

Lexmark C510n color laser printers make it fast and easy for Liz Claiborne Inc. store personnel to display clothing and accessories properly to maximize sales.

Liz Claiborne Inc. specialty stores drive sales with in-store Lexmark color laser printers

The Organization

One of the world's premier fashion names, Liz Claiborne Inc. designs and markets women's and men's fashion apparel and accessories for every occasion from casual to dressy. With 2004 net sales of more than \$4.6 billion, the company's 41 brands include Liz Claiborne, Crazy Horse, Dana Buchman, Ellen Tracy, Juicy Couture, Lucky Brand Jeans, and Sigrid Olsen. The company also is licensed to produce and sell clothing for DKNY® Jeans. Through its retail division, Liz Claiborne Inc. operates more than 550 company-owned specialty and outlet stores in eight different formats.

The Challenge

Liz Claiborne is a leader in leveraging state-of-the-art technology to maximize sales and reduce the administrative burden on store personnel. In fact, the company uses world-class software and systems that enable it to more quickly and cost-efficiently get the right products into the right stores at the right time. Once there, it is essential for store managers to display items in the right place to maximize sales and speed inventory turnover.

Placement of merchandise within each store is determined by a planogram, a combination of photographs and drawings of clothing and accessories that instruct store personnel precisely how to display items. Doing so maximizes sales and ensures that all of its stores project a consistent image to today's fashion-conscious consumers.

These planograms assure that different fabrics, styles and colors are grouped and displayed in an appealing way. Once simple black and white floor plans that showed where individual styles should be displayed, planograms at Liz Claiborne Inc. evolved into sophisticated, annotated full-color photographic images and diagrams that show actual products as they should appear in the store.

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LIZ CLAIBORNE INC

—Lenny Rizzo
Retail Systems Manager
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As the planograms became more complex, the company found that implementing them at the store level was easier said than done.

“The fashion business is all about color and merchandising,” said Leonard Rizzo, the company's Retail Systems Manager. “It's essential that our planograms are in color so that store personnel can instantly



understand why certain styles are merchandised together. It's got to be absolutely clear where each product should be placed."

For years, Liz Claiborne hired photographers to take pictures of proper store layouts at its New York headquarters, then had hundreds of copies made at an outside photographic laboratory. The photographs were packaged and mailed to each store separately.

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—Lenny Rizzo

"The process was expensive and took up to three weeks," said Rizzo. "Often, the planograms arrived well after the merchandise arrived. If we needed to make a change because a style was late from the factory or because a store didn't receive a particular item, we'd have to start the whole process again at headquarters. This was costly, time consuming, frustrating to the stores and was jeopardizing sales."

Store personnel were frustrated by the existing process for one other important reason. Bonuses. Store personnel are rewarded with significant sales bonuses for properly implementing the merchandising plans. Conversely, personnel bonuses are reduced if the store layout doesn't accurately reflect the planogram.

As a result, stores were very motivated to find a solution to this challenge. In fact, store managers started purchasing color printers on their own and attaching them directly to the PC in their office so that they could print planograms in color.

Rizzo recognized that this "do it yourself" approach just wasn't ideal. It was costly, prone to breakdowns and was not supported by his IT organization. So, Rizzo spearheaded a cooperative effort with the store managers to find a solution that could enable in-store color printing of the planograms and also eliminate expensive photographers and photo labs. Three weeks was simply too long. And the cost of mailing sets of photos to each store was cumbersome, wasteful and prone to loss or damage.

The Solution

With all of its stores connected to the corporate network, sending planograms as attachments to email messages quickly eliminated the delays and cost of postage. But printing them was another matter. Liz Claiborne Inc.'s stores typically had an old monochrome laser printer in place that was simply used to print sales reports. This black and white output just wouldn't do for important planograms.

"We worked closely with our store operations division and several store managers to find a networked color laser printing solution that could really make it simple for the stores to quickly and effectively implement the merchandising plans," Rizzo said. "To do that, we knew that we had to enable color printing of the planograms at the store level."

With models from several manufacturers in the company's lab, Rizzo and store managers evaluated each for print quality, speed, ease of use, size, and reliability. Following some rigorous testing of all of the products, the Lexmark C510n was the overwhelming choice of the committee.

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—Ashraf Basily
Retail Support Supervisor
Liz Claiborne Inc.

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Store managers preferred Lexmark for another reason, one not immediately obvious in a testing lab. The back room of most retail stores is tiny, cramped and usually loaded with incoming inventory being prepared for sale.

Choosing a printer that is serviced from the front instead of from the side or back saved considerable space. It also means that replacing toner cartridges takes just seconds instead of minutes for busy sales associates. "We need our store personnel working the floor, not working the printer," said Rizzo.

Finally, Lexmark was also selected for its ability to integrate effectively with Liz Claiborne's existing service provider. Safety in the stores is a major concern and the company employs a single service provider to handle all technology repairs in its stores. This ensures that a single technician arrives at the store to address any issues. This familiar face increases the safety and comfort level of store personnel who may be there after hours.

"We always prefer to have a limited number of technicians and vendors going into our stores for a number of reasons," said Ashraf Basily, Retail Support Supervisor, Liz Claiborne Inc. "Lexmark was effectively able to tap into our existing service model and vendor. This is a significant advantage to our stores and to our retail support team."

The Results

Working with its third-party service provider, Liz Claiborne moved quickly, installing a Lexmark C510n color laser printer in 48 stores in just eight days. Subsequent deployments are occurring even more quickly. In total, Liz Claiborne has installed the Lexmark printers in about 100 stores, with more planned by the end of 2005.

With its Lexmark color laser solution in place, planograms now start out as digital photographs taken by Liz Claiborne home-office merchandisers. They are attached to e-mail messages and delivered to stores in just minutes, instead of weeks. Costs are slashed and delays eliminated. Photos no longer are damaged or lost in transit. Store managers can print multiple copies of the planograms for store personnel and study them long before the merchandise arrives and post them on the walls to make sure everything is displayed just right. When changes are necessary, new planograms can be created and distributed by the merchandising team with virtually no delay.

"The biggest time savings we have seen is from design completion to the time the stores receive the floorset," said Colleen Quinn, Manager, Store Operations, Liz Claiborne Inc. "What was a two-to-four day delay

is now received immediately via email and takes just a short time to print on the premises. The implementation at the stores can now start much sooner. In addition, any required changes or updates can be emailed to the stores, instead of waiting for the updates to be sent by overnight mail. We also avoid all of the shipping costs that were required with our previous approach."

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To ensure the integrity of the color printed planograms and to maximize reliability, Liz Claiborne uses only genuine Lexmark supplies in its printers. The store managers order supplies through the company's existing provider to ensure just-in-time delivery when toner needs to be replenished. "Saving a few dollars is not worth the risk," said Rizzo. "We need our printers performing so store personnel can concentrate on customer service."

In the retail fashion business, fashion sense, timing and attention-grabbing merchandise displays are essential for success. By turning to Lexmark, Liz Claiborne has improved its timing while being assured that its styles are properly displayed. As for fashion sense, Liz Claiborne Inc. remains in a class by itself.