



Retail Case Study

**Innovation is Always in Fashion
at Chico's Soma Intimates**



Chico's formula for deeper customer engagement is transforming through innovation - from breakthrough fashions to cutting edge store technology.

// Summary

Industry:	Specialty Women's Apparel
Solutions:	RFID Inventory Intelligence
Benefits:	Improved inventory accuracy & visibility Reduced out-of-stocks Improved sales floor availability Increased associate confidence and efficiency Enhanced customer experience Increased customer service and sales

For 30+ years, Chico's FAS has helped millions of women look and feel beautiful. In 2004, they founded Soma Intimates to complement their portfolio of specialty retail brands.

Soma's Expert Fit Stylists can determine an exact bra size in minutes and wardrobe their customers with an always perfect fit.

Soma is changing the world of women's intimates with exclusive fashion-forward innovations to fit every woman's body.

Welcome to Soma

When it comes to making women look and feel beautiful, Chico's has it all covered. For over 30 years, Chico's FAS, Inc., has served the lifestyle needs of fashion-savvy women. Today their portfolio consists of four popular brands: Chico's, White House | Black Market ("WH|BM"), Soma Intimates ("Soma"), and Boston Proper.

Before opening in 2004, Chico's envisioned Soma as a shopping experience that caters to what women really want. They imagined a unique destination where intimate apparel is not only beautiful and sensual, but also soft and comfortable, to fit every woman's body. Driving their vision was the mission to become a place known for warm, personal service. And so began Soma Intimates.

More than 200+ boutiques later, Soma continues their quest to know their customers more intimately by creating fashion-forward products women desire — and once discovered—cannot live without. They believe every woman is special, deserving time and attention to help find the right items to satisfy her distinctive needs.

Chico's innovative approach to fashion

True to their stylish roots, Chico's is revolutionizing women's intimates at their Soma stores with exclusive innovations that make their customers feel beautiful. As their tagline says, "At Soma Intimates, we believe Beautiful Begins Underneath." Their collections perfectly combine function with

beauty, demonstrating how Soma masters the art of making innovation beautiful.

Chico's use of in-store innovation and customer engagement

Chico's formula for deeper customer engagement is transforming through innovation — from breakthrough fashion creations to cutting-edge technology store associates use to better service customers. They have enhanced the customer connection by evolving into an omni-channel retailer, recognizing the importance of inventory accuracy to meet customers' changing needs.

According to Ken Silay, Director, Technology, Research and Innovation for Chico's "a part of our transformation as an omni-channel retailer is based on having the right network technology platform in place, laying the foundation for RFID item-level inventory accuracy. Our associates can access accurate inventory information, fostering confidence to create a better customer experience."

Chico's omni-channel strategy and the customer experience

As an innovative omni-channel retailer, Chico's is focused on enabling their customers to shop anywhere, anytime, anyhow. Having visibility to accurate and timely inventory availability is a mandate across all channels and locations to achieve omni-channel success. Item-level visibility is the fundamental necessity of modern retailing to support omni-



channel initiatives and assure the right on-floor availability to help build shopper satisfaction and drive sales. Chico's Soma stores' use of recognized RFID technology currently provides visibility to items across all pilot stores and distribution centers, and within the store, extending from store receipt to customer purchase and through the exit door.

The Challenges

Traditionally for retailers, annual fiscal inventories are costly and potentially disruptive to their daily business. With Soma's relatively few physical inventory counts each year, accuracy could steadily decline throughout the months until the next inventory. Accordingly, their stores did not have confidence in their inventory numbers. Since intimate apparel merchandise is heavily style, size and color oriented, keeping a full assortment always available on the sales floor was labor intensive. The current replenishment process was difficult, lacking accurate inventory visibility on the floor and in the backroom. When shipments were received, associates only knew what was in each box by opening it and sorting through all contents, making it challenging to best serve their customers.

The Solution

Soma launched an RFID pilot project with Tyco Retail Solutions in 13 of their stores to address their inventory accuracy and visibility challenges. Their real-time RFID inventory store solution focused


on a variety of inventory management processes including weekly cycle counting versus the previous annual fiscal inventory, store receiving, daily sales floor replenishment, product location assistance for replenishment and customer service, and exit door monitoring. Soma will deploy a new point of sale (POS) system next year and will then add RFID POS transactions.

The Results

Soma's RFID inventory initiative has delivered compelling results in the pilot store group. Full store inventory counts conducted weekly enable Soma to maintain 90-95% inventory accuracy every day. With RFID read points at the exit doors, they realized a bonus benefit of greater insight to loss items. While shrink previously had not been a significant problem, they gained insight to specific items lost and exactly if and when they left the store. Through automated daily replenishment of the sales floor, sales associates can now easily fill in needed merchandise to ensure customers will have what they desire when they want it to prevent customer disappointment. Even before items are unpacked, associates now have visibility into daily shipment receipts for greater insight and access to enhance personal service. Having greater inventory accuracy and visibility into inventory has increased Soma's store associates' confidence. They are passionate about the new RFID capabilities because it empowers them to do their jobs more effectively and efficiently to assist customers for maximum service.

"This core value remains consistent: provide the most amazing customer service. Innovation is an integral part of our mission to create a great customer experience. With RFID-based inventory intelligence, we can enhance the opportunity to have the right product available at the right place, at the right time to satisfy our in-store and omni-channel shoppers. Increasing our inventory accuracy helps minimize lost sales and out-of-stocks, keeping our customers happy and associates more productive. On our journey we've discovered innovation is always in fashion."

~Ken Silay,
Director, Technology, Research and
Innovation for Chico's

Soma's focus on accurate inventory lays the foundation for omni-channel retailing for their customers. RFID technology supports Soma's upcoming plans to drive visibility into the entire supply chain from the manufacturer to the customer. Ultimately what sets Soma apart from the competition is their focus on innovation to deliver a compelling customer experience. 



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