

## USE CASE

# Fashion retailer goes for direct sales and higher spending with payment on terms



## The Sector

In the international eCommerce fashion retail sector, the supply chain model often involves manufacturers selling to retailers who supply to consumers.

However, there are instances where manufacturers may also sell directly to consumers. Competition is fierce and profit margins are slim. Most manufacturers accept upfront card payments from retailers when orders are placed.

## The Challenge

### Current processes do not support large orders

Manufacturers and retailers are both looking to maximise their profits and fulfil consumer demand. But in some cases, retailers find that traditional financial processes make it difficult to order sufficient stock, resulting in lost profits for themselves and the manufacturer. If a retailer wanted to place a large order, they would need to have significant credit available on their purchasing card to cover the order in full.

This could mean the retailer is unable to use their card for other essential purchases and disrupt their business operations. Alternatively, the manufacturer could request part-funding of the purchase upfront, but they would face the risk of shipping goods of a high value and possibility of not being paid later. Either option makes placing large orders difficult for the retailers from a cashflow perspective or high risk for the manufacturer.

# Changing Customer Expectations

**Dock & Bay (D&B)**, which launched in 2015, has created 'the ultimate quick dry beach towel' and a range of innovative, high quality, affordable and sustainable products. In 2020, their annual revenue was predicted to be **\$10 million**. D&B serve the Australian and European markets both via retail channels and directly to consumers. From their launch, D&B had operated like most manufacturers and accepted upfront card payments from their retail customers. But D&B saw that customer expectations were beginning to change.

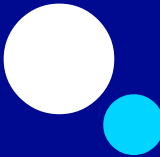
With the rapid growth in popularity of BNPL (Buy Now Pay Later) programmes for consumers, D&B realised there was an unmet need among B2B buyers. As an early response to growing client demand, D&B began looking for a way to implement similarly flexible payment terms that would facilitate larger purchases and encourage more regular orders. They wanted to achieve this without taking on the responsibilities of underwriting customer credit themselves. And critically, D&B wanted a solution that would work across all its international markets.

## The Solution

### An international approach

D&B chose the TreviPay solution as it had been successfully deployed in the markets in which D&B currently served. TreviPay has experience of underwriting in more than 30 countries including those which D&B had targeted for international expansion. This meant that D&B could achieve its goal of implementing a solution that would serve its immediate need to offer B2B buyer greater payment choice now and as the business grew.

TreviPay's international footprint and local teams were also a significant factor. As part of the implementation planning process, TreviPay representatives from three continents were involved to ensure processes and technology were aligned with D&B business operations.



**By deploying the TreviPay solution, D&B has enabled its retailer customers to easily place larger orders without the need for pre-funding or negatively impacting their cashflow.**

# An exclusive line of credit

Retailers can now apply for a line of credit that can be spent exclusively at the D&B online store. The application and risk assessment process takes place in just a few seconds as part of an entirely digital experience.

Approved retailers can begin spending their credit with D&B immediately with a one-click ordering process, making large orders quick and easy.

As the credit is usable only at D&B, the innovative brand has created a competitive advantage that not only encourages more sales but also drives customer loyalty.

D&B was able to offer a line of instant credit to its retail customers while leaving responsibility for risk assessment and underwriting to TreviPay. This means that D&B is always paid on time, even if their retail customers default on a payment. D&B eliminated DSO and the need to allocate resources to chase unpaid invoices.

Its API-first design meant that TreviPay can be quickly and seamlessly integrated into the online sales channel of its clients.

## Benefits

### D&B quickly realised benefits including:

- **Back office efficiency** - outsourcing Accounts Receivables keeps internal resourcing requirements low as the B2B business scales
- **Competitive advantage** – D&B will stand out in its market by offering its retail customers a line of credit and payment on terms
- **Increased sales & loyalty** – the line of credit enables retailers to buy more and encourages repeat business
- **Reduced risk** – as TreviPay underwrites credit for retail customers, D&B has eliminated the risk of late payments and unpaid invoices

### For D&B retail customers, benefits include:

- **Rapid decision on their credit applications**
- **Pay on Terms** – place larger orders without using valuable working capital
- **Great customer experience** – TreviPay is 100% digital process



# Summary

The expectations for added payment convenience and flexibility has grown rapidly in recent years, especially in the fashion retail sector where BNPL solutions have gained rapid appeal for consumers. D&B saw this emerging trend and wanted to create competitive advantage by offering its B2B customers a similar deferred payment option.

By deploying the TreviPay solution, D&B has enabled its retailer customers to easily place larger orders without the need for pre-funding or negatively impacting their cashflow.

Unlike credit or corporate cards, the line of credit offered is for exclusive use at the specific marketplace so helps build loyalty and encourage repeat business. And because the trade credit is underwritten by TreviPay, D&B never need to chase late payments or bad debts. TreviPay is facilitating process innovation that delivers a seamless customer payment experience and competitive advantage for its clients.

## Other Manufacturers Who Trust TreviPay:



TECHO — BLOC



## About TreviPay

TreviPay is a global financial technology company specializing in payment and credit management for B2B companies through custom omni-channel payments solutions. We support merchants by streamlining the purchasing experience and supporting increased customer interaction in B2B Commerce, facilitating \$6 billion USD in transactions per year in 18 currencies for customers in more than 27 countries.

To learn more about TreviPay, visit [www.TreviPay.com](http://www.TreviPay.com).