



AI-Powered Direct-to-Consumer Planning and Store Allocation

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AI-Powered Direct-to-Consumer Planning and Store Allocation

Stay Ahead of Trends with AI-Powered DTC Planning & Allocation Solutions

Meet consumer demand, whenever and wherever they're shopping, with granular insights on emerging trends—down to style, color, size, by store, per week.

7thonline is at the forefront of inventory management with a suite of AI-powered solutions tailored to address retail challenges across channels. By combining the art and the science of merchandising, retailers can optimize inventory decisions that limit lost sales and drive full-price sell-through. For over 25 years, 7thonline has been transforming the way retail teams make merchandising decisions at every step of the retail workflow.

Enhance profitability and distribute inventory based on an item's highest propensity to sell. Maximize inventory productivity with real-time data and insight on localized demand, backed by all customer affinity points—product, time, location and media. Designed to address inventory challenges unique to short-lifecycle goods as well as staple products, 7thonline's industry-specific AI models and embedded best practices deliver real results through data-driven decisions and forecasts.

Key impacts:

30%

decrease in markdowns

10%

higher full-price sell-through

25%

decrease in lost sales

3X

improved inventory turnover

50%

fewer administrative tasks

Merchandise Financial Planning

Analyze the Business from Multiple Angles

Leverage AI to **identify opportunities and risks**, refining sales budgets and purchase plans.

Using product and location attributes, retailers have the flexibility to make decisions that improve margins **for brick-and-mortar and ecommerce channels**. Promote aligned decision making with **proprietary system forecasting**, robust analysis of past sales and rich industry KPIs, fit to your business.

Backed by performance-driven data, 7thonline **automatically seeds merchandise plans** from multiple sources, or **auto-populates merchandise plans based on previous successes and current trends**, as a foundation. Through CoPlanner, brands are able to leverage conversational AI to easily make adjustments and stimulate results; the system continuously refines recommendations based on real-time data between planner-made adjustments and actual demand.



Assortment Planning

Maximize Selling Potential with a Localized Mix

Perfect your assortment mix with robust AI-based demand insights down to the lowest level: **style, color, size, by door, by week**. With analytical and **intuitive visual ladder plans for all SKUs**, retailers can ensure a colorful and attractive assortment—backed by retail best practices—to meet consumer needs across channels.

Align sales and merchandising teams with real-time demand data.

Analyze and correct for lost sales to optimize decisions moving forward. Based on historical demand, 7thonline **recommends optimal buys by location**, including the **best size profile for each category**. Proprietary AI models also empower retailers to make **informed decisions for new and seasonal products**, based on the historical demand of similar items. Through AI-powered visual pattern recognition, the system will automatically select a Like Style based on product attributes through dynamic classification.



In-Season Open-to-Buy

Speed and Insights for Refined In-Season Decisions

Review and evaluate OTB with deep demand insights into the latest trends, elevated by powerful **system forecasting and “what-if” scenarios**. Analyze your business from multiple angles with **flexible planning** capabilities, based on product and location attributes.

Eliminate manual work to focus on strategic decisions that align with your goals.

Real-time visibility into demand across channels enables smart stocking decisions when inventory positions are at risk, empowers proactive reordering for best-sellers and informs promotional plans for slow-moving items. Deduce a smart mid-season OTB rolling adjustment strategy that considers account lead times and production capacity; **proprietary forecasting** guides OTB decisions for new and seasonal products.



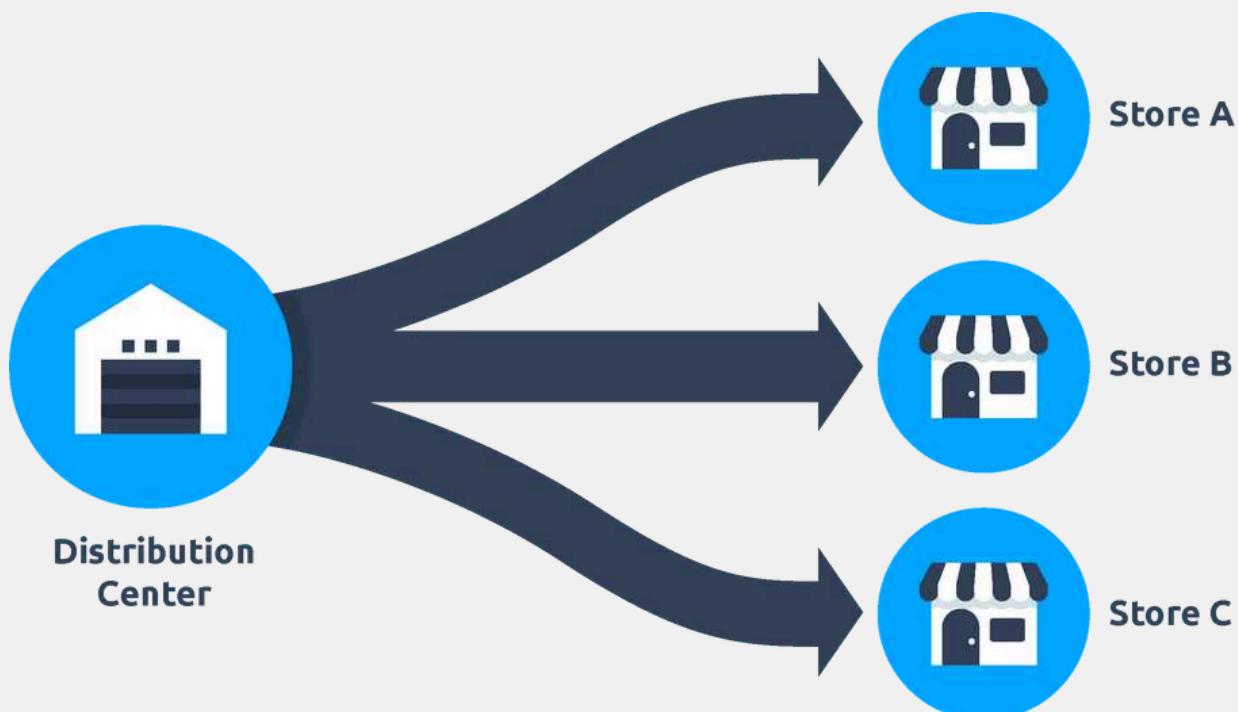
Allocation & Replenishment

Maximize Sales Potential by Product, by Store

Drive localized distributions based on each item's propensity to sell in different stores. Our **AI-determined sales index** bakes in a variety of demand drivers for a real-time perspective on SKU appetite per store.

Right products. Right place. Right time.

Make informed allocation, replenishment and transfer decisions with demand-backed strategies that minimize markdowns and prevent in-store shortages. **Forecast trending products in-season**—down to style, color, size each week—to ensure shoppers can always find the products they're looking for. **Balancing stock levels** has never been easier than with complete visibility into real-time demand, on-hand inventory and product lead times; **push-and-pull recommendations** optimize inventory flow according to: store parameters, brand guidelines, actualized demand and more.

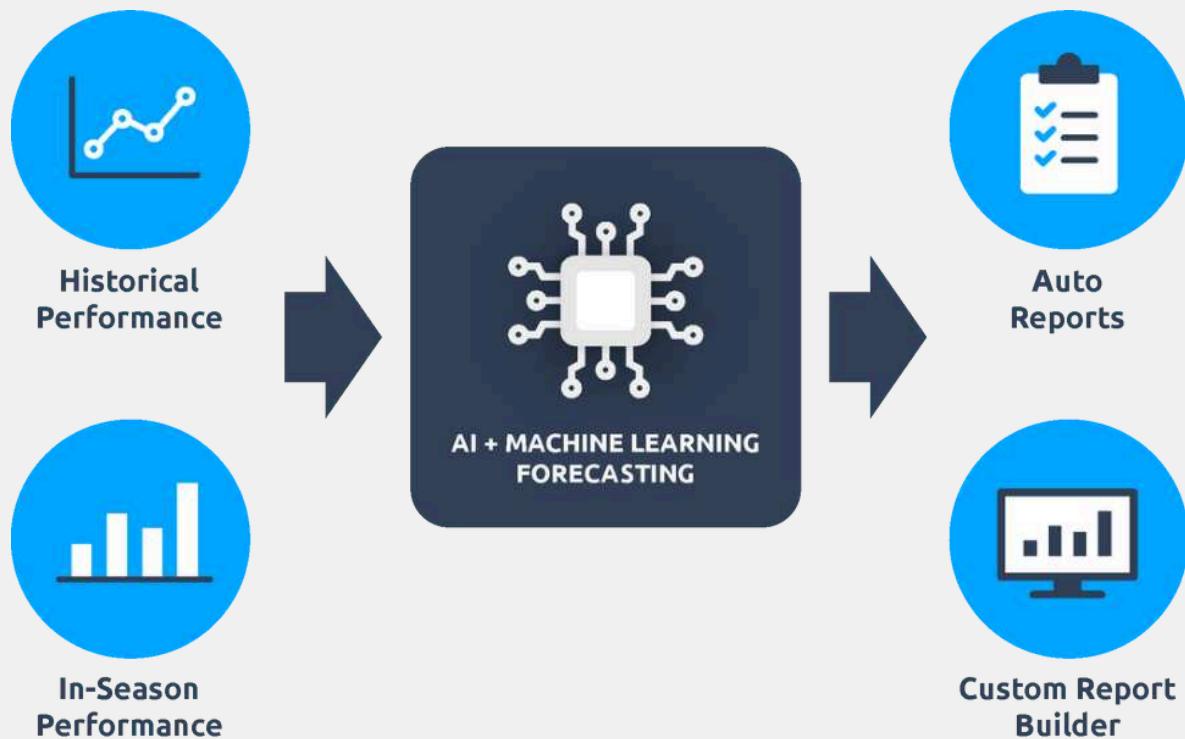


Embedded AI Forecasting & Reporting

Actionable Insights at Your Fingertips

Gain insights into emerging trends and make proactive decisions by comparing historical and in-season performance with **embedded system forecasts for on-screen analysis**. 7thonline's powerful machine learning and AI-powered adaptive forecasting engine combines **proprietary vertical-specific models** with industry best practices to precisely predict sales trends and amplify inventory productivity.

Extract actionable insights without burdening IT. The **intuitive, robust reporting engine is embedded** and automatically generates various reports to access in-depth analytics of key operational indicators. For custom reporting, you choose the indicators important to your business. From novice to specialist, 7thonline's Report Builder enables users of all skill levels to access key information with custom drag-and-drop reporting on-the-fly—you also **control the permissions and accessibility** of your reports.



Media Planning & Offer Buying

Fully Understand Consumer Behavior

Understand why and when a product sells to predict future trends.

With this new dimension, retailers can analyze profitability beyond product, location and time to develop **targeted marketing promotional campaigns**. Gain a deeper understanding of your shoppers using new data sources including: social media content, search queries, climate, traffic, fashion trends, **website and/or catalog positioning** and more.

For ecommerce, **precise planning based on web-specific metrics** and deep analysis of web layout strategies empowers pure-play brands and DTC retailers online to maximize profit, advance product placement and improve ROAS. For direct marketing retailers working on catalog sales, optimizing for media planning and **attribution down to page space, placement circulation** amplifies campaign contribution margins and boosts conversions.





Concept Study:

ROI Calculator

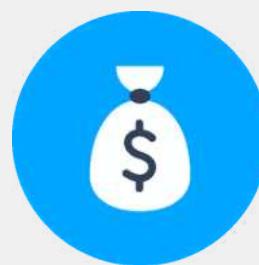
Based on various metrics such as revenue and gross profit margin, our team is able to conduct a concept* study to show the impact of our platform for various brands. The concept study includes aggressive, likely and conservative scenarios to calculate the return on investment for our direct-to-consumer and wholesale solutions. By acting on new opportunities that improve inventory productivity, retail brands are able to see ROI through a reduction in markdowns, margin improvements, lower inventory carrying cost and more.

Using 7thonline's demand forecasting and consumer-centric selling tactics for DTC retail operations, we ran the following numbers for a detailed ROI analysis.

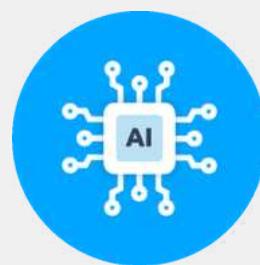
According to the ROI analysis, a brand with an estimated **\$1.5B annual revenue** is projected to see the following:



Over five years, the additional revenue realized could be up to \$56.5 million (aggressively) due to more accurate demand forecasting and consumer-centric merchandising.



Conservatively, the brand is slated to see an additional \$8 million in profit margin due to improved full-price sell-through rates set by localization, in the first year with a 6X ROI.



Using AI for operational efficiency saved the brand nearly \$4 million in inventory carrying costs for just the first year in the conservative analysis.

For a **\$500M brand**, we ran a conservative ROI analysis of using 7thonline's DTC solutions to find the following:



By decreasing markdowns and minimizing lost sales through smarter allocation, the brand can (conservatively) expect \$3.8 million in additional revenue within the 1st year.



Conservatively, the analysis projects a 242% ROI in the first year due to an increase in revenue and decrease in SG&A and inventory carry costs—valued at a net benefit of \$2.8 million.



In year five, the brand has reached over 18X on ROI, with a cumulative benefit of \$26.3M, while the annual net benefit has nearly tripled from year one.

Our AI-native system utilizes proprietary vertical-specific algorithms and industry best practices to drive value for all brands and retailers across wholesale, DTC and ecommerce channels regardless of size. As brands continue to grow, our platform not only scales to their business needs but also realizes more potential, boosting returns for multi-channel brands.

*7thonline's ROI model was developed by Kurt Salmon, part of Accenture Strategy, based on an independent study of 7thonline's clients to serve as a benchmark for investment evaluation for retail executives.

About 7thonline

7thonline is the leading cross-channel merchandise demand planning and allocation solution for retailers and wholesalers—powered by AI. For 25+ years, 7thonline's AI-native platform has been enabling industry leaders such as Birkenstock, Calvin Klein, Canada Goose, PVH, and VF Corp to make dynamic, data-driven merchandising decisions and streamline business processes. Advanced AI is embedded into the platform to accurately forecast consumer demand and ensure inventory decisions align with customer needs, maximizing profitability.

7thonline is headquartered in New York City with global offices.



For more information, please visit www.7thonline.com