

MERCURY LEADS THE WAY IN OMNICHANNEL WITH DIGITAL BUSINESS UPGRADES

Using Manhattan Solutions

OPERATIONS

Headquarters: Shanghai, China

Distribution center: Fengxian District, Shanghai

Warehouse area: 50,000 m²

MANHATTAN SOLUTION

Warehouse Management



CHALLENGE

With the rise of ecommerce, sales orders have increased rapidly, and Mercury is facing a comprehensive upgrade to automate processes. During the busy "Double Eleven" period, orders surge, testing the capabilities of inventory planning and management, supply chain distribution and transportation.

SOLUTION

To combine the intelligent logistics center under construction, improve operational efficiency, increase response times and enhance the consumer experience, SHANGHAI SHUIXING HOME TEXTILE CO., LTD (hereinafter referred to as "Mercury") and Manhattan Associates, Inc. (hereinafter referred to as "Manhattan") have achieved a strategic cooperation.

PROGRESS & RESULT

Since implementing Manhattan Warehouse Management, the inventory error rate has dropped from 0.05% to 0.003%; the return warehouse confirms replies within 48 hours; goods delivery has upgraded from every other day to next day for offline orders; and quality inspection capacity has increased from 3,000 pieces/day to 6,000 pieces/day.

"We need to carry out a comprehensive upgrade of warehouse automation equipment. Manhattan has a wealth of experience and highly matched solutions in practice, and its team is very practical and professional."

MENG YUANYUAN, CIO OF MERCURY

PUSH POSSIBLE

Manhattan
Associates®

PREPARING FOR OMNICHANNEL GROWTH

at Mercury

THE HOME TEXTILES INDUSTRY IN CHINA

In recent years, with the formation of "big textile" landscape and "soft decoration" culture in China, the industry of household textiles has developed rapidly in the fields of product strength, industrial support, production and operation, brand building, channel promotion, etc. Along with the rapid development of e-commerce and benefited from the transformation of new retail channels, the online sales volume of home textiles has increased sharply and the offline growth rate has rebounded as well.

Benefited from higher brand awareness and e-commerce flow inclination, the online sales volume of leading brands has maintained a high growth rate of about 40%, accounting for more than 20%. Among them, Mercury has the highest proportion of e-commerce sales, with RMB 953 million yuan in 2017, accounting for 38.7%, thus it becoming the No.1 brand in the industry in single product sales through e-commerce channel.

APPLY MANHATTAN'S SOLUTIONS TO LAY OUT OMNICHANNEL BUSINESS UPGRADES IN ADVANCE

Founded in 2000, Mercury is a leading domestic textile company in China with two brands, i.e. "Mercury" and "Bliss". It has more than 2,600 specialty stores in China and hundreds of joint venture stores throughout Europe, the Middle East, North America and Southeast Asia. After the intensive cultivation in the industry for nearly 20 years, Mercury has been well known and loved by consumers through its brand declaration of "LOVE YOUR BED, LOVE YOUR FAMILY", and its comprehensive strength ranks in the first echelon in the bedding market in China.

With the introduction and application of the new retail concept, the ecology of the entire e-commerce industry has undergone tremendous changes, and the integration of online and offline

sales has become an inevitable trend.

Grasping this trend, Mercury has taken the lead in arranging the omnichannel business upgrades and established a sales channel system based on franchising (exclusive distribution

"Manhattan's business structure and technical architecture are perfect with rich and flexible features, especially they can be customized for high concurrent complex services. As an extended platform, Manhattan is able to seamlessly connect with the digital system of Mercury to achieve standardization, onlineization, collaboratization and digitization of business processes. It is worth mentioning that the Manhattan service team has been well received for their high standard and efficiency and professionalism by Mercury."

YAO FENGSHUN, DEPUTY DIRECTOR OF INFORMATION MANAGEMENT DEPARTMENT, MERCURY

and direct affiliate franchising), e-commerce and direct sales. Meantime, it has deeply embraced digitalization to formulate a matching strategy of informatization and digitization and create a better closed loop of digital operations, thus wholly improving its operational efficiency and differentiated competitiveness.

In 2018, Mercury and Manhattan, a leading company of the supply chain and omnichannel business technologies, have achieved a strategic cooperation to combine the intelligent warehouse and logistics center under construction, improve the operation capability of the intelligent warehouse with efficient automation and precision, and increase the response speed of the supply chain and enhance the shopping experience of consumers through the overall informatization deployment, integration of third-party warehouse distribution capabilities and configuration of warehouse and logistics capabilities.



“The cooperation with Mercury is smooth and enjoyable. With the expansion of platform applications, Mercury will be able to organize and optimize operations with high proficiency to speed up its circulation of products and information and improve its execution ability in inventory, labor and space.”

CHEN XUAN, GENERAL MANAGER OF THE GREATER CHINA, MANHATTAN ASSOCIATES

GUARANTEE DELIVERY EFFICIENCY AND REDUCE LABOR INTENSITY WAREHOUSE OF 80,000 M2 REALIZES STAFF CUT-OFF OF 80

With the booming development of e-commerce, sales orders have risen rapidly, and Mercury is facing a comprehensive upgrade of automation, processization and datamation. Especially during the busiest “Double Eleven” period, orders surge, extremely testing the capabilities of inventory planning and management as well as supply chain distribution and transportation. The reason for choosing to cooperate with Manhattan was, Meng Yuanyuan, CIO of Mercury explained, that Manhattan has a wealth of experience in the cooperation with many of the world’s top brands, and its solutions are mature and perfect.

Data shows that after the Manhattan’s Warehouse Management being applied, the inventory error rate has dropped from 0.05% to 0.003%; the return warehouse has been able to confirm the replies within 48 hours and fulfill an online return process as well as an automatic online process for return follow-up; goods delivery has been upgraded from every other day to the next day for the offline orders and the processing capacity of quality inspection has increased from 3,000 pieces/day to 6,000 pieces/day, and in terms of cost control, 430 people were required for a 50,000 m2 warehouse to operate in the past, but now 50 people can complete all jobs, and on the basis of ensuring the delivery efficiency, the labor intensity of personnel has also been reduced.

During the “Double Eleven” in 2018, Mercury completed RMB 238 million yuan sales with more than 200,000 orders for which 7 days were required to “digest” in the past, but it only took 3 days to complete with the indispensable Manhattan system.

Thanks to its accurate inventory and significant improvement in warehouse management efficiency, Mercury enjoyed an outstanding performance in 2019. Its semi-annual financial report for 2019 showed that its operating income in the first half of the year was RMB 1.275 billion yuan, with a year-on-year growth of 9.93%; its net profit was RMB135 million yuan, with a year-on-year growth of 12.47%; and earnings per share was RMB 0.5 yuan.

It plans to distribute a bonus of RMB 2 yuan (including tax) for every 10 shares. Not only did profit growth continue to be higher than revenue growth, but as the business grew, the main financial indicators also improved in varying degree, profitability continued to increase, and the gross profit margin of the products rose to 37.59%, with a year-on-year growth of 1.72%.

MANHATTAN ASSOCIATES HAS BEEN ACCLAIMED FOR EFFICIENT, PROFESSIONAL AND STANDARD COOPERATION

In fact, as a leading global provider of supply chain solutions, Manhattan has a full range of omnichannel retail management solutions in addition to traditional warehousing and logistics supply chain solutions to help retailers get through the entire supply chain, from frontend customers to back-end manufacturing and intermediate logistics and warehousing.

In the nearly 15 years of development in the Chinese market, Manhattan has achieved good results in many fields such as pharmaceuticals, retail, clothing/fashion, food, manufacturing and third-party logistics, helping different scales of companies from multiple business areas to improve their supply chain and omnichannel commerce.

In the face of the development and popularization of new retail in the Chinese market, Manhattan has even launched the first IoT store inventory and fulfillment solution for the omnichannel stores to improve their operation level. The store inventory tracking and order picking functions can be enhanced through RFID technology, thus significantly improving the accuracy of store inventory and the efficiency of store order fulfillment.

It has to be said that whether it is in digital transformation, new retail channel upgrades or in the development and application of new technologies, Manhattan is always at the forefront. In today’s increasingly competitive market environment, win-win cooperation and association between strong enterprises are the inevitable choices of enterprises.