

CUSTOMER STORY



CUSTOMER
WAYFAIR

INDUSTRY
E-commerce – Furniture Retailer

CHALLENGE
Expand business into Europe
Implement distribution network as the business grows in Europe

RESULTS
Zero to 1.3m sq. ft. across the UK and Germany in less than 3 years
Incremental growth of DC footprint in Wayfair's target markets (UK and Germany), reflecting the growth of the business
Doubling turnover from £6.5m per annum to £15M



EXPANDS BUSINESS AND ITS
DISTRIBUTION NETWORK INTO EUROPE



BACKGROUND

Wayfair sought to enter the European market in mid-2016, initially the UK and then Germany in 2017.

Wayfair’s initial challenge was to enter a new market with and become operational with minimal staff, capex in time for Christmas (peak) 2016.

The German market was also initially serviced from Magna Park Lutterworth and as sales grew Wayfair looked to establish a logistics base in country.

Since 2017 Wayfair has experienced exponential growth in both the UK and Germany – over 1000% per month!

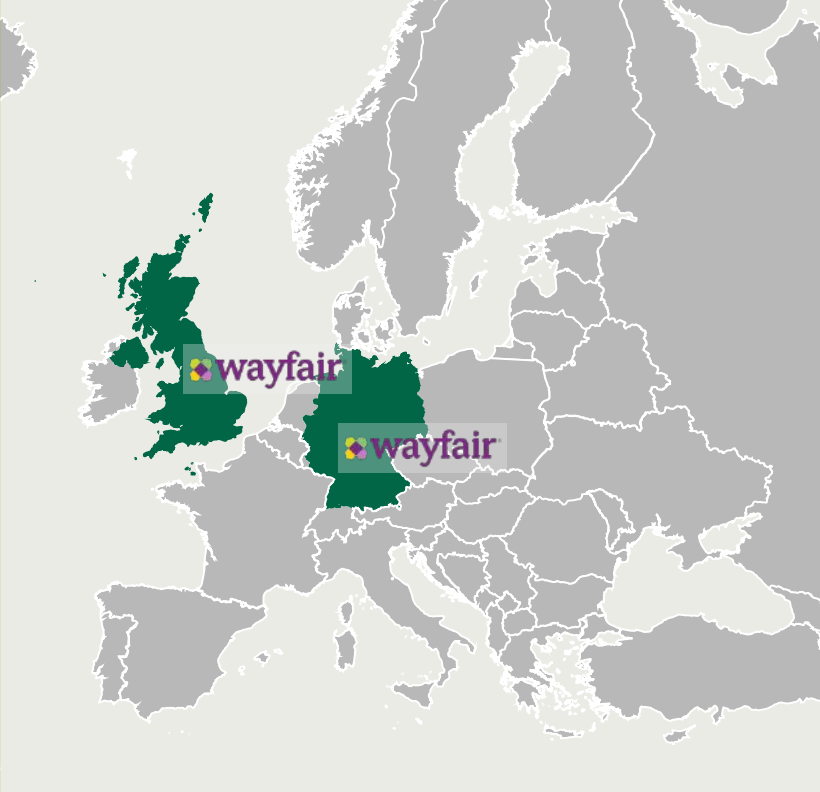
CHALLENGE

Phase 1 - Wayfair did not have a logistical presence in the UK or Germany and were relying upon “drop shipments” from suppliers, i.e. direct from supplier to customer. This is expensive, slow and impacts upon quality control and customer care.

Phase 2 - Wayfair did not have a logistical presence in Germany and were relying on their operations in Magna Park Lutterworth, plus “drop shipments” – which was not sufficient to support their growing customer base in Germany.

Phase 3 - In the UK Wayfair’s growth has been unprecedented and they required an additional 1m sq. ft. to support their business. However needed to move out of their current 260k sq. ft. building in MPL, plus required an additional 200k sq. ft. of “temporary space” to support growth while a new building was constructed.

Wayfair needed a reliable partner with a flexible approach to work with them as their business grows.



KEY FACTS



BTS AND
EXISTING
BUILDINGS



120,000 SQ M



UK AND
GERMANY

SOLUTION

Phase 1 - GLP was able to offer Wayfair existing facilities in the UK (Magna Park Lutterworth, 260k sq. ft.) enabling the quick start of customer fulfilment operations.

Phase 2 - In Germany Wayfair took 107,000 sq. ft. of space at Magna Park Kassel and were given first right of refusal on a second 107,000 sq. ft. on the unit next door, which they subsequently took 12 months after the first unit.

Phase 3 - We were able to offer a three pronged solution:

- Provide 1m sq. ft. in a record 26 weeks build program;
- Provide 186,000 sq. ft. of temporary space while the 1m sq. ft. space was being constructed;
- Surrender the lease on the existing 260k sq. ft. building in Magna Park Lutterworth once the new building was completed.

In all cases GLP managed the fit-out of both warehouse to enable a quick start of operations and minimize business interruption to Wayfair's staff.



RESULTS

Zero to 1.3m sq. ft. across the UK and Germany in less than 3 years, Wayfair has been able to grow their logistics network proportionally to the growth of their sales.

This helped to optimize cost and de-risk the rollout of Wayfair's logistics network in Europe by allowing it to grow in line with the overall growth of the European business.

OUTCOME

- Incremental growth of DC footprint in Wayfair's target markets - UK and Germany - reflecting the growth of the business
- Growth of 1000% per month
- 0 to 100 staff across both the UK and Germany since 2016
- Doubling turnover from £6.5m per annum to £15M
- Decrease in "drop shipments to customers by 25%
- Castle Gate is a success producing 25% of Wayfair's European income
- Wayfair is now starting to impact upon IKEA's sales in the UK

