



Snow Peak: Building Sales and Customer Loyalty with SAP S/4HANA® Enterprise Management

Outdoor gear retailer Snow Peak wanted to serve its customers better by tracking and analyzing their buying histories to make the most appropriate suggestions for future purchases. A suite of solutions based on the SAP HANA® platform helped the company realize that goal, while at the same time optimizing its inventories and getting more productivity out of its staff.



Executive overview

Company

Snow Peak

Headquarters

Sanjo City, Japan

Industry

Retail

Products and Services

Equipment and apparel for camping and backpacking

Employees

198

Revenue

¥9.22 billion (US\$8 million)

Web Site

www.snowpeak.com

BUSINESS TRANSFORMATION

Objectives

- Broaden and deepen customer relationships
- Use customers' buying-history data to improve their shopping experience
- Centralize and unify business information of many kinds and make it available in real time

Resolution

- Deployed the SAP S/4HANA® Enterprise Management solution
- Used SAP® Hybris® solutions and SAP BusinessObjects™ Predictive Analytics software to manage its customer points program and make product suggestions to its members
- Coalesced information about customers and used it for more effective targeting of event invitations

Benefits

- Improved the ability to analyze customer behavior and obtained results sooner
- Inspired and equipped employees to come up with new solutions to help the business
- Optimized inventories and increased sales

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Real-time

Management decisions

Fewer

Out-of-stock situations

Smoother

Overall operations



“A huge digital transformation is occurring within Snow Peak since we introduced SAP software. The knowledge that our staff members have accumulated has been made visible and can be shared.”

Tohru Yamai, President, Snow Peak

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Resolution

Business transformation

Future plans

Growing the business by understanding the customer better

Snow Peak is a retail network created by outdoor enthusiasts for outdoor enthusiasts. Its products range from apparel to cookware, cutlery, and much more – all designed to meet the needs of campers and backpackers. The company has grown from its roots in the mountains of Japan to become a multinational enterprise with over 100 stores.

The company has achieved this growth by working hard to understand its customers and offering them products that closely meet their needs. But it wanted to satisfy those needs even better. Individual salespeople used information they had learned about customers' tastes, preferences, and buying histories to suggest specific products for their next purchase, but there was no effective way to share that knowledge with other salespeople or with event planners. Sometimes staff identified the right product for a customer only to find it out of stock – a missed opportunity to achieve a sale and make a customer happy.

Snow Peak identified modernizing its technology as the key to addressing these challenges and improving the customer experience. The company was managing operations with Microsoft Excel, an outdated enterprise resource planning (ERP) system, and handwritten notes. Snow Peak wanted to centralize, unify, and control fragmented information about customers, inventories, and all other aspects of the business and make this data available to executives, salespeople, and other business users in real time. Furthermore, it wanted to optimize inventories by coupling supply and demand data and keeping it up to date. The company knew that only with modern technology could it overcome its obstacles and achieve its objectives.



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Setting up camp with solutions from SAP

Implementing modern technology to run the business was important, Snow Peak knew, but it had to be the right technology. It had to be highly stable and well supported by a vendor known for continuous innovation of its product suite. To achieve the necessary centralization and unification of data, the software had to have comprehensive, integrated ERP functionality that covered all aspects of the business. Finally, to attain real-time data availability, the solution had to embody in-memory technology.

Snow Peak found all that and more in the SAP S/4HANA® Enterprise Management solution, the SAP® Hybris® Commerce and SAP Hybris Marketing solutions, and SAP BusinessObjects™ Predictive Analytics software. “SAP S/4HANA is the only ERP solution out there that completely filled the bill for us,” says Tohru Yamai, Snow Peak’s president. “The

SAP Hybris solutions enable us to make use of our customers’ buying histories, and SAP BusinessObjects Predictive Analytics guides us to make the right product suggestions that fit their profiles. We use these applications for managing the points program that we provide in our outlets to build customer loyalty. Being able to suggest the right product makes a huge difference in getting maximum benefit out of the program. It’s allowing us to increase sales while making our customer relationships even stronger.”

The SAP solutions are also helping with planning events, which are usually focused on a specific theme. Planners can now be much more precise when creating an invitation list for an event by searching the customer database for people who have expressed interest in the event’s theme.



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Making better product suggestions while optimizing inventory

Snow Peak has succeeded in unifying all its ERP data in one place where it can be accessed and analyzed in real time. The company is also well on its way to optimizing inventory now that information about customer demand and production is integrated and available immediately, allowing planners to see where shortages loom in time to head them off. Staff can compare order and product availability data to verify that deliveries will be made on time. In many situations that would have triggered delays in the past, staff now find out in time to take action and preserve customer satisfaction.

Snow Peak is getting more out of its employees now that they have the tools to access and share data in real time. Information that was previously locked in one person's head or on a handwritten note is now common knowledge among the staff, and information that may have been well known within one store is now readily available to all stores – resulting in increased sales across the board.

Because all the necessary data is available instantly, staff can grasp information that was impossible to comprehend fully in the past. “Now that our people can gain insights that were just too difficult in the past, they are thinking differently and coming up with new solutions that help our business,” explains Akihiro Minagawa, corporate officer and general manager of the business process innovation department for Snow Peak. “I believe that is a very important change.”

Customers are benefitting directly from this technology as well. For example, when customers buy apparel, the software tracks the sizes they try on and reject before arriving at the right choice – and then guides them immediately to the right size the next time they purchase a similar article, saving time for all.



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Scaling up the business with help from SAP

Snow Peak has ambitious plans for extending the value of its investment in SAP solutions. In the near term, the company plans to equip its salespeople with mobile devices so they can obtain useful information from the system while helping customers anywhere in a store. Longer term, SAP software will help the firm as it expands with products for the office environment and eventually the housing sector as well. "We want to connect nature and people in urban areas," Yamai explains. "We've already grown from a small business to a midsize company. As we continue to scale up, we will get the help we need from solutions like SAP S/4HANA and SAP Hybris Commerce."



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