Footwear retail faces overstock and cashflow crisis as online sales slump and post-pandemic overordering bites: greater sales, not discounting, is the solution, says ShoeAI

Shoe brands and retailers are facing huge overstocks this Autumn, locking up cash and potentially hitting profitability. A perfect storm of post-pandemic footwear overordering alongside unprecedented falls in online demand during the first half of 2022 are forcing retailers to adopt traditional discounting campaigns to recoup. However, guided selling software vendor ShoeAI urges retailers to try a different strategy – don't discount. Instead, explore the new technology that is guided selling AI, and sell more shoes.

ShoeAI's Chief Commercial Officer Paul Davis explains: "Discounting is the conventional approach to clearing overstocks or increasing demand, generating cash but deeply impacting profitability. There is another way – provide additional customer service and guidance so you sell more. And there's a proven solution, the emerging ecommerce category of guided selling. ShoeAI's AI-driven guided selling software regularly boosts conversion rates by 300%, by improving the quality of the customer experience, and overcoming the challenge of finding shoes that fit and are in stock."

Shoe-selling software ShoeAI has provided a solution that is used effectively by many global retail brands and retailers including Le Chameau, Kickers, Stylefile, Berghaus, Morjas, R.M. Williams, Fashionette and many more.

Digital decline, supply chain disruption, looming recession

Factors including COVID-19 and the Suez Canal incident have severely disrupted supply chains, leading footwear brands and retailers to adopt a perfectly reasonable strategy of maintaining high inventory levels to counter the risk of stock-outs. However, what couldn't be predicted was the post-pandemic return to bricks and mortar retail, reversing online sales growth, and a looming global economic downturn coupled with a cost-of-living crisis dampening consumer spending.

"The result of this perfect storm is growing inventory levels that are locking up cash and impacting on profitability," adds Davis. "Buying shoes online has traditionally been inefficient because of the focus on self-service, where customers are expected to know all the answers. This customer service failure is why many shoppers prefer physical stores."

Machine learning guided selling software supercharges sales

ShoeAI's guided selling software changes that, making shoppers three times more likely to buy shoes online. Drawing on machine learning capabilities, ShoeAI's software improves the customer experience and therefore adding extra sales. Customers are queried about shoes they already own, their size and shoe preferences, leading them through a six-step process that replicates the in-store experience that conclude with recommendations on shoes that are in stock in the right size.

Over the last 12 months, 6 million shoppers have bought an extra 216,000 pairs of shoes worth over 25m EUR in extra sales from the footwear brands and retailers that have adopted ShoeAI. This technology offers an alternative to discounting.

Davis concludes: "Digital retail has become a commodity and for 20 years footwear ecommerce has been mostly just an online catalogue where you can order shoes. Facing stagnation and overstock, retailers must use tech that makes online shopping a worthwhile experience for customers and not just a transaction. Tech that can reliably and consistently drive a commercial effect."

-ENDS-

PRESS RELEASE

Notes for the media

For media information and to request images and interviews contact Mike Doggwiler
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Or visit our media centre at: shoeai.com/media-center

Robust data sets on ShoeAI's performance and potential are available on request. We welcome journalist requests for data to discover how ShoeAI makes these customer experiences and elevated conversions possible.

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About ShoeAI

ShoeAI helps footwear brands and retailers to sell more shoes. We do this by introducing guided selling to the digital shopping experience via our AI-driven shoe fit software for e-commerce, ShoeAI. Our guided selling solution understands customer behaviours through machine learning, improving customer experience, increasing shopper trust and boosting conversions by as much as 300%, just like a real salesperson does in a physical store.

Headquartered in Switzerland and with offices and clients worldwide, ShoeAI's intuitive and easy-to-use AI-driven shoe fit software is used by global retail and shoe brands including Le Chameau, LK Bennett, R.M Williams, Lacrosse and Sports United. Learn more at shoeai.com and stay up to date with our education and thought leadership content on our LinkedIn page.

About Paul Davis
Paul Davis is ShoeAI's Chief Commercial Officer, responsible for revenue generation and initiating and maintaining strong relationships with our footwear and retail brand customers. Based in the Hague, Paul leads our global sales and customer service team, drawing on his sales experience earned across several decades supporting businesses in the USA and EMEA. His career spans industry-leading brands that include IBM and SAP, alongside disruptive and innovative start-ups such as Concrete Media, SharpAlice and, of course, ShoeAI.