

How a top European apparel retailer increased revenue by 2.4% with AI-powered inventory optimization

Key Results

6.9%

higher sell-through

2.4%

more revenue

2%

less markdown loss

Case Study

About the customer

Number of stores: 400

Number of countries: 20+

Solutions

Markdowns

Background:

Global retailer, complex needs

A major European apparel retailer, with a presence in over 400 stores across 20+ countries, offers high-quality fashion for the whole family, from clothing and footwear to accessories. With a focus on maintaining revenue while managing large-scale seasonal inventories, the retailer sought a way to improve its markdown strategy and sell-through performance throughout the product lifecycle.



Invent.ai's forecasting model—factoring in elasticity, broken assortments, seasonality and promotional events—gives us clarity on the best timing, depth and frequency for markdowns. We're now able to answer questions like: When should we mark down? By how much? And for which products?

Director, Merchandise Planning & Controlling
Leading Apparel Retailer

Challenge:

Outgrowing traditional markdown strategies

The retailer wanted to accelerate its growth by optimizing markdown timing and depth throughout the season. However, traditional pricing methods were no longer adequate for managing the increasing complexity of decisions across diverse markets, product categories and customer behaviors.

One of the key issues was determining the right moment and discount level for markdowns to maximize revenue. Excessive markdowns were leading to unnecessary erosion, while delayed or insufficient markdowns risked leaving unsold inventory on the shelves. The retailer also needed to improve sell-through performance without compromising margin. Another major challenge was forecasting demand for new products that had limited or no historical sales data—an area where conventional approaches fell short.



Solution:

AI-powered markdown optimization

After an in-depth evaluation of potential solution providers, the retailer selected invent.ai for its proven success in the fashion retail space and its advanced, AI-powered approach to pricing and inventory management.

Invent.ai tailored its algorithms to fit the retailer's specific business model. One strategy focused on maximizing the initial effects of markdowns by applying a targeted clearance approach during the early weeks of discounting. For products that didn't meet expectations after launch, a more adaptive "clear-as-you-go" method was used, allowing for gradual markdowns throughout the season.

The solution also took into account the markdown aging effect, recognizing that the influence of price cuts tends to decline over time. This helped the retailer plan markdown timing more effectively to maintain momentum in sell-through.

A key strength of the platform was its use of attribute-based forecasting. By analyzing detailed product characteristics, the system could accurately predict how price changes would affect each item—and how similar products might respond. Factors like seasonality, inventory status, promotional events and broken assortments were also incorporated, allowing for more precise decisions at every stage.

Results:

Increased revenue, better sell-through, lower loss

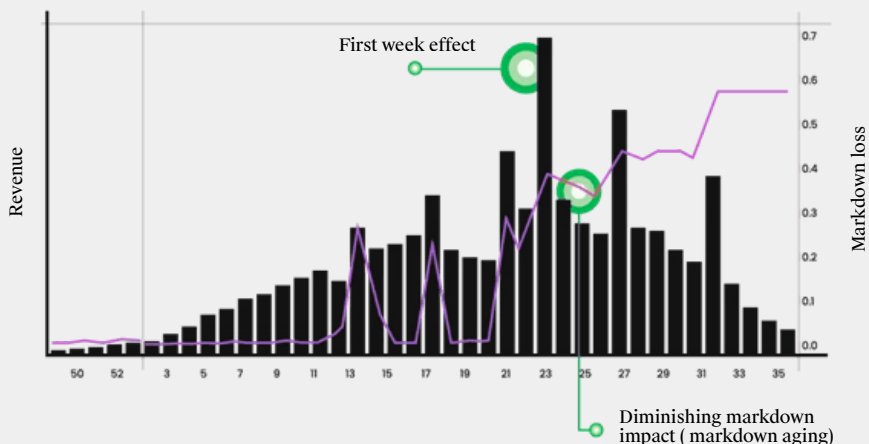
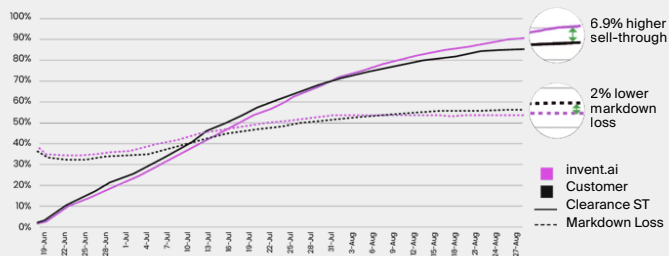
By adopting invent.ai's markdown optimization platform, the retailer realized significant financial and operational gains:

- **2.4% increase in overall revenue**
- **6.9% higher sell-through**
- **2% reduction in markdown loss**

With the full implementation now in place, the retailer is equipped to accurately forecast demand even for products with limited sales history, determine the optimal markdown path for each SKU over its lifecycle and align pricing actions with real-time inventory and sales data.

A/B Testing	Category Set 1	Category Set 2
Country 1	Customer	invent.ai
Country 2	invent.ai	Customer

Clearance ST & Markdown Loss





About invent.ai

Invent.ai is a multi-agentic AI-decisioning platform that enables retailers to turn data into real-time decisions and automated actions across inventory, pricing and merchandising. Powered by a multi-agentic AI architecture, the platform predicts outcomes, refines strategies and executes merchandising decisions at scale —driving measurable sales, revenue and margin performance. By combining advanced AI with deep retail expertise, invent.ai helps retailers across the globe navigate dynamic markets, improve operational efficiency and achieve sustainable financial outcomes.

Invent.ai is recognized in the Gartner® Market Guide for Retail Forecasting, Allocation and Replenishment Solutions and for Retail Unified Price, Promotion and Markdown Optimization Applications – Short Life Cycle. The company has also received the RetailTech Breakthrough Awards' Customer Experience Award, SupplyChainBrain's Great Supply Chain Partner recognition and Supply & Demand Chain Executive's Top Supply Chain Projects award. With SOC 2 and ISO 27001 certifications, invent.ai ensures security and data protection across all AI-powered solutions.



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