ECCO Sko A/S, Denmark

It's Shoe time for ECCO

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Brian Smidemann, Regional Manager for Sales and Service, ECCO Sko A/S
It would only be fitting to say that customer satisfaction, comfort, service, and flexibility have always been the highest priority for ECCO – both regarding shoe production and customer interaction. One of the latest innovations for the many independent shop partners of the group is the launch of a web shop, meaning it is now possible to order from ECCO at any hour, any day, all year round. In less than a year, ECCO has managed to move 15-20 percent of their phone sales to the web. And perhaps more importantly: The group of companies has improved the customer service and satisfaction – noticeably.

“ECCO will never make any decision at the expense of comfort”, promises Brian Smidemann, Regional Manager for Sales and Service. “Because, although we have gone from a traditional foot-

shape to something more fashion conscious and keep expanding our reputation as a very modern shoe manufacturer with both double and triple growth rate figures across the world, we still haven’t forgotten the 84-year-old Mrs. Smith, who has bought one particular pair of shoes for the last 30 years. It is only natural that we also have a desire to capture the younger customers, and that we have established a branding team and a development division, who are both working hard to achieve this: We are competitive people. We want to perfect our expression and product, so we can keep reaching more people with a – in our opinion – fantastic range”, he explains. And there is a certain weight to the words: ECCO is today the world’s number 2 manufacturer of brown shoes – and they have a clear objective of being number 1. At the same time, the company is increasingly being compared to giant manufacturers such as Nike due to the successful introduction of outdoor and performance shoes. Additionally, the latest figures show that ECCO (in Denmark alone) has a market share which is equivalent to two pairs of ECCO shoes in each home in the country.

“Our growth rates and profits both show and prove that we are in the right track – even if you will never see a pair of ECCO shoes which are so fashion minded that they will only survive for half a season before vanishing from the face of the earth. Nothing happens at the expense of comfort”, Brian Smidemann reiterates, “which – to my mind – is not only a healthy attitude. I also think it will be ECCO’s strength in the future.”

Another strength is ECCO’s ability to make some overriding business decisions, which seem simple enough on a superficial level, but which have far reaching consequences for the reputation and the sales of the company. One of these decisions is that IT should support the business and help it develop. Most recently via a strategy to give as
many shop partners as possible the chance (through IT) to order stock outside the opening hours of the sales department. "A lot of the independent shop owners who stock our shoes, are businesses run by one or two people, who cannot afford the time to order stock via the phone during normal opening hours, because they have to focus on looking after the shop. So we started looking for a solution, which would offer our customers another and a more flexible way of trading with us. With the popularity of the internet, a web based tool which was simple and easy to use seemed like a shoe-in. It had to be capable of giving us a quick overview of the supply and an accurate snapshot of our stock. In addition, it had to be accessible at any time", Brian Smidemann points out.

A supplier and a solution which is just the right fit

"Naturally, we searched the market thoroughly to gain some insight into the available possibilities. Throughout this, we decided to look for a solid partner. Someone who had done this before. And someone who knew the B2B market inside out. We chose itelligence, because they offered the best product. And because their solution could be added easily, comfortably and without any great programming tasks – therefore work seamlessly with our main system, which is SAP. They have subsequently proved to be both a professional and serious partner. They have been very good at listening to what we wanted. They have informed us of both the possibilities and limitations in a competent manner. They have brought their own ideas to the table and at the same time been open and receptive to ours. They have been available and ready to help. And they have been capable of spotting advantages as well as disadvantages and at simply looking ahead. We trust them 100 percent", reports the regional manager of sales and service.

Appeal, confidence and style to boot

"We started out in week 9 of 2006, and we were fully operational on eight markets by week 14/15. Our sales people normally spend about 10-20 minutes explaining to each shop partner how the system works and taking them through the basics. That’s it! Then they’re up and running! Obviously the customers aren’t stupid. They are used to online shopping with the big players. And our web shop is based on exactly the same user-friendly principles. Less than a year later we have received feedback from our various shoe sellers that the solution has not only given them more flexibility and the freedom to go with it. In some cases, there has even been an increase in sales. A specific case is a shoe seller on Bornholm, who told us it is quite simply the
The greatest success to fit into a pair of shoes

“Overall, we have transferred 15-20 percent of our phone sales to web sales. In Denmark we managed to transfer 14 percent to the web shop in 2006 alone. This is equivalent to 30,000 pairs of shoes, and my personal estimate is that we will reach around 25-30 percent in 2007 – in other words, a twofold increase. That is more than satisfactory. Because it means that we are not just hooked up via the sellers and our sales department. We are offering an extra service, and we are making business 24/7 365 days a year”, Brian Smidemann notes with a smile. “Already in March, we launched the second version of the solution. It incorporates 9½ out of every 10 suggestions for improvement, we received from our shop partners after we went live, which has helped introduce the solution to more markets. Beyond that, we are considering expanding the web shop to include products on sale – this part of sales is primarily handled by phone at present, but it could possible be moved online in the future. Based on our experience so far, we have great expectations for the potential, and we are already this year expecting a growth of at least 10 percent on the other European markets. Our verdict is clear: The collaboration has worked. We have created a working solution. And we have established a solid business foundation to support further growth. Our customer service and sales department is no longer on the phone for 80 percent of their time, but merely 60 percent – the remaining hours are now used for follow-up sales, better customer care and more targeted follow-up after delivery. In short, we now have more time. And although there will always be customers who prefer the more personal touch of a telephone call, the web shop from itelligence is an addition. A positive addition”, concludes Brian Smidemann, Regional Sales Service at ECCO.