

Mountain Warehouse fuels global expansion with AI-powered inventory optimization

Impact at a glance:

+1.3pp

End-of-season
sell-through

▼ 1.6

Weeks of
coverage

▼ 12.6pp

Minimum display
quantity

About Mountain Warehouse

From a single store to a global footprint, Mountain Warehouse has become a **leading UK outdoor retailer**. Founded in 1997, the retailer now serves customers from across the UK, New Zealand, North America and Europe through **a footprint of more than 400 stores**.

With a diverse mix of outdoor, sportswear, and adventure brands (including Animal), Mountain Warehouse has built its reputation for offering **high-quality outdoor clothing and equipment** at accessible prices and continues to scale its international presence.



The Challenge

+ When manual models hit their limits

When Mountain Warehouse set out in search of a new inventory management solution, it was because their traditional, manual processes had reached their limits.

Like many retailers using a push model, they tended to **over-allocate stock at the start of the season**, driven by fear of lost sales and limited forecasting accuracy. Their in-house, cluster-based “sell one, send one” replenishment system could not capture local demand nuances or adapt quickly to shifts in customer behaviour, **eroding both margins and customer satisfaction**.

By season’s end, stock transfers were manually decided, leaving stores with excess inventory and, at times, heavy markdowns.

As **Mountain Warehouse’s product range expanded and growth ambitions accelerated**, it became clear that spreadsheet-driven allocation and inflexible replenishment models were no longer sustainable.



The Solution

+ Precision with AI-powered merchandising

Mountain Warehouse implemented automated, AI-driven replenishment and optimization to boost forecast accuracy and **ensure each store receives the right product at the right time**. They also implemented smart store-to-store transfers to **dynamically rebalance stock across the network** and continue selling at full-price for longer while reducing excess at season’s end.

By moving away from rigid clusters and by treating each SKU-store combination uniquely, Mountain Warehouse unlocked **a new level of precision and flexibility as well as scalable growth**.



The Results

+ Driving growth while protecting margins

Not only has Mountain Warehouse freed up time and working capital which are vital for supporting the retailer's ongoing global expansion.

When comparing **like-for-like stores in the UK versus the previous year**, Mountain Warehouse achieved the following results:

- ✓ + 1.3pp end-of-season sell-through increase
- ✓ 1.6 weeks less of stock coverage
- ✓ Only 0.8pp stock-out increase, signalling a healthier balance between overstock and availability
- ✓ The confidence to lower minimum display quantities by 12.6pp

In the six months following these initial results, Mountain Warehouse has achieved **additional KPI improvements** across covered regions:

	End-of-season sell-through	Coverage	Minimum display quantities
United Kingdom	+ 0.6pp	-2.3%	-12.5%
North America	+ 3.6pp	-7.8%	-10.6%
APAC	+ 6.2pp	-15.8%	-8.6%



An “Aha!” moment

+ A counter-intuitive decision yields success

Cautious at first, the Mountain Warehouse team hesitated when the new system recommended sending an unusually large batch of padded jackets to a Canadian store, which is something they never would have chosen to do based on instinct. But the jackets sold out in days.

That success is just an example of one that helped spark a mindset shift: If AI could **handle calculations of enormous complexity and cut manual work in a fraction of the time**, the team could focus on bigger, more strategic decisions instead.

Why Nextail?

+ An industry-specific partner for driving growth

Mountain Warehouse chose to partner with Nextail due to its:

- **Apparel-specific AI**, designed to capture the unique dynamics of retail assortments
- **Granular demand prediction**, treating each SKU/store as unique
- **Retail industry expertise** and understanding of industry best practices
- **Partnership approach**, providing expertise and support throughout the transformation process

With Nextail, Mountain Warehouse is now equipped to continue its international growth journey with smarter, leaner inventory management fuelling the way.

In their own words

"Nextail's technology gave us the ability to rethink how we approach replenishment and stock-flow. The real differentiator, though, has been their partnership mindset, working with us every step of the way to ensure we could scale our operations effectively and profitably."

SIMON DAWES, GLOBAL MERCHANDISING DIRECTOR



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