture backed by the industry's best value-added reseller (VAR) network. Acumatica Cloud ERP provides the best business and industry management solution for transforming your business to thrive in the new digital economy.

"Acumatica has been behind our success, and their support team has been integral in making sure that we've been as successful as possible. I would definitely recommend Acumatica to someone looking for a new ERP solution. Acumatica would be a great asset to anyone trying to expand its eCommerce platform."

– THOMAS FINNEY, IT DIRECTOR, SHOEBACCA

ABOUT ACUMATICA

Acumatica Cloud ERP provides the best business management solution for digitally resilient companies. Built for mobile and telework scenarios and easily integrated with the collaboration tools of your choice, Acumatica delivers flexibility, efficiency, and continuity of operations to growing small and midmarket organizations.

Business Resilience. Delivered.

Learn more about how Acumatica can work in your business by visiting us online at www.acumatica.com.

Acumatica
The Cloud ERP