

# A walk through the warehouse of a thriving fashion e-tailer

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When you think about South Africa's most successful online fashion retailers, it may not immediately occur to you that RunwaySale is one of them. The platform boasts over 1 million members, 60% of which are repeat shoppers, and more than 500 designer brands rely on it as an online sales channel.



The company operates in somewhat of a niche space, with a free members-only model that gives customers access to global designer brands at discounted prices. Think of it as a large fashion-focused outlet mall, minus the crowds and parking headaches because RunwaySale plays purely online.

Regular flash sale events mean shoppers can score discounts of up to 80% on premium brands like Burberry, Pringle of Scotland, Steve Madden and Polo.

## Humble beginnings

Notably, RunwaySale is one of the few SA fashion retailers of its size to be privately-owned. It's the brainchild of a young entrepreneurial couple Karl and Elmien Hammerschmidt, who started the business from a spare room in their Sea Point apartment in 2012, a time when e-commerce in the country was still in its infancy and was approached with trepidation.



The pair have grown RunwaySale into a thriving business that now sustains 150 employees. Over the years they have adapted the business model to accommodate the growth of mobile commerce, which accounts for more than 60% of their sales.



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5 Apr 2018



## Pick, pack, post

From a makeshift warehouse in their Cape Town flat 7 years ago, the entrepreneurs have since set up two dedicated warehousing facilities – first in Cape Town, then in Germiston, Gauteng.

The Cape Town facility, located alongside RunwaySale's head office in Woodstock, was the location of a warehouse tour recently, in which a select group of media got to witness the intricacies of the fulfillment process. Here, 10,000 units on average are received or sent out on a daily basis.

The whole picking and packing process is digitally-driven, a far cry from the laborious manual process employed back in 2012, when orders were picked from a printed list of items. Now, a custom-designed electronic management system developed for RunwaySale identifies immediately if the unit is in the Cape Town or Johannesburg warehouse and how quickly it can be dispatched.

This Cape Town warehouse is linked with the Joburg facility in terms of product availability and they co-operate with each other to improve efficiency and overhead costs. From the moment a unit of stock enters the warehouse doors it is tracked until it reaches the customer.



According to CEO Karl Hammerschmidt, the consumer experience must be fuss-free, from the first click on the website through to the purchase, payment, tracking of the product and final delivery.

Their approach seems to be working because RunwaySale boasts an average customer service rating of 97%.

“Our philosophy from the outset has been ‘service above all else’, which is why we embraced technology to keep on top of the status of orders and have two dedicated warehouses. Crucial to completing the order and keeping our members happy is the delivery, so finding the right courier partner was really important and we’re pleased that we now have JVs with two which has helped enormously with turnaround time.”

Pickers use tablets which are pre-loaded with orders and a ‘picking path’ for efficiency. They are financially incentivised, over and above their regular salary, to pick and pack as quickly as possible.

On average, once all the items for an order are available to be picked, it takes the warehouse less than 4 hours to dispatch. Delivery, depending on the area, averages from same day to 3 days.



## Company culture

Customers aren't the only people the company is trying to keep happy. RunwaySale works hard to maintain a flexible, positive workplace to boost employee morale and retain top talent.

Working hours are flexible and the workspace is pet-friendly, and has the option of a daycare. There's also in-house pilates and yoga classes, games and chill areas, as well as visits from beauticians and hairdressers.

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