

Consumers Are Telling You What They Want to Buy—Are You Listening?

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Today, you can't win at retail without delivering an amazing experience. Everyone knows this. It's all anyone's talking about these days—apart from Amazon.

Everyone except Robert D'Loren.

At the annual Sourcing Journal Sourcing Summit in New York City Tuesday, the CEO of Xcel Brands, maker of the Isaac Mizrahi, C Wonder and H Halston labels, questioned retail's current obsession with experiences.

The idea that there needs to be coffee shops and services stuffed into every retail box doesn't ring true to him given that two of the industry's best performing companies are Zara and TJX—neither of which offers bells or whistles. "This is the big takeaway: give the customer what they want when they want it at a price they can confirm is fair. Reimagine seasonality as 52 seasons, with something new every week," he said. "Build it, and they will come."

While the challenges facing the industry have been well documented—price transparency, e-commerce tanking mall traffic, fast fashion retraining consumers and customers driving trends—they're not all external factors. One important wound was self inflicted, according to D'Loren.

“The shipping cadence has eroded. The rules of ship MarMaxx 90 days after Macy’s have eroded, Everyone ships everyone and anyone at the same time,” he said, adding that this makes price the only differentiator. “It’s a race to the bottom.”

To begin to overcome these issues, D’Loren said the industry has to work together because speed in production is everything.

Gone are the days when designers absorbed inspiration from far-flung locals and far-reaching industries and then doled them out to consumers who eagerly awaited their favorite retailers’ marketing messages before filling their closets.

Today, consumers are exposed to the whole world at once. They have their own ideas of what they want to wear, and they’ll buy it from the brand or store where it’s most easily accessible. “The consumer now has control over trends. We don’t set the trends anymore. Trends are happening in social media. The customer sees it, and they want it immediately.”

Immediately, however, hasn’t been in apparel retailers’ lexicon until lately—and even now, most are not capable of delivering instant gratification. “You can’t give the consumer what they want when they want it with six-month lead times,” he said. “At the core of this is there’s a massive disconnect between short-lead social media and long-lead supply.”

To keep pace with consumer demand, Xcel has created three category buckets: core, fashion core and fashion. The fashion product is cut in small 500-piece quantities to test the styles. If its checking, those items go into larger productions.

[Read more about Xcel Brands: [Reading & Reaching Today’s Customer Requires Data and a Media Mindset](#)]

The production cycles for each bucket are 12 weeks, four to eight weeks and four to six weeks, respectively—from sketch to store. By the end of the year, the quickest turn will be down to five weeks. D’Loren attributes the speed to collaborating with factories and retailers, the latter of which work full-time in Xcel offices and they buy from sketch. Soon buying will be done from 3-D designs.

To help the team design items the fickle public will love, the company has a department that’s essentially tasked with eavesdropping on consumers’ online lives.

“The customer needs to be heard. It’s not just data science. It’s integrated technology, it’s consumer insight testing, it’s 3-D design, it’s trends analytics and it’s data science and it’s AI,” he said. “It’s remarkable how much you can learn about the customer by doing things like scraping Google.”

This is what allows his company to deliver relevant product, D’Loren said.

It’s about pull not push. Xcel has developed a pull model by selling through TV networks like QVC and Discovery Communications’ channels, delivering its brand messages to millions of viewers each day. And D’Loren can foresee a time when those shows will be able to test consumer tastes and direct traffic to products immediately.

But to capitalize on this technology, he said, every part of the supply chain has to be flexible and willing to adjust. “We’re in the people business,” he said. “You not only need to foster your team. You have to foster your partner’s team.”

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