



Case study

New Look

Building international partnerships on standards



New Look is one of the most popular fast fashion brands in the UK providing clothing, footwear and accessories to a core market aged 16 - 35. Originating in 1969 as a single store in Somerset, from the 1990s the brand underwent significant expansion, growing from 200 to 1,000 stores. As they continued to innovate, New Look introduced ranges for teens, menswear and maternity and opened its online store in 2007. Having established an enviable market position in the UK, by 2010 the business was looking to take the next step forward – international growth.

The goal

To support international growth with minimal risk, they began to explore new business models for expansion through concessions and wholesale arrangements. To succeed, business operations would have to adapt their processes to enable new third-party trading relationships to flourish. Olga Szombathelyi, New Look's Senior Operations Manager – International, states, "Once you start trading with partners internationally, you really need to have a standardised way of working – and a standardised barcode".

Three approaches

1. Concessions

New Look quickly discovered that their new concession partners insisted on the use of GS1 Global Trade Item Numbers (GTINs) as part of their supplier contract. This would give New Look's products globally unique identifiers that wouldn't clash with products from other brands stocked by their partners. To meet this condition of trade, New Look became a member of GS1 UK and began assigning their own GTINs using their own unique GS1 Company Prefix.

"Previously product identifiers were partner-led. We were spending money on re-labelling products, which is not manageable at all. Now we're labelling at source, using our labelling provider so it's consistent with our brand – it looks good and creates a better perception for the customer when they get their order."

Olga Szombathelyi,
Senior Operations Manager – International,
New Look

What is a GTIN?

A Global Trade Item Number (GTIN) is a unique number used to identify a product line. This number acts as a key to information held on a database. You can find this number on most products available today – it's the number beneath an EAN barcode.

Why is it important?

Identifying a product is the basic building block for any supply chain. To trade alongside other brands in store, concessions, or online market places there can't be any conflict with other brand's products.

Unique identification helps concessions and wholesalers to manage products from multiple brands and sources. They:

- Prevent data conflict
- Increase system compatibility between trading partners
- Improve stock visibility
- Improved speed of stock turns

After a successful initial spell with 20 concessions, the team was looking to expand further – with an expected 17 more locations in new territories. But New Look realised that the process they were using to allocate GTINs wasn't sustainable over the long term.

Some GTINs were being applied to multiple products. Even though the problem only affected a few product lines, it led to much larger consequences - damaging the integrity of their inventory records. Sian Mullen, Project Development Manager - International Partnerships remembers, "We had some stock that had accumulated that wasn't reconciled on our system correctly. Working through to understand how and why this occurred, led us to see that we had a problem with duplicate GTINs."

With the data on their own system corrupted, New Look had to work with their partner's store staff to identify each item with a duplicate GTIN and remove them from the shop floor. Following a manual reset and a consultation with GS1 UK, the team updated their internal systems and method for allocating GTINs. New Look could then follow the same process for the wholesale side of the business.

Wholesale

At first, the wholesale team didn't go through the GTIN allocation process. The two major wholesale partners who required GTINs were Zalando and another leading online retailer – with the team opting for a different method of working with each in order to satisfy their new customers.



When to apply a new GTIN?

Every tradable item needs a unique product identifier. Within the GS1 System every style, colour and size variation of a product gets its very own GTIN.

If the product is no longer in the market, after a set period, the GTIN may be recycled. For clothing, numbers can be re-used if at least 30 months have passed since the number was last used to identify a tradeable item. This ensures the product previously assigned to that GTIN is not in circulation and won't be mistaken for another item.

For more information on apparel GTIN allocation rules visit the GS1 UK website – www.gs1uk.org/standards

2. Zalando

Initially Zalando assigned New Look's products a GTIN from a Zalando owned prefix. With New Look ordering their labels through Zalando's labelling supplier, using their customer's supplier caused a different problem. New Look's suppliers were not familiar with Zalando's labels or the data on them - so products were arriving incorrectly labelled or with no labels at all. Products labelled with incorrect GTINs couldn't be identified by New Look's warehouse as the GTINs didn't match the internal identifiers on New Look's system. And, if any product came in without labels, their warehouse would need to request Zalando's GTIN information from New Look's wholesale team - to re-label the product correctly.

The process was time consuming, costly and susceptible to human error - it was a very manual process matching Zalando's GTINs to New Look's products. This led to Zalando re-labelling some of the products received - and delaying the launch of these products on their website. The team quickly learnt that control of the master data for their product was vital.

"If your operation is not delivering, your partners are just not going to increase their buys and sales with you. I think that's the basics."

Olga Szombathelyi,
Senior Operations Manager - International,
New Look

With the concession issues resolved, New Look could start supplying products using GTINs allocated from their own GS1 Company Prefix. But they realised the changeover of process would need to be carefully managed.

The partners agreed a fixed date, when all orders going forward would be allocated a New Look GTIN and labelled by New Look's suppliers. This was a tricky process to manage - orders already placed related to Zalando GTINs, creating a cross-over period where some products with Zalando GTINs were still being received. New Look and Zalando worked very closely over this time to ensure GTINs were updated when needed - allowing Zalando to launch the product online as quickly as possible.

Best practice for product data management

GS1 UK recommends that the product owner assigns GTINs to their products, using their unique GS1 Company Prefix. This enables a single identifier to be used from end-to-end in their supply chain - streamlining the information flow for all parties involved.

The product owner should also manage the product data associated to the GTIN. This maintains their brand's integrity and allows them to update the product's data if any changes occur.



3. A leading online retailer

A different approach was adopted for another leading online retailer. Before the wholesale team at New Look assigned their own numbers, the online retailer helped the team by assigning their own internal product identification number.

New Look's suppliers had no way of labelling products with the customer's own identification numbers. Every product the customer ordered needed to be labelled in New Look's warehouse – another very manual process requiring each identification number to be checked and matched to each of New Look's products, a process that was very time consuming, costly and susceptible to human error.

To start using New Look GTINs, the online retailer provided a full data list. The New Look team added their GTINs for each product style, colour and size. This was then uploaded into the online retailer's system. Emily Stow, Junior Operations Manager, states, "The transition was smooth for both partners because all products were labelled with New Look GTINs from an agreed date. Both parties could then refer to the GTINs and were able to easily identify the products."

What New Look learnt

New Look quickly learnt a complete data update, where all products were switched onto new identifiers from a certain date, was the preferred method. This allowed an immediate update of all products and established a single party responsible for creating the master data from that point onwards. With New Look now controlling the master data for all products, they were able to accurately label all products with GTINs enabling products to flow smoothly from New Look's supply chain to their customers'.

The end result

Adopting GS1's global system for identifying products has been highly successful for New Look's concessions and wholesale, creating a simpler way to identify their products with concession partners and wholesale customers. This has:

- Streamlined their business relationships
- Reduced the amount of admin required to match data sets
- Reduced manual errors
- Improved compliance ratings for New Look's suppliers
- Improved compliance ratings for New Look as a supplier to concessions and wholesale partners

With GS1 globally unique numbers, products are now being consistently labelled and numbered, applying GTIN labels at source – removing an additional process from their Distribution Centres. This has not only saved on cost, but also improved lead times for products – in some cases by two weeks.



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